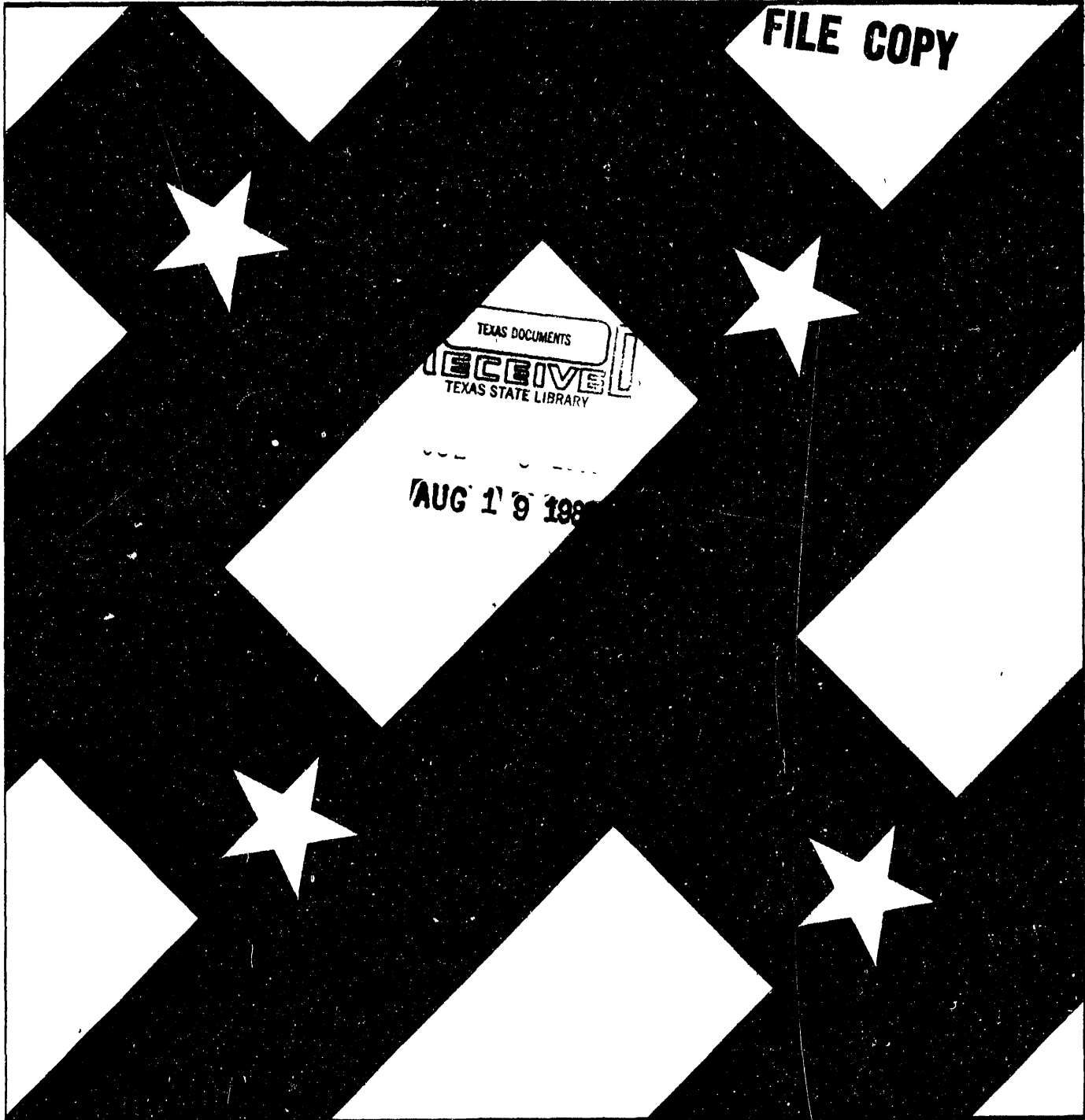


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# Texas Register

Volume 11, Number 61, August 15, 1986

Pages 3608-3663



## Highlights

The **Coordinating Board, Texas College and University System** propose an amendment concerning approval of academic courses for state appropriations to public community colleges. Proposed date of adoption - October 31 . . . **page 3621**  
The **State Board of Insurance** adopts amendments regarding cancellation, denial, and

nonrenewal of certain property and casualty insurance coverage. Effective date - August 6 . . . . . **page 3617**  
The **Comptroller of Public Accounts** proposes a new section concerning reports, due dates, bonding requirements, and qualifications for annual filers. **Earliest possible date of adoption - September 15 . . . . page 3631**

**Office of  
the Secretary  
of State**

## Texas Register

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# Emergency

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

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

## TITLE 19. EDUCATION Part I. Coordinating Board, Texas College and University System

### Chapter 9. Public Junior Colleges

#### Subchapter I. Contractual Agreements

##### ★ 19 TAC §§9.191-9.193

The Coordinating Board, Texas College and University System, adopts on an emergency basis new §§9.191-9.193, concerning contractual agreements. These new sections are adopted on an emergency basis as a result of new responsibilities assigned to the Coordinating Board as a result of Senate Bill 911, which transferred postsecondary technical and vocational education and Texas State Technical Institute from the Texas Education Agency (TEA) to the Coordinating Board. Discrepancies in this area had been identified for approximately four-five years by the Legislative Budget Board and the State Auditor's Office. They had identified a rule gap, but had not received a response from the TEA. This is an attempt to provide the colleges and technical institutes realistic direction. The sections provide the framework and regulations regarding the utilization of contractual agreements for instruction. This is the first time such regulations have existed in Texas.

The new sections are adopted on an emergency basis under Texas Education Code, §135.04, which provides the Coordinating Board, Texas College and University System, with the authority to adopt rules regarding contractual agreements.

**§9.191. Contractual Agreements for Instruction with Nonregionally Accredited Organizations.**

(a) Definitions.

(1) Contracted Agreements for Instruction—An agreement by contract between a postsecondary institution and an agency not accredited by the regional accreditation organization (Southern Association of Colleges and Schools) for instructional services that could not be offered otherwise.

(2) Postsecondary Institution (PSI)—A community college, technical institute, or lower division of a university offering technical and vocational degree programs, adult vocational education courses, compensatory courses, and lower division general academic courses.

(3) Contract Instruction—Instruction (generally for technical and vocational education and training) in which specific targeted instruction is provided by the PSI to the contracting entity. This arrangement is utilized when conventional methodology or instructional systems are difficult or impossible to obtain.

(b) General policy guidelines.

(1) Contractual agreements for instruction have education as their primary purpose.

(2) Courses and programs offered under contractual agreements must be consistent with the educational purpose, mission, and goals of the institution.

(3) Courses and programs offered and requested for state reimbursement must remain under the sole and direct control of the sponsoring postsecondary institution.

(c) Regulations.

(1) Coordinating Board approval is required.

(A) All programs and courses must be approved through the established procedures (program, course, and out-of-district approvals) of the Coordinating Board.

(B) Courses offered must remain under the sole and direct control of the sponsoring accredited institution which exercises ultimate and continuing responsibility for the performance of the functions reflected in the contract. Provisions must be made to ensure that conduct of the courses meets the standards of regular programs as disclosed fully in the publications of the institution, specifically including the following:

(i) recruitment and counseling of students;

(ii) admission of students to courses and/or to the sponsoring institution where credit programs are pursued;

(iii) curriculum;

(iv) instruction;

(v) evaluation of student progress;

(vi) record keeping;

(vii) tuition and/or fee charges, receipts and disbursement of funds, and refund policy;

(viii) appointment of faculty; and

(ix) instruction and learning resources.

(2) The contractual agreement is executed.

(A) The contractual agreement should be executed by designated officers of the institution and their counterparts in the contracting organization.

(B) The contractual agreement will establish a definite understanding between the institution and the contracting agency to include each of the items mentioned in this subsection.

(C) The agreement should specify the work to be performed, the period of the agreement, and the conditions under which any renewal or renegotiation will occur.

**§9.192. Contractual Agreements with Public Schools.**

(a) General policy guidelines.

(1) Postsecondary institutions may contract to provide instruction for public secondary schools.

(2) Provision of instruction for public secondary schools by postsecondary institutions will be in accordance with rules and guidelines established by the Texas Education Agency.

(3) Instruction provided under a contractual agreement will include course work necessary for students to complete high school. It does not apply to early admission programs for high school students entering college, to college credit courses being offered on-site at the high school, or to individual students applying for early admissions course work on the campus.

(b) Regulations.

(1) Instructors in contract programs must meet qualifications required by the postsecondary institution as well as the minimum guidelines approved by the State Board of Education.

(2) An agreement between the postsecondary institution and the independent school district (ISD) will be approved by both boards of trustees.

(3) Funding for this type of instruction will flow to the contracting agency (ISD). An agreed cost for instruction will be negotiated between the PSI and the ISD.

**§9.193. Contract Instruction.**

(a) Instruction in which the postsecondary institution contracts with a business, industry, municipality, or other entity to provide training or instructional services for



which the postsecondary institution has control does qualify for state funding.

(b) Courses that are fully funded from sources other than local PSI monies, tuition, fees, or state dollars may not be approved for state funding.

Issued in Austin, Texas, on August 6, 1986.

TRD-8607776

James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

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Expiration date: December 6, 1986  
For further information, please call  
(512) 462-6420.

★ ★ ★

## TITLE 28. INSURANCE

### Part I. State Board of Insurance

#### Chapter 5. Property and Casualty Insurance

##### Subchapter H. Cancellation, Denial, and Nonrenewal of Certain Property and Casualty Insurance Coverage

★ 28 TAC §§ 5.7001, 5.7010, 5.7013, 5.7014

The State Board of Insurance adopts on an emergency basis amendments to §5.7001 and §5.7010, and new §5.7013 and §5.7014, concerning cancellation, denial, and nonrenewal of certain property and casualty insurance coverage. An imminent peril to the public welfare requires that these sections be amended and adopted on an emergency basis, because the State of Texas is currently experiencing a serious constriction of the market for general liability insurance and for certain automobile insurance.

These amendments and new sections are necessary to provide adequate time after cancellations and nonrenewals of general liability insurance policies and of certain automobile insurance policies for policyholders to secure other policies without gaps in coverage.

The amendment to §5.7001 expands the applicability of requirements for cancellation, denial, and nonrenewal of insurance coverage to include general liability insurance policies and certain automobile policies not heretofore included.

The amendment to §5.7010 expands the applicability of provisions for endorsements setting forth such requirements to include general liability insurance policies and certain automobile policies not heretofore included.

New §5.7013 sets out requirements for notice of cancellation and nonrenewal for general liability policies and for certain automobile policies. Section 5.7013, as proposed, requires the mailing of written notice at least 45 days prior to any cancellation or nonrenewal.

New §5.7014 provides for exceptions to the requirements for notice of cancellation or nonrenewal. The proposal for adoption of these amendments and new sections on a permanent basis appeared in the August 5, 1986, issue of the *Texas Register* (11 TexReg 3464).

The amendments and new sections are adopted under the Insurance Code, Articles 1.04 and 21.49-2, and Texas Civil Statutes, Article 6252-13a. Article 1.04 authorizes the State Board of Insurance to determine policy and rules. Article 21.49-2 authorizes the board to adopt rules and regulations as to the cancellation and the nonrenewal of all policies of insurance regulated by the board pursuant to the Insurance Code, Chapter 5, including notice requirements thereof, and authorizes the board to require written statements of reasons for declination, cancellation, or nonrenewal of such policies. Texas Civil Statutes, Article 6252-13a, prescribe the procedure for adoption of rules by any state administrative agency.

#### §5.7001. *Applicability.*

(a) [These] Sections 5.7002-5.7012 of this title (relating to Cancellations; Calculation of Time Period; Certain Acts Regarded as Cancellation; Special One-Year Rule Applicable Only to Personal Automobile Policies; Discontinuing the Writing of Certain Lines or Classes, Withdrawing from a Geographical Area, or Withdrawing from an Agency; Renewal of Policies; Records Required; Texas Insurance Code, Article 21.11-1; Endorsement Forms; Violations; and Reason for Declination, Cancellation, or Nonrenewal) are applicable to companies or insurers writing the following types of insurance policies which become effective on or after February 1, 1972, and to no other policies, except as otherwise provided in this section. [that §5.7006 and §5.7012 of this title (relating to Discontinuing the Writing of Certain Lines or Classes, Withdrawing from a Geographical Area, or Withdrawing from an Agency; and Reason for Declination, Cancellation, or Nonrenewal) apply to all property and casualty policies regulated by the board pursuant to the Insurance Code, Chapter 5:]

(1) Personal automobile policies. [, and personal automobile coverage added by endorsement to other than a personal automobile policy. For convenience of reference such coverage is hereinafter included within the term "personal automobile policies."] Except for §5.7012 of this title (relating to Reason for Declination, Cancellation, or Nonrenewal), these sections are inapplicable to any automobile policy written through the Texas Automobile Insurance Plan.

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

(b) Section 5.7004 of this title (relating to Certain Acts Regarded as Cancellation), §5.7008 of this title (relating to Records Required), §5.7009 of this title (relating to Texas Insurance Code, Article 21.11-1), §5.7010 of this title (relating to Endorsement Forms), §5.7011 of this title (relating to Violations), §5.7013 of this title (relating to Notice Requirements for Cancellation and Nonrenewal for General Liability and Certain Automobile Insurance Policies), and §5.7014 of this title (relating to Exceptions to Cancellation and Nonrenewal Notice Requirements for General Liability and Certain Automobile Insurance Policies) are applicable to companies or insurers writing the following types of insurance policies which become effective on or after April 7, 1986, and to no other policies, except as otherwise provided in this section.

(1) General liability policies including, but not limited to, excess liability policies, excess loss liability policies (umbrella), errors and omissions liability policies, and all miscellaneous liability policies. Section 5.7013 of this title (relating to Notice Requirements for Cancellation and Nonrenewal for General Liability and Certain Automobile Insurance Policies), and §5.7014 of this title (relating to Exceptions to Cancellation and Nonrenewal Notice Requirements for General Liability and Certain Automobile Insurance Policies) are not applicable to any general liability policy written through the Texas Medical Liability Insurance Underwriting Association pursuant to the Texas Insurance Code, Article 21.49-3.

(2) Automobile policies except personal automobile, automobile physical damage single interest, automobile mechanical breakdown, and mobilowners policies. Except for §5.7012 of this title (relating to Reason for Declination, Cancellation, or Nonrenewal), these sections are inapplicable to any automobile policy written through the Texas Automobile Insurance Plan.

(c) Section 5.7006 of this title (relating to Discontinuing the Writing of Certain Lines or Classes, Withdrawing from a Geographical Area, or Withdrawing from an Agency) and §5.7012 of this title (relating to Reason for Declination, Cancellation, or Nonrenewal) apply to all property and casualty policies regulated by the board pursuant to the Texas Insurance Code, Chapter 5.

§5.7010. *Endorsement Forms.* Except for the requirements in §5.7012 of this title (relating to Reason for Declination, Cancellation, or Nonrenewal), and the definition of governmental unit in §5.7001(4) of this title (relating to Applicability [Cancellations]), endorsement forms setting forth the provisions of this subchapter [these sections] will be prescribed or approved by the State Board of Insurance for all general liability, [personal] automobile, homeowners, and farm and ranch owners policies, [and] standard fire policies insuring one family dwellings or

duplexes or contents of either, and proper policies insuring governmental units.

**§5.7013. Notice Requirements for Cancellation and Nonrenewal for General Liability and Certain Automobile Insurance Policies.**

(a) General liability insurance policies and automobile insurance policies to which this section applies may be canceled by the company by mailing written notice to the insured of its intent to cancel at least 45 days prior to the effective date of cancellation, except as provided in §5.7014 of this title (relating to Exceptions to Cancellations and Nonrenewal Notice Requirements for General Liability and Certain Automobile Insurance Policies). The company may comply with this provision by requiring or permitting its agent to notify the policyholder. However, the responsibility of giving notice to the insured remains with the company if the agent fails to carry out its instructions to notify the insured.

(b) General liability insurance policies and automobile insurance policies to which this section applies must be renewed at expiration, at the option of the policyholder, unless the company has mailed written notice to the policyholder of its intention to decline renewal at least 45 days in advance of the policy expiration date except as provided in §5.7014(d) of this title (relating to Exceptions to Cancellation and Nonrenewal Notice Requirements for General Liability and Certain Automobile Insurance Policies). The company may comply with this provision by requiring or permitting its agent to notify the policyholder. However, the responsibility of giving notice to the insured remains with the company if the agent fails to carry out its instructions to notify the insured. Upon failure of the insured to pay the renewal premium when due, the company's obligation to renew the policy on its expiration date terminates, regardless of whether the company has given any notice of intent to decline renewal.

**§5.7014. Exceptions to Cancellation and Nonrenewal Notice Requirements for General Liability and Certain Automobile Insurance Policies.**

(a) Upon failure of the insured to discharge any obligation in the payment of premium for the policy or any installment thereof, whether payable directly to the company or its agent or indirectly under any premium finance plan or extension of credit, the company may cancel the policy by mailing written notice to the insured at least 10 days prior to the effective date of cancellation.

(b) Upon a substantial change in operations resulting in an increase in exposure within the control of the insured which would produce an increase in rate, the company may cancel the policy by mailing written notice to the insured at least 10 days prior to the effective date of cancellation.

(c) Upon a determination by the State Board of Insurance that the continuation of the policy would violate or place the com-

pany in violation of the Texas Insurance Code, the company may cancel the policy by mailing written notice to the insured at least 10 days prior to the effective date of cancellation.

(d) Where a company has been placed in supervision, conservatorship, or receivership, the company may cancel or decline to renew a policy by mailing written notice to the insured at least 10 days prior to the effective date of cancellation or to the expiration date of the policy (in the case of nonrenewal) upon approval or at the direction of the supervisor, conservator, or receiver.

(e) On a new policy, not a renewal in the same company, a company may cancel within 60 days of the initial effective date of the policy by mailing written notice to the insured at least 10 days prior to the effective date of cancellation.

Issued in Austin, Texas, on August 6, 1986.

TRD-8807712 Nicholas Murphy  
Chief Clerk  
State Board of Insurance

Effective date: August 6, 1986  
Expiration date: October 5, 1986  
For further information, please call  
(512) 483-8327.

**TITLE 31. NATURAL RESOURCES AND CONSERVATION**  
**Part I. General Land Office**  
**Chapter 3. Energy Resources**  
**Payment of Royalties; Filing of Reports**

**★31 TAC §3.10**

The General Land Office adopts on an emergency basis an amendment to §3.10, concerning the basis for computing royalties. In past years, the posted price accurately reflected the market price for oil, and it was generally available to producers. Due to the recent decline in oil prices and the changing practice of purchasers in the oil field, the posted price no longer accurately reflects a real market price for oil which is available to the producers. The amendment defines what is meant by highest posted price and reflects the reality of the current market place.

The amendment is adopted on an emergency basis because state lease operators could be faced with economically disastrous liabilities unless the state adopts a workable method of determining oil royalties in light of the current industry practice. The amendment is not proposed for adoption on a permanent basis; it is adopted only on an emergency basis so that after 120 days its effectiveness may be evaluated and necessary refinements may be made.

The amendment is adopted on an emergency basis under the Natural Resources Code, §31.051, which provides the commissioner of the General Land Office with

the authority to adopt and enforce rules consistent with law.

**§3.10. Basis for Computing Royalties.**

(a)-(d) (No change.)

(e) Determination of market value.

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

(7) For the purpose of computing and paying oil royalties to the state based upon a market value determined by the "highest posted price," that phrase is defined as:

(A) the highest price available to the producer; or

(B) the gross price posted by the purchaser of the oil, less a reasonable transportation allowance after sale and delivery if the price bulletin reflects on its face that the purchaser will deduct a marketing or transportation allowance, and a transportation allowance is actually deducted by the purchaser from its gross price, whichever is greater.

(8) For the purposes of paragraph (7)(A) of this subsection, a price will be presumed to be available to the producer if it is offered in the field where the lease is located at the time of sale. A producer may overcome the presumption by submitting evidence that the price is not actually available to the producer.

(9) Paragraph (7) of this subsection shall not be construed to allow the lessee, when calculating royalties payable to the state, to make any deductions for the cost of producing, processing, or transporting the oil prior to its sale and delivery.

Issued in Austin, Texas, on August 6, 1986.

TRD-8807693 Gary Mauro  
Commissioner  
General Land Office

Effective date: August 6, 1986  
Expiration date: December 4, 1986  
For further information, please call  
(512) 483-5009

**Part II. Texas Parks and Wildlife Department**  
**Chapter 69. Resource Protection**  
**Fish and Wildlife Values**

**★31 TAC §§69.23-69.27**

The Texas Parks and Wildlife Department is renewing the effectiveness of the emergency adoption of new §§69.23-69.27, for a 60-day period effective September 4, 1986. The text of the new §§69.23-69.27 was originally published in the May 13, 1986, issue of the *Texas Register* (11 Tex-Reg 2217).

Issued in Austin, Texas, on August 6, 1986.

TRD-8807692 Boyd M. Johnson  
General Counsel  
Texas Parks and Wildlife  
Department

Effective date: September 4, 1986  
Expiration date: November 3, 1986  
For further information, please call  
(512) 479-4724.

# Proposed Rules

Before an agency may permanently adopt a new or amended rule, or repeal an existing rule, a proposal detailing the action must be published in the *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 rule. Also, in the case of substantive rules, 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 rule is indicated by the use of bold text. [Brackets] indicate deletion of existing material within a rule.

## TITLE 7. BANKING AND SECURITIES Part VII. State Securities Board

### Chapter 111. Securities Exempt from Registration

#### ★7 TAC §111.4

The State Securities Board proposes new §111.4, concerning the clarification of the meaning of certain phrases contained in the Securities Act, §6(H).

Richard D. Latham, securities commissioner, 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 government or small businesses as a result of enforcing or administering the section.

Mr. Latham 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 put persons on notice as to what the defined phrases mean for purposes of the Securities Act, §6(H), so that they are in a better position to determine whether or not the exemption is available for a given security. 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 Denise Volgt Crawford, State Securities Board, P.O. Box 13167, Austin, Texas 78711-3167.

The new section is proposed under Texas Civil Statutes, Article 581, §28-1, which provide that the board may adopt rules and regulations governing registration statements and applications and may classify securities, persons, and matters within its jurisdiction, and prescribe different requirements for different classes.

#### §111.4. *Good Faith Issuances Pursuant to the Act, §6(H).*

(a) As used in the Act, §6(H), the phrase "negotiable promissory notes or commercial paper" shall include bills of exchange, bank checks, drafts, bank acceptances, unsecured short-term (24 months or less) promissory notes, and other negotiable instruments of high quality that are commonly used in trade or commerce and usually sold

or offered for sale to banks, institutional investors, and accredited investors who generally purchase negotiable promissory notes and commercial paper.

(b) Negotiable promissory notes or commercial paper are considered to be issued in good faith only if the issuer is financing short-term assets with the notes or commercial paper and the issuer is not dependent on the continuing sale of notes and commercial paper to generate funds to retire the notes or paper at maturity.

(c) Negotiable promissory notes or commercial paper offered to the general public through advertisements in newspapers and magazines of general circulation are not considered to be issued in the usual course of carrying on and conducting the business of the issuer.

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 August 7, 1986.

TRD-8607739

Richard D. Latham  
Securities Commissioner  
State Securities Board

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 474-2233.

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## TITLE 16. ECONOMIC REGULATIONS

### Part I. Railroad Commission of Texas

#### Chapter 5. Transportation Division

##### Subchapter B. Operating Certificates, Permits, and Licenses

#### ★16 TAC §5.28

The Railroad Commission of Texas, at the request of Service Transport Company, proposes an amendment to §5.28, concerning specialized motor carriers of petroleum products. Section 5.28 is a list of the commodities which specialized motor carriers may transport as holders of authority to transport petroleum products. The proposed amendment adds the term "sulfuric

acid" to this list. Because the commission recognizes that the change which Service Transport Company proposes is too broad and would authorize transportation of sulfuric acid from any source, it limits the amendment to only authorize the transportation of sulfuric acid produced from the hydrocarbon stream.

E. A. Galvan, hearings examiner, 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 government or small businesses as a result of enforcing or administering the section.

Mr. Galvan 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 the elimination of divergent interpretations of petroleum products authority which exist among shipper, carrier, and enforcement personnel. 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 Michael A. James, Acting Director, Transportation Division, Railroad Commission of Texas, P.O. Drawer 12967, Austin, Texas 78711. Comments will be accepted for 30 days after publication in the *Texas Register*.

The amendment is proposed under Texas Civil Statutes, Article 911b, §4(a), which authorize the Railroad Commission of Texas to prescribe all rules and regulations necessary for the governance of motor carriers.

#### §5.28. *Specialized Motor Carriers of Petroleum Products.*

(a) (No change.)

(b) For the purpose of interpreting motor carrier authority, the holder of petroleum products authority may transport sulfuric acid, except that sulfuric acid which originates from sulphur mined by the Frasch process.

(c)[(b)] When an application or petition is filed with the Rate Section of the commission to establish rates for publication in Railroad Commission of Texas Motor Freight Commodity Tariff Number 7 on commodities not set forth in subsection (a) and (b) of this section, and such application or petition is contested on the grounds that the

commodities are not liquid derivatives of hydro-carbons and are not petroleum products, then the Rate Section shall set the matter for hearing and determine from the evidence presented whether or not the commodities are liquid derivatives of hydro-carbons and are petroleum products; and if so, they shall be added to the list set forth in subsection (b)(a) of this section. When the petition or application referred to in this subsection [(a) of this section] is uncontested, the commission shall presume the commodities are liquid derivatives of hydro-carbons and are petroleum products, and they shall be added to the list set forth in subsection (b)(a) of this section.

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 August 4, 1986.

TRD-8607788 Walter Earl Lille  
Special Counsel  
Railroad Commission of  
Texas

Earliest possible date of adoption:  
September 15, 1986

For further information, please call  
(512) 463-7149.

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## TITLE 19. EDUCATION Part I. Coordinating Board, Texas College and University System

### Chapter 5. Program Development Subchapter I. Approval of Academic Courses for State Appropriations to Public Community Colleges

#### ★ 19 TAC §5.171, §5.172

*(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the 200 East Riverside Drive, Austin, or in the Texas Register office, Room 503F, Sam Houston Building, 201 East 14th Street, Austin.)*

The Coordinating Board, Texas College and University System proposes the repeal of §5.171 and §5.172, concerning approval of academic courses for state appropriations to public community colleges. These sections are repealed and rewritten to bring them up to date for the approval of academic courses for state appropriations to public junior colleges.

Nellie Thorogood, assistant commissioner for community colleges and technical institutes, has determined that for the first five-year period the proposed repeals will be in effect there will be no fiscal implications for state or local government or

small businesses as a result of enforcing or administering the repeals.

Ms. Thorogood also has determined that for each year of the first five years the repeals are in effect the public benefit anticipated as a result of enforcing the repeals will be an updated approval process for funding of academic courses. The update increases accountability in what is offered and funded. There is no anticipated economic cost to individuals who are required to comply with the proposed repeals.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The repeals are proposed under the Texas Education Code, §61.062 and §135.04, which provides the Coordinating Board with the authority to adopt rules regarding approval of academic courses for state appropriations to public community colleges.

§5.171. *General Provisions.*

§5.172. *Unique Need Courses.*

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 August 6, 1986

TRD-8607779 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

The Coordinating Board, Texas College and University System proposes new §5.171 and §5.172, concerning approval of academic courses for state appropriations to public community colleges.

These revisions are made to bring the existing sections up to date for the approval of academic courses for state appropriations to public junior colleges. These sections had not been reviewed or revised in several years. An attempt is made to provide accurate approval procedures for the maximum possibility for academic courses necessary for transfer to universities as well as general and compensatory courses. The revisions will provide up-to-date guidelines to the community/junior colleges, Texas State Technical Institute, and Lamar Port Arthur and Lamar Orange. These will be utilized by the Community College and Technical Institute Division of the Coordinating Board to approve academic courses for state appropriations.

Nellie Thorogood, assistant commissioner for community colleges and technical institutes, has determined that for the first five-year period the proposed sections will

be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Ms. Thorogood 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 an updated approval process for funding of academic courses. The update increases accountability in what is offered and funded. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §61.062 and §135.04, which provides the Coordinating Board with the authority to adopt rules regarding approval of academic courses for state appropriations to public community colleges.

§5.171. *General Provisions.*

(a) State funding should be provided for lower division level general academic courses in a public community and junior college if:

(1) such courses are listed in the *Course Guide Manual*; or

(2) such courses have been reviewed by the Coordinating Board staff and have been approved in accordance with the unique need provision.

(b) A standing course review committee composed of community and junior college representatives will meet annually to recommend to the Coordinating Board staff appropriate courses to be added to, revised, or deleted from the *Course Guide Manual*. The Coordinating Board staff will provide the committee data regarding course enrollments and transferability for the purpose of considering revisions to the *Course Guide Manual*.

(c) Criteria used to revise the *Course Guide Manual* will include the following.

(1) Courses offered by three or fewer community colleges during the previous academic year will be reviewed by the committee for deletion unless other factors indicate a need to retain such courses.

(2) Unique need courses which have been offered at several public community and junior colleges in different geographic regions of the state may be recommended for addition to the *Course Guide Manual* upon request of a sponsoring institution.

(3) Revisions in course content may be considered upon request of a sponsoring institution.

§5.172. *Unique Need Courses.*

(a) A course may be approved for unique need if it meets the following criteria.

(1) A course that is acceptable for transfer to a regional university is one basis

for unique need approval. Copies of letters documenting transferability should be included in the application.

(2) Courses requested for unique need should have college level rigor. Courses designed to meet a community service, leisure, vocational, or avocational need are inappropriate for unique need approval and state funding.

(3) Up to three technical or vocational transfer courses within a single discipline may be approved as unique courses provided that they meet all of the following criteria.

(A) The course is acceptable for transfer to a regional university and may be applied toward fulfilling the requirements of a baccalaureate degree.

(B) The course instructor meets the requirements for faculty who teach transfer courses established by the Southern Association of Colleges and Schools.

(C) The institution certifies that appropriate equipment is available for use in the course.

(4) Courses required at the junior level or above in degree programs are not an appropriate basis for approval. When the need for a junior level course is established and regional universities decline to offer the course, then it may be considered for approval as a unique need course. In such cases, the prerequisites of the junior college course should be comparable to the course prerequisites of the senior college course.

(b) Procedures for unique need approval are as follows.

(1) The application for each unique need course submitted to the Coordinating Board must be accompanied by a statement of need for the course and a syllabus which includes a course description, detailed course outline, and objectives.

(2) Colleges must reapply for approval of unique need courses on an annual basis. At the institution's request upon the third consecutive approval, a course may be considered for continued placement in that institution's course inventory. The request must include the enrollments and frequency with which the course was offered over the preceding two years. The Coordinating Board will review and evaluate continued need on a five-year cycle.

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 August 6, 1986.

TRD-8607780

James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

## Subchapter I. Approval of Academic Courses for State Appropriations to Public Community Colleges

### ★ 19 TAC §5.174

The Coordinating Board, Texas College and University System, proposes an amendment to §5.174, concerning approval of academic courses for state appropriations to public community colleges. These revisions are made to bring existing rules and regulations up to date for the approval of academic courses for state appropriations to public junior colleges. These sections had not been reviewed or revised in several years. An attempt is made to provide accurate approval procedures for the maximum possibility for academic courses necessary for transfer to universities, as well as general and compensatory courses. The revisions provide up-to-date guidelines to the community/junior colleges, Texas State Technical Institute, and Lamar Port Arthur and Lamar Orange, which will be used by the Community College and Technical Institute Division of the Coordinating Board to approve academic courses for state appropriations.

Nelle Thorogood, assistant commissioner for community colleges and technical institutes, 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 government or small businesses as a result of enforcing or administering the section.

Mr. Thorogood 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 an updated approval process for funding of academic courses which will increase accountability in what is offered and funded. 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 Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The amendment is proposed under the Texas Education Code, §61.062 and §135.04, which provides the Coordinating Board with the authority to adopt rules regarding approval of academic courses for state appropriations to public community colleges.

§5.174. *Guidelines for Obtaining Course Approval.* Criteria and procedures for obtaining course approval shall be as prescribed by, and approved courses shall be as listed in the most recent [August 1975] edition of the Coordinating Board's *Course Guide Manual*. Copies are available in the Coordinating Board Offices, P.O. Box 12788, Austin, Texas 78711.

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 August 6, 1986.

TRD-8607782

James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

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## Chapter 9. Public Junior College Subchapter E. Operational Provisions

### ★ 19 TAC §§9.104-9.112

*(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Coordinating Board, Texas College and University System, 200 East Riverside Drive, Austin, or in the Texas Register office, Room 503F, Sam Houston Building, 201 East 14th Street, Austin.)*

The Coordinating Board, Texas College and University System, proposes the repeal of §§9.104-9.112, concerning operational provisions. The sections are repealed and rewritten to bring them up to date for the approval of academic courses for state appropriations to public junior colleges.

Nelle Thorogood, assistant commissioner for community colleges and technical institutes, has determined that for the first five-year period the proposed repeals will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the repeals.

Ms. Thorogood also has determined that for each year of the first five years the repeals are in effect the public benefit anticipated as a result of enforcing the repeals will be an updated approval process and updated operational procedures for funding of academic courses. The update increases accountability in what is offered and funded. There is no anticipated economic cost to individuals who are required to comply with the proposed repeals.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The repeals are proposed under the Texas Education Code, §61.062 and §135.04, which provides the Coordinating Board with the authority to adopt rules regarding operational provisions.

- §9.104. *Comparable or Like Courses.*
- §9.105. *Criteria for Similarity.*
- §9.106. *Physical Education Classes.*
- §9.107. *Bible Classes.*
- §9.108. *Music and Art Classes.*
- §9.109. *Nurse Education Courses.*
- §9.110. *Technical Courses.*
- §9.111. *Records and Reports.*
- §9.112. *Violation of Rules.*

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 August 6, 1986.

TRD-960777

James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

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★ 19 TAC §§9.104-9.111

The Coordinating Board, Texas College and University System, proposes new §§9.104-9.111, concerning operational provisions. The new sections are proposed to bring existing rules and regulations up to date for the approval of academic courses for state appropriations to public junior colleges. These sections had not been reviewed or revised in several years. These revisions are operational provisions to Chapter 5, Subchapter I, of the Coordinating Board rules and regulations. The revisions provide up-to-date guidelines to the community/junior colleges, Texas State Technical Institute, and Lamar Port Arthur and Lamar Orange. These will be used by the Community College and Technical Institutes Division of the Coordinating Board to approve academic courses for state appropriations.

Nellie Thorogood, assistant commissioner for community colleges and technical institutes, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Ms. Thorogood 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 an updated approval process and updated operational procedures for funding of academic courses. The update increases accountability in what is offered and funded. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and Univer-

sity System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §61.062 and §135.04, which provides the Coordinating Board with the authority to adopt rules regarding operational provisions.

§9.104. *Courses Approved for Appropriations Purposes.* Freshmen and sophomore level, general academic, general education, and compensatory courses approved for appropriation purposes shall be listed in the *Course Guide Manual*. Each general academic course shall be similar to a course available to freshmen or sophomore students in a Texas fully state-supported university and shall conform to the same standards.

§9.105. *Criteria for Similarity of General Academic Courses.* The validity of courses based on comparable units of instruction in the state-supported universities shall be determined as follows

(1) Similarity or likeness of courses shall be in the course content, but not necessarily in title, course number, or amount of credit assigned. Credit hours allowed for the public community junior college course will be determined by the accepted practice of determining course value by the number of clock-hours of instruction devoted to the course. Under no circumstances will a course be approved for more than six semester hours per semester.

(2) Prerequisites of public community junior college courses must be comparable to prerequisites of similar courses offered at universities.

(3) A one-semester course offered at a university cannot be offered as a two-semester course at the community junior college when total credit value of the community junior college course exceeds the credit value of the university course.

(4) Two or more community junior college courses may be offered as similar courses to a single course in a university only when the community college courses are offered as alternates and when the student is prohibited from taking both courses for credit.

§9.106. *Physical Education Classes.*

(a) Physical education and physical training courses may be approved when conducted on a regular schedule with a minimum of two clock-hours of activity per week.

(b) Instructors must be employed by and paid a salary directly by the college.

(c) Credit for courses in physical training shall be limited to one semester-hour per course for appropriation purposes. The participation of students in intramural sports may not be substituted for approved physical training credit. Credit may be allowed for participation in a major seasonal sport.

§9.107. *Bible Classes.*

(a) Approval of courses for state appropriation purposes in Bible history and

Bible literature may be granted if no instruction of sectarian nature is included in the course. Such courses shall be taught in a department embodying the humanities, such as social science or literature. Instructors of these courses must meet the qualifications for academic instructors, must be selected and employed by the college on a salary basis, paid by the college, and considered a member of the regular or part-time faculty.

(b) Such courses shall be conducted on the premises owned or under the control of the college during the hours the classes are scheduled. (See Attorney General Opinion 0-5037, January 22, 1943, 0-5643, November 8, 1943, and JM-352, 1985).

(c) Titles of Bible courses shall reflect historical and literary study.

(d) Courses offered in a church-sponsored Bible chair will not be eligible for appropriation purposes.

§9.108. *Music and Art Classes.*

(a) Private instruction in music. There must be a minimum of ½ hour of private instruction and two additional practice hours per week for each hour of credit (16 contact hours) awarded to individuals enrolled on a semester basis.

(b) Group instruction in music. There must be a minimum of one class hour lecture and one additional practice hour per week for each hour of credit awarded.

(c) Ensemble courses (vocal and instrumental performing groups). A maximum of three credit hours may be offered for each ensemble each semester. Participation in a minimum of one scheduled class hour of instruction per week is required for each hour of credit awarded to individuals enrolled on a semester basis.

(d) Group instruction in art (studio). There must be a minimum of two class hours per week for each credit hour awarded.

§9.109. *Technical Courses.* Courses of technical nature shall be approved and offered in such manner as to assure credit to be applied toward graduation and the associate degree. Such technical courses shall have the necessary technical laboratory hours to develop the competence and skills which are objectives of the respective courses. To be counted for state appropriation purposes, students enrolled in approved technical courses shall meet the entrance requirements as prescribed for all regular academic students. Core courses in the transfer curricula adopted by the Coordinating Board shall be listed in the *Course Guide Manual* unless accreditation requirements specify approval of a full program before courses may be offered.

§9.110. *Records and Reports.* Each public community junior college and technical institute shall maintain complete and accurate records of all students enrolled from the time of registration to withdrawal or graduation. Such records shall be a part of the well-organized system of student accounting, which

is accessible and reflects the current status of all students. Such records must conform to the Family Educational Rights and Privacy Act of 1974 (Public Law 93-380,513), as amended (popularly known as the Buckley Amendment), and Texas Civil Statutes, Article 6252-17a.

**§9.111. Violation of Rules.** Whenever an infraction of the provisions of this subchapter is found, the extent and nature of the violation will be called to the attention of the president of the college and an opportunity for satisfactory adjustment will be given. When satisfactory adjustments are not made, the penalty will be assessed from the allocated apportionment the succeeding fiscal year.

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 August 6, 1986.

TRD-8807778

James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

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For further information, please call  
(512) 462-6420.

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## Subchapter H. Postsecondary Apprenticeship Training Programs

### ★ 19 TAC §§9.171-9.175

The Coordinating Board, Texas College and University System, proposes new §§9.171-9.175, concerning postsecondary apprenticeship training programs. The new sections are created as a result of new responsibilities assigned to the Coordinating Board by Senate Bill 911, transferring postsecondary technical and vocational education and Texas State Technical Institute from the Texas Education Agency to the Coordinating Board. The new sections provide the framework for approval of postsecondary apprenticeship programs that are offered within the Texas State Technical Institute campuses, community/junior colleges, and Lamar Port Arthur and Lamar Orange.

Nellie Thorogood, assistant commissioner for community college and technical institutes, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Ms. Thorogood 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 provision and standardization

of accountability factors for certificate, applied science degrees, and course training programs for apprenticeship training. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §135.04, which provides the Coordinating Board with the authority to adopt rules regarding approval of postsecondary apprenticeship training programs.

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

**Apprenticeship training program**—A training program that provides supervised on-the-job training and related instruction in a trade that has been certified as an apprenticeable occupation by the Bureau of Apprenticeship Training of the United States Department of Labor.

**Related instruction**—Organized off-the-job classroom instruction in theoretical or technical subjects required for the completion of an apprenticeship training program.

**Supervised on-the-job training**—Employment with a participating business in which each apprentice's work is directly supervised by a journeyman level tradesperson.

**Apprentice**—A person participating in an apprenticeship training program according to the standards and conditions set forth in a written agreement between the apprentice and the local apprenticeship training committee.

**Local Apprenticeship Training Committee**—A committee whose members are appointed by companies employing apprentices, bargaining agents representing members of an apprenticeable trade, a trade association representing an apprenticeable trade, or a combination of these, whose responsibility is to direct and to administer the apprenticeship training program consistent with the rules and regulations of the Coordinating Board and the postsecondary institution through which related instruction takes place.

**Registered**—The program or the apprentice or both are registered by the Bureau of Apprenticeship Training, United States Department of Labor, under standards or fundamentals approved by the federal committee on apprenticeship.

**Nonregistered**—The program has not been registered with the Bureau of Apprenticeship Training but meets the requirements for registration.

**§9.172. Postsecondary Apprenticeship Training Programs.**

(a) An apprenticeship training program may be associated with a postsecondary institu-

tion pursuant to a written contract between the postsecondary institution and the local apprenticeship training committee.

(b) An apprenticeship training program associated with a postsecondary institution and meeting the requirements established by the Coordinating Board may be approved as a program leading to an associate of applied science degree or to a certificate of completion.

(c) The related instruction courses in an apprenticeship training program associated with a postsecondary institution meeting the requirements established by the Coordinating Board may be approved as adult vocational courses.

(d) Related instruction for apprentices who are employed to learn skilled trades or crafts may be approved under the following conditions.

(1) The related instruction must be supplemental to the on-the-job training experience of the apprentice.

(2) The skilled craft or trade for which the apprentice is being trained must possess the following characteristics:

(A) the trade is customarily learned in a practical way through training and work on the job;

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

(C) the trade involves manual skills and technical knowledge.

**§9.173. Procedures.**

(a) An institution wishing to offer a new apprenticeship training program leading to an associate of applied science degree or a certificate of completion must follow the procedures and meet the requirements of §9.154 of this title (relating to Procedures).

(b) The program provides equal access to both sexes as well as complying with other elements of federal and state civil rights law.

(c) In addition, the institution must show evidence that the apprenticeship training program has:

(1) Bureau of Apprenticeship Training approval; and

(2) an admissions policy consistent with the philosophy of postsecondary technical and vocational education within the state.

(d) An institution seeking approval for new related instruction courses must follow the procedures and meet the requirements established by the Coordinating Board for the approval of new adult vocational courses as outlined in Subchapter J of this chapter (relating to Approval of Postsecondary Technical and Vocational Courses for State Appropriations to Public Community Colleges and Texas State Technical Institute).

**§9.174. Faculty Qualifications.** Instructors teaching related instruction courses in apprenticeship training programs must meet the minimum qualifications of personnel established by the Coordinating Board.

**§9.175. Funding.**

(a) Related instruction courses in approved apprenticeship training programs are eligible for state contact hour formula funding.

(b) The on-the-job training component of an apprenticeship training program is not eligible for state funding.

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

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TRD-8807781 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
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For further information, please call  
(512) 462-6420.

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**Subchapter I. Contractual Agreements**

**★ 19 TAC §§9.191-9.193**

*(Editor's note: The Coordinating Board, Texas College and University System proposes for permanent adoption the new sections it adopts on an emergency basis in this issue. The text of the new sections is published in the Emergency Rules section of this issue.)*

The Coordinating Board, Texas College and University System, proposes new §§9.191-9.193, concerning contractual agreements. This subchapter is created as a result of new responsibilities assigned to the Coordinating Board by Senate Bill 911, which transferred postsecondary technical and vocational education and Texas State Technical Institute from the Texas Education Agency (TEA) to the Coordinating Board. Discrepancies in this area had been identified for approximately four-five years by the Legislative Budget Board and State Auditor's Office. They had identified a rule gap but had not received a response from the Texas Education Agency. This is an attempt to provide the colleges and technical institutes realistic direction. The new sections provide the framework and regulations regarding the utilization of contractual agreements for instruction. This is the first time such regulations have existed in Texas.

Nellie Thorogood, assistant commissioner for community college and technical institutes, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Ms. Thorogood also has determined that for each year of the first five years the sec-

tions are in effect the public benefit anticipated as a result of enforcing the sections will be standardization and greater accountability in the utilization of contractual agreements for instruction, as well as the provision of companion rules regarding contracting with high schools with the State Board of Education. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §135.04, which provides the Coordinating Board with the authority to adopt rules regarding contractual agreements.

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

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**Subchapter J. Approval of Postsecondary Technical and Vocational Courses for State Appropriations to Public Community Colleges and Texas State Technical Institute**

**★ 19 TAC §§9.211-9.216**

The Coordinating Board, Texas College and University System, proposes new §§9.211-9.216, concerning approval of postsecondary technical and vocational courses for state appropriations to public community colleges and Texas State Technical Institute. This subchapter is created as a result of new responsibilities assigned to the Coordinating Board by Senate Bill 911 transferring postsecondary technical and vocational education and Texas State Technical Institute from the Texas Education Agency to the Coordinating Board. The new sections provide approval and evaluation framework for adult vocational and technical courses that receive state appropriation at the community/junior colleges as well as Texas State Technical Institute.

Nellie Thorogood, assistant commissioner for community college and technical institutes, has determined that for the first

five-year period the proposed sections will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Ms. Thorogood 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 provision and standardization of accountability factors for courses approved for state funding in adult, vocational and technical education. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §135.04, which provides the Coordinating Board with the authority to adopt rules regarding approval of postsecondary technical and vocational courses for state appropriations to public community colleges and Texas state technical institutes.

**§9.211. Purpose.** This subchapter provides rules and procedures for the review, approval, or disapproval of postsecondary technical and vocational adult courses, both initial requests and revisions, for state appropriations to public community colleges and Texas state technical institutes.

**§9.212. Authority.** The Texas Education Code, §§31.40, 61.051 (e) and (f), 130.003 (e), and 135.03 (e) provides the authority for the approval of postsecondary technical and vocational adult courses for state appropriations.

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

**Postsecondary Institution (PSI)**—A community college, technical institute, or lower division of a university offering technical and vocational degree programs, adult vocational courses, compensatory courses, and lower division general academic courses.

**Postsecondary technical and vocational adult program**—Organized units of postsecondary technical and vocational instruction usually designed in a block-time format to provide short-term, intensive, preparatory training or upgrade training. Completion of a program may result in the awarding of a certificate.

**Postsecondary technical and vocational adult course**—A course conducted to provide short-term, intensive, preparatory, supplemental, or upgrade training with specific occupational objectives, or related instruction for apprenticeship training. Adult vocational courses may be offered for credit or noncredit.



**Preparatory training—**Technical and vocational education for persons who have completed or left high school and who require preparation to enter the labor market or a new career field.

**Supplemental or upgrade training—**Technical and vocational education designed to extend, augment, or upgrade the knowledge and skills of persons in an occupation, or related occupation, for which the instruction is given.

**Apprenticeship-related instruction—**Organized off-the-job classroom instruction in theoretical or technical subjects required for the completion of an apprenticeship training program.

**§9.214. Postsecondary Technical and Vocational Adult Courses and Programs.**

(a) Approved postsecondary technical and vocational adult courses are conducted to provide short-term, intensive, preparatory training, supplemental or upgrade training, or related instruction for apprenticeship training. See Subchapter H of this chapter (relating to Postsecondary Apprenticeship Training Programs). Professional practices routinely acceptable in the development of any course of instruction must be followed for postsecondary technical and vocational adult courses. As a minimum, postsecondary technical and vocational adult courses must have:

- (1) appropriate learning outcomes based on local document needs bases;
- (2) occupational objectives necessary to achieve these outcomes;
- (3) sequential learning experiences sufficient for attainment of specified objective;
- (4) evaluation of student achievement in terms of meeting specified occupational objective; and
- (5) a specific occupational designation.

(b) Postsecondary technical and vocational adult courses will include no fewer than 10 contact hours of instruction for institutions to receive state funding. The Coordinating Board may grant approval for fewer hours only if an authorized local, state, or national licensing, certifying, regulatory, or accrediting agency requires such training.

(c) Postsecondary technical and vocational adult course revisions must be submitted to the Coordinating Board, Community Colleges and Technical Institutes Division, for approval.

(d) The governing board of the postsecondary institution must establish tuition and fees for each state-funded, postsecondary technical and vocational adult course. Tuition and fees for state-funded courses must be uniformly and consistently assessed.

(e) Postsecondary technical and vocational adult courses will be approved for five years from the beginning of the quarter following the approval date. The termination date for each course will be reflected on the approved course list. Approved revisions or updates to the course list will renew that five-

year approval, and any course not offered within a five-year period will be deleted from the approved course list.

(f) Contact hours for postsecondary technical and vocational adult courses must be determined and reported in compliance with state law and Coordinating Board policy with specific attention to the following.

(1) Students should be reported for state reimbursements if they are enrolled and have paid in full their tuition and fees on or before the official reporting date. For classes for which no tuition and fees are assessed, students should be reported for state reimbursement if they are enrolled on or before, and are in attendance on, the official reporting date.

(2) The third class meeting is the official reporting date for all students enrolled in classes that have three or more scheduled class meetings. Students enrolled in classes with less than three scheduled meetings may be reported if in attendance at one scheduled class meeting.

(3) Contact hours for courses with scheduled meeting dates extending over a period of 18 weeks or less should be reported in the quarter in which the official reporting date is reached.

(4) Contact hours for courses with scheduled meeting dates extending over a period of more than 18 weeks should be reported in two or more quarters. The contact hours reported should reflect the conditions as of the official reporting date of each quarter, except that hours generated in the first six weeks of a terminating quarter should be reported in the previous quarter.

(g) Any postsecondary technical and vocational adult course request exceeding 360 contact hours must be dealt with as a new postsecondary technical and vocational adult program request and will be subject to all the requirements for postsecondary technical and vocational programs for state appropriations as outlined in Subchapter G of this chapter (relating to Approval of Postsecondary Technical and Vocational Programs for State Appropriations to Community and Junior Colleges and Texas State Technical Institute).

(h) Postsecondary institutions offering more than one course that provide instruction for one occupational area and that adds up to a minimum of 360 contact hours may be requested to submit an approval for a new postsecondary technical and vocational adult program as outlined in Subchapter G of this chapter (relating to Approval of Postsecondary Technical and Vocational Programs for State Appropriations to Community and Junior Colleges and Texas State Technical Institute).

**§9.215. Procedures.**

(a) In accordance with a format established by the Coordinating Board staff, each postsecondary institution desiring to offer a new postsecondary technical and vocational

adult course must have completed the following procedures:

(1) completion of the application for approval of postsecondary technical and vocational adult course, using application forms and guidelines provided by the Coordinating Board staff;

(2) submission of the application for Coordinating Board staff review;

(3) receipt of Coordinating Board approval or disapproval of postsecondary technical and vocational adult course request.

(A) The application forms will be reviewed by the appropriate program director for satisfactory fulfillment of criteria.

(B) Once a course is approved, the course data are submitted to the Data Processing Division at the Coordinating Board, and will appear on the technical and vocational course list.

(b) In accordance with a format established by the Coordinating Board staff, each postsecondary institution desiring to revise a postsecondary technical and vocational adult course must have completed the same application form and procedures as described in subsection (a) of this section. The postsecondary institution will need to supply a rationale and need for the revision.

**§9.216. Personnel Guidelines.**

(a) All courses must be under the direction of an administrator having appropriate authority to ensure that quality is maintained and that courses are conducted in compliance with all applicable laws and rules. Administrative officers must possess credentials, experience, and/or demonstrated competence appropriate to their areas of responsibility as specified by the Southern Association of Colleges and Schools.

(b) Technical and vocational personnel must be approved by the local postsecondary institution. Each individual must meet the minimum qualifications established by the Coordinating Board.

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

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James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
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System

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(512) 462-6420.

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**Chapter 21. Student Services**  
**Subchapter C. Hinson-Hazlewood**  
**College Student Loan Program**  
**for All Loans Made for or after**  
**Fall Semester, 1971, and which**  
**are Subject to the Provisions of**  
**the Guaranteed Student Loan**  
**Program and the Health Education**  
**Assistance Loan Program**

★ 19 TAC §§21.53, 21.55-21.66

*(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Coordinating Board, Texas College and University System, 200 East Riverside Drive, Austin, or in the Texas Register office, Room 503F, Sam Houston Building, 201 East 14th Street, Austin.)*

The Coordinating Board, Texas College and University System, proposes the repeal of §§21.53, and 21.55-21.66, concerning Hinson-Hazlewood College Student Loan Program for All Loans Made for or after Fall Semester, 1971, and which are Subject to the Provisions of the Guaranteed Student Loan Program and the Health Education Assistance Loan Program. These sections are repealed and rewritten to improve opportunities for students and to eliminate sections based on old federal law.

Mack Adams, assistant commissioner for student services, has determined that for the first five-year period the proposed repeals will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the repeals.

Mr. Adams also has determined that for each year of the first five years the repeals are in effect the public benefit anticipated as a result of enforcing the repeals will be increased opportunity, compared to similar student loans, for needy students in Texas to obtain a higher education with less repayment burden once the education is completed. There is no anticipated economic cost to individuals who are required to comply with the proposed repeals.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The repeals are proposed under the Texas Education Code, §52.54, which provides the Coordinating Board with the authority to adopt rules regarding the Hinson-Hazlewood College Student Loan Program for all loans made for or after fall semester, 1971, and which are subject to the provisions of the Guaranteed Student Loan Program and the Health Education Assistance Loan Program.

- §21.53. *Definitions.*
- §21.55. *Eligible Institution.*
- §21.56. *Qualifications for Loans.*
- §21.57. *Amount of Loan.*
- §21.58. *Reasonable Expenses for a Student.*
- §21.59. *Identification of Student Records.*
- §21.60. *Pre-Loan Interview.*
- §21.61. *Payments to Student.*
- §21.62. *Period of Loans.*
- §21.63. *Loan Interest.*
- §21.64. *Repayment by U.S. Secretary of Education and U.S. Secretary of Health and Human Services of Loans of Deceased or Disabled Borrowers.*
- §21.65. *Repayment of Loans.*
- §21.66. *Enforcement of Collection.*

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

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TRD-8807785 James McWhorter  
 Assistant Commissioner  
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 For further information, please call  
 (512) 462-6420.

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The Coordinating Board, Texas College and University System, proposes new §§21.53, and 21.55-21.65, concerning Hinson-Hazlewood College Student Loan Program for All Loans Made for or After Fall Semester, 1971, and which are Subject to the Provisions of Loan Program and the Health Education Assistance Loan Program. Changes are necessary to improve opportunity for students to obtain a higher education in Texas and to eliminate sections based upon revised federal law. The new sections encourage new borrowers in the Hinson-Hazlewood College Student Loan Program and significantly reduce the repayment burden on student borrowers after completion of their education. Also, the changes reduce the paperwork required of student borrowers and student financial aid administrators at public and independent institutions of higher education and significantly improve the processing time for loan applications.

Mack Adams, assistant commissioner for student services, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the sections.

Mr. Adams 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 increased opportunity, com-

pared to similar student loans, for needy students in Texas to obtain a higher education with less repayment burden once the education is completed. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The new sections are proposed under the Texas Education Code, §52.54, which provides the Coordinating Board with the authority to adopt rules regarding the Hinson-Hazlewood College Student Loan Program for all loans made for or after fall semester, 1971, and which are subject to the provisions of the Guaranteed Student Loan Program and the Health Education Assistance Loan Program.

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

**Authorized student financial aid official**—Any person or persons qualified to administer the Guaranteed Student Loan Program and/or the Health Education Assistance Loan Program at a postsecondary educational institution in Texas.

**Board**—The Coordinating Board, Texas College and University System.

**Commissioner**—The commissioner of higher education, the chief executive officer of the board.

**Cosigner**—A cosigner of a note executed under authority of the Hinson-Hazlewood College Student Loan Act shall be any person signing such a note, other than the student borrower or the spouse of the borrower, who is over 21 years of age and who is gainfully employed full time. Such person may be a relative and may be self-employed or in the employ of another person. A cosigner is jointly and severally responsible for all promissory notes signed by the maker and himself.

**Fund**—The Texas opportunity plan fund as created by the Texas Constitution, Article III, 50b.

**Postsecondary institution**—As defined in §21.55(a) and (b) of this title (relating to Eligible Institution).

**Resident of Texas**—Any person who is a permanent resident of the United States and otherwise meets the requirements for paying Texas resident tuition rates at fully state-supported institutions as specified in the Texas Education Code, Chapter 54, and in the rules for determining residency status as designated by the board.

§21.55. *Eligible Institution.*

(a) **Criteria.** An eligible institution shall be any Texas institution of higher education within the State of Texas which:

(1) admits as regular students only those persons having a certificate of gradua-

tion from a school providing secondary education or the recognized equivalent of such a certificate;

(2) is legally authorized within the state to provide a program of education beyond secondary level;

(3) provides an educational program for which it awards a bachelor's degree or associate degree, or provides not less than two years of course work acceptable for credit toward such degrees;

(4) is a public or other nonprofit institution;

(5) is an eligible institution under the provisions of the Higher Education Act of 1965, Title IV, Part B, as amended, or under the Public Health Service Act, Title VII, Part C, Subpart 1, as amended;

(6) is accredited by a nationally recognized specialized accrediting agency recognized by the Council on Postsecondary Accreditation or the Southern Association of Colleges and Schools. If the institution is placed on public probation by the appropriate accrediting agency, students applying for loans shall provide evidence of knowledge of the school's accreditation status as a condition to receiving the loan;

(7) is an institution which has its parent campus within the State of Texas.

(8) has entered into an agreement with the board, the terms of which are to be specified by the commissioner.

(b) Student attending other institutions. Any student attending an institution other than an eligible institution as set forth in subsection (a) of this section after May 1, 1985, may be eligible for a loan made from the Texas opportunity plan fund, providing the postsecondary institution is:

(1) an eligible school under provisions of the federal Guaranteed Student Loan Program (the Higher Education Act, Title IV, Part B, 1965, as amended); and

(2) certified by the Texas Education Agency under provisions of the Texas Proprietary School Act (Texas Education Code, Chapter 32,) licensed by the Texas Cosmetology Commission, licensed by the Texas State Board of Barber Examiners, or certified to grant or award degrees by the board under provisions of the Texas Education Code, Chapter 61, Subchapter G.

(c) Compliance by student. If at any time after notice and opportunity for hearing it is determined that any monies in the fund or to be deposited therein have been disbursed to a student for purposes for which the fund is legally unavailable and such diversions have not been restored, no further disbursements of monies to such student shall be permitted to be made from the fund until there is no longer any failure of such compliance by the student and such monies disbursed to the student for purposes for which the fund is legally unavailable become due and payable to the fund immediately.

(d) Designation of institutional representative. Each eligible institution shall designate a full-time administrative official of

the institution as the Hinson-Hazlewood College Student Loan Program officer who shall be the board's on-campus agent to certify all institutional transactions and activities with respect to the fund and shall be responsible for all records and reports reflecting the transactions with respect to the fund. The Hinson-Hazlewood College Student Loan Program officer may authorize student financial aid officials to certify Hinson-Hazlewood College Student Loan Program applications.

(e) Discrimination by institution prohibited. The Civil Rights Act of 1964, Title VI, states: "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal assistance." Therefore, all transactions with respect to the fund shall be made in compliance with the Civil Rights Act of 1964, and further provided that students transferring from any other institution shall be considered for loans the same as students attending the eligible institution.

(f) Default rate. Whenever the default rate on loans made through a postsecondary institution exceeds 10% of all such loans in repayment status, the volume of loans to be available to students at that institution shall be reduced in accordance with a formula to be established by the Coordinating Board.

#### §21.56. *Qualifications for Loans.*

(a) Criteria. The commissioner may authorize, or cause to be authorized, loans to qualified students at any eligible institution provided the applicant:

(1) is a resident of Texas as defined in these regulations;

(2) has been accepted for regular, nonprobationary enrollment at an eligible institution and is adjudged by the institution to have the ability to benefit from the instruction or training to be provided; or, in the case of a student already attending such institution, is in good standing and is making satisfactory progress toward his or her educational goals as determined by said institution;

(3) is carrying at least ½ of the normal full-time workload as determined by said institution, except that the applicant, in the case of supplemental loans guaranteed through the Health Education Assistance Loan Program, is a full-time student as determined by said institution;

(4) has provided the fund with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student;

(5) has provided the fund with the names of three nonstudent adults who are gainfully employed (in the case of a supplemental loan, only two such names are required), who live at separate addresses, and who may reasonably be expected to know

his or her whereabouts throughout the life of the loan;

(6) has provided the fund with the permanent address, telephone number, and, in the case of a guaranteed student loan application, an employer of the three references in paragraph (5) of this subsection;

(7) has signed a statement acknowledging his or her obligations and responsibilities to the fund;

(8) has provided the fund with the signature of a cosigner, if at the beginning of the loan period he or she will not have successfully completed two semesters or an equivalent enrollment period, in a postsecondary institution; and

(9) has complied with such other provisions of these rules as are required of such student.

(b) Authorization of loans. The commissioner may authorize, or cause to be authorized, loans from the fund to qualified students at any eligible institution provided there is on file with the commissioner a certification by the eligible institution that each applicant meets the qualifications for a guaranteed student or a supplemental loan as provided in subsection (a) of this section.

(c) Criteria for students attending other institutions. The commissioner may authorize, or cause to be authorized, loans to students attending postsecondary institutions, as set forth in subsections (a) and (b) of this section, provided the applicant meets all of the criteria in subsections (a) and (b) of this section, and;

(1) is unable to obtain a guaranteed student loan from a commercial lender; and

(2) has received a favorable evaluation of credit reports by the board.

#### §21.57. *Amount of Loan.*

(a) Limit on reasonable expenses. The maximum amount of loan to any qualified applicant in a fiscal year is dependent upon the applicant's level of study. Qualified undergraduate applicants and applicants described in §21.55(b) of this title (relating to Eligible Institution) and §21.56(c) of this title (relating to Qualifications for Loans) may borrow up to \$2,500 of subsidized loan in a fiscal year. Qualified applicants enrolled in graduate or postbaccalaureate professional school may borrow a subsidized maximum of \$5,000 in a fiscal year. Qualified students who have exhausted the maximum amount for subsidized loans are eligible for an auxiliary loan to assist students (ALAS) at an unsubsidized maximum of \$3,000 in a fiscal year. Qualified students in pharmacy, medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, and public health, who have exhausted the maximum amount for subsidized loans, are eligible for a supplemental loan through the Health Education Assistance Loan Program (HEAL). Qualified students in pharmacy are eligible for a HEAL Loan with a maximum principal amount of \$7,500 in a fiscal year; qualified students in medicine, osteopathic medicine,

dentistry, veterinary medicine, optometry, and public health are eligible for a HEAL Loan with a maximum principal amount of \$10,000 in a fiscal year. The amount of loan shall not exceed the amount that the student needs in order to meet reasonable expenses as a student. A change in either financial resources or reasonable expenses of the student which results in an increase in the financial need of the student may make the student eligible for additional loans. A change in either financial resources or reasonable expenses of the student which results in a decrease in the financial need of the student shall make the student responsible for the immediate repayment of any overcommitment of loan funds. Repayment may be restored to the fund by a cash payment or by the reduction of any pending loan disbursement to the student. Prior to certifying the loan, the authorized student financial aid official at the postsecondary institution shall make certain that the student is properly utilizing his or her eligibility for the PELL grant and all other forms of student assistance.

(b) **Aggregate maximum of loan.** The total outstanding principal balance for an undergraduate student and students described in §21.55(b) of this title (relating to Eligible Institution) and §21.56(c) of this title (relating to Qualifications for Loans) may not exceed \$12,500. Students enrolled in graduate or postbaccalaureate professional school may not have a subsidized principal balance of more than \$25,000 (including amounts borrowed at the undergraduate level). Graduate or postbaccalaureate professional students may not have an aggregate principal balance of more than \$15,000 through the ALAS Program. Aggregate principal amounts for supplemental loans guaranteed through the HEAL Program may not exceed \$37,500 for qualified pharmacy students nor more than \$50,000 for other qualified students.

§21.58. **Identification of Student Records.** All records of each student who is a borrower under the Texas opportunity plan fund shall be so identified in the office of the registrar at each eligible institution. An official certified copy of such records may be released, and/or the student may reregister in the eligible institution only upon certification by the Hinson-Hazlewood College Student Loan Program officer at the institution that the borrower's account is in good condition. Exceptions to this rule must be approved by the commissioner in advance of release of an official certified copy of the records or reregistration.

§21.59. **Borrower Information.**

(a) The board shall provide with the application information on the rights and responsibilities of the borrower with regard to a guaranteed student loan from the fund, and the borrower shall certify on the application that he or she has read and understood responsibilities to the fund.

(b) The borrower shall notify the board immediately when he or she ceases to be enrolled at least half time except that borrowers through the supplemental loan program (HEAL) shall notify the board immediately when he or she ceases to be enrolled full time.

(c) The institution shall notify the board immediately when a borrower ceases to be enrolled at least half time except for borrowers through the supplemental loan program (HEAL), in which case the institution shall notify the board immediately when a borrower ceases to be enrolled full time. A roster of student borrowers will be forwarded to each eligible institution by the board prior to the end of each enrollment period. Information on each student borrower shall be obtained in a form prescribed by the commissioner.

§21.60. **Payments to Student.** No payment shall be made to any student until he or she has executed a promissory note payable to the Texas opportunity plan fund for the full amount of any authorized loan plus interest, applicable insurance charges, and other fees as set forth in the Higher Education Act of 1965, Title IV, Part B, as amended, and the regulations thereof (45 Code of Federal Regulations Part 177), or in the case of the Health Education Assistance Loan Program, Title VII, Part C, Subpart 1 of the Public Health Service Act, as amended, and the regulations thereof (45 Code of Federal Regulations Part 126). The original of such executed promissory note shall be forwarded to the commissioner immediately. For the purposes of any contract executed by him or her, the defense that he or she was a minor at the time he or she executed a note shall not be available to him or her in any action arising on said note. No funds shall be distributed to any institution except to make payments to a student under a loan authorized by the Act.

§21.61. **Period of Loans.** Except as provided in §21.63 of this title (relating to Repayment by United States Secretary of Education and United States Secretary of Health and Human Services of Loans of Deceased or Disabled Borrowers) the principal amounts of all authorized loans shall be repaid in installments over a period of not less than five years (unless sooner repaid) nor more than 10 years beginning not earlier than six months nor later than one year after the date on which the student ceases to carry at an eligible institution at least ½ the normal full-time academic workload, as determined by the institution for guaranteed student loans (GSL and ALAS) and at least a full-time academic workload as determined by the institution for loans guaranteed through the Health Education Assistance Loan Program. Except as provided in §21.63 of this title (relating to Repayment by United States Secretary of Education and United States Secretary of Health and Human Services of Loans of Deceased or Disabled Borrowers),

the period of the loan may not exceed 15 years from the execution of the note or written agreement evidencing it.

§21.62. **Loan Interest.**

(a) The interest rate to be charged for loans shall be set from time to time by the commissioner, and such interest shall accrue from the date of disbursement. Loans made pursuant to these rules are eligible for interest subsidy to be paid in accordance with Public Law 89-329, the Higher Education Act of 1965, as amended, and 45 Code of Federal Regulations Part 177.

(b) The interest rate for auxiliary loans to assist students shall be set from time to time by the commissioner and such interest shall accrue from the date of disbursement. Interest becomes due and payable 60 days after the date of loan disbursement but may be forborne and accrued to the principal during in-school periods.

(c) The interest rate for loans guaranteed through the Health Education Assistance Loan Program shall be set from time to time by the commissioner and such interest shall accrue from the date of disbursement. Interest on health education assistance loans is unsubsidized and any unpaid interest shall be compounded semiannually.

(d) Interest rates set by the commissioner shall be submitted to the board for ratification at a subsequent meeting of the board.

§21.63. **Repayment by United States Secretary of Education and United States Secretary of Health and Human Services of Loans of Deceased or Disabled Borrowers.**

(a) If a student borrower who has received a loan under the Hinson-Hazlewood College Student Loan Act with respect to which a portion of the interest is payable by the United States Secretary of Education under the Higher Education Act of 1965, Title IV, Part B, §42B(a), as amended, or would be payable but for the adjusted family income of the borrower, dies or becomes permanently and totally disabled (as determined in accordance with the regulations of the United States Secretary of Education), then the United States Secretary of Education shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

(b) In the case of loans guaranteed through the Health Education Assistance Loan Program, the United States Secretary of Health and Human Services shall discharge the borrower's liability on the loan by repaying the principal and unpaid interest on the loan.

§21.64. **Repayment of Loans.**

(a) Although a loan may be prepaid at any time without penalty, repayment of the loan shall begin as provided in §21.61 of this title (relating to Period of Loans), and shall extend over such period as authorized therein. The minimum annual repayment is \$600 on all loans received by the student dur-

ing his school years. The board will, however, provide a repayment schedule of not less than five years unless the minimum annual repayment of \$600 is applicable.

(b) The minimum annual repayment is \$600 on all loans guaranteed through the Health Education Assistance Loan Program received by the student. The board will provide a repayment schedule of not less than 10 years unless the minimum annual repayment of \$600 is applicable.

(c) The commissioner shall postpone required periodic installments of principal during any period authorized by applicable federal law. For loans guaranteed through the Guaranteed Student Loan Program, postponement periods are those described in the Higher Education Act of 1965, Title IV, Part B, as amended, and the regulations thereof (45 Code of Federal Regulations Part 177) and, for loans guaranteed through the Health Education Assistance Loan Program, postponement periods are those described in the Public Health Service Act, Title VIII, Part C, Subpart 1, as amended, and the regulations thereof (45 Code of Federal Regulations Part 126). Any such period shall not be included in determining the 10-year period or the 15-year period provided in §21.61 of this title (relating to Period of Loans). Interest on loans guaranteed through the Guaranteed Student Loan Program shall accrue during periods of postponement and be paid by the Federal Interest Subsidy Program; interest on loans guaranteed through the Health Education Assistance Loan Program shall accrue during such periods and be paid by the borrower.

(d) A charge of 5.0% of the monthly payment or \$5.00, whichever is less, shall be assessed on any payment received later than 10 days from the due date of such payment. Such charges shall be collected out of the first payments made in excess of interest charges then due.

(e) The commissioner may cancel the repayment of a loan received by a Doctor of Medicine, a Doctor of Psychology, or an elementary or secondary teacher who qualifies for such cancellation under the provisions of the Texas Education Code, §52.40, or the Texas Education Code, Chapter 61, Subchapter J, in an amount not to exceed, in any year, the amount appropriated for that purpose from general revenue funds.

**§21.65. Enforcement of Collection.** When any person who has received a loan authorized by the Act shall have failed or refused to make as many as five monthly payments due in accordance with an executed note, the full amount of remaining principal and accrued interest shall become due and payable immediately. When as many as six payments have been missed the attorney general at the request of the commissioner shall file suit for the outstanding balance. Default claim shall be filed with the United States Secretary of Education, or the United States Secretary of Health and Human Services in the case of

Health Education Assistance Loans, after a default judgement has been awarded, with a request for reimbursement under the insurance provisions of the federal law and the regulations thereof.

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 August 6, 1986.

TRD-8607786 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

★ ★ ★

### Subchapter J. The Physician Student Loan Repayment Program

#### ★ 19 TAC §21.262

The Coordinating Board, Texas College and University System, proposes an amendment to §21.262, concerning the Physician Student Loan Repayment Program. The amendment is necessary to attract physicians to practice medicine in economically depressed or medically underserved areas of the state, or for the Texas Youth Commission, Texas Department of Health, Texas Department of Mental Health and Mental Retardation, and the Texas Department of Corrections. This is the intent of the legislation authorizing the program. The amendment enables the program to better recruit newly graduated physicians to practice medicine in the areas and agencies previously mentioned. Doubling the repayment of student loans incurred by physicians from \$15,000 to \$30,000 over a five year period significantly increases the encouragement of physicians to practice medicine where physicians are needed.

Mack Adams, assistant commissioner for student services, 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 government or small businesses as a result of enforcing or administering the section.

Mr. Adams 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 realized in health care in the areas and agencies previously named. 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 Kenneth H. Ashworth, Coordinating Board, Texas College and University System, P.O. Box 12788, Austin, Texas 78711.

The amendment is proposed under the Texas Education Code, Subchapter J, §61.537, which provides the Coordinating Board with the authority to adopt rules regarding the physician student loan repayment program.

**§21.262. Repayment of Student Loans.** Eligible student loans of qualified physicians shall be repaid under the following conditions.

(1) A total annual payment to one or more eligible lenders shall not exceed the applicant's unpaid principal loan balance from all sources or \$6,000, [\$3,000] whichever is less.

(2)-(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 August 6, 1986.

TRD-8607787 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Proposed date of adoption: October 31, 1986  
For further information, please call  
(512) 462-6420.

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### TITLE 22. EXAMINING BOARDS Part XXI. Texas State Board of Examiners of Psychologists Chapter 473. Fees

#### ★ 22 TAC §473.2

The Texas State Board of Examiners of Psychologists proposes an amendment to §473.2, concerning fees for the oral exam. This fee is added to cover the cost of administering the oral exam which is effective as of September 1, 1986 (first administration of the exam is scheduled for January of 1987)

Patti Bizzell, executive director, 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 government or small businesses as a result of enforcing or administering the section.

Ms. Bizzell 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 persons seeking licensure as a psychologist will have to pass an oral exam before entry into the profession. The oral exam is designed to test applicants about practice issues. The anticipated economic cost to individuals who are re-

quired to comply with the proposed section will be \$100 per candidate for licensure.

Comments on the proposal may be submitted to Patti Blizzell, Texas State Board of Examiners of Psychologists, 1300 East Anderson Lane, Suite C-270, Austin, Texas 78752.

The amendment is proposed under Texas Civil Statutes, Article 4512c, which provide the Texas State Board of Examiners of Psychologists with the authority to make all rules, not inconsistent with the Constitution and laws of this state, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

**§73.2. Examination Fees (Not Refundable).**

(a) **Psychological Associate Certification** [Examination for the Professional Practice of Psychology]—\$90.

(b) **Psychologist Certification** [Jurisprudence]—\$90 [\$20].

(c) **Jurisprudence**—\$20.

(d) **Oral**—\$100.

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 August 1, 1986

TRD-8607721

Patti Blizzell  
Executive Director  
Texas State Board  
of Examiners of  
Psychologists

Earliest possible date of adoption:

September 15, 1986

For further information, please call  
(512) 835-2036.

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**Part XXIV. State Board of  
Veterinary Medical  
Examiners  
Chapter 579. Adoption of Forms  
by Reference**

**★22 TAC §579.1**

*(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 State Board of Veterinary Medical Examiners, 3810 Medical Parkway, Room 119, Austin, or in the Texas Register office, Room 503F, Sam Houston Building, 201 East 14th Street, Austin.)*

The State Board of Veterinary Medical Examiners proposes the repeal of §579.1, concerning adoption by reference. The repeal deletes forms which have in the past been utilized in applying for licensure in Texas and are no longer applicable.

Donald B. Wilson, executive secretary, has determined that for the first five-year pe-

riod the proposed repeal will be 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. Wilson also has determined that for each year of the first five years the repeal is in effect there will be no public benefit anticipated as a result of enforcing the repeal, as this is strictly a housekeeping action. There is no anticipated economic cost to individuals who are required to comply with the proposed repeal.

Comments on the proposal may be submitted to Donald B. Wilson, Executive Secretary, State Board of Veterinary Medical Examiners, 3810 Medical Parkway, Suite 119, Austin, Texas 78756, (512) 458-1183.

The repeal is proposed under Texas Civil Statutes, Article 7465a, §7(a), which provide the State Board of Veterinary Medical Examiners with the authority to make, alter, or amend such rules and regulations as may be necessary or desirable to carry into effect the provisions of this Act.

**§579.1. Adoptions by Reference.**

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 August 7, 1986.

TRD-8607789

Donald B. Wilson  
Executive Secretary  
State Board of Veterinary  
Medical Examiners

Earliest possible date of adoption:

September 15, 1986

For further information, please call  
(512) 458-1183.

★ ★ ★

**TITLE 34. PUBLIC  
FINANCE  
Part I. Comptroller of Public  
Accounts  
Chapter 3. Tax Administration  
Subchapter L. Motor Fuels Tax  
★34 TAC §3.196**

The Comptroller of Public Accounts proposes new §3.196, concerning reports, due dates, bonding requirements, and qualifications for annual filers. The new section authorizes annual, rather than quarterly, reporting responsibilities for gasoline and diesel fuel interstate truckers and diesel fuel bonded users having an average quarterly tax liability of \$600 or less. Liquefied gas dealers and interstate truckers are required to report annually.

John Moore, director of the comptroller's economic analysis center, 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

government or small businesses as a result of enforcing or administering the section.

Mr. Moore 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 insignificant. 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 Don Lawrence, Tax Administration, P.O. Box 13528, Austin, Texas 78711.

This new section is proposed under the Texas Tax Code, §111.002, which provides that the comptroller may prescribe, adopt, and enforce rules relating to the administration and enforcement of the motor fuels tax.

**§3.196. Reports, Due Dates, Bonding Requirements, and Qualifications for Annual Filers.**

(a) **Reports required.**

(1) Interstate truckers as defined by the Texas Tax Code, §153.001(11), and bonded users of diesel fuel as defined by the Texas Tax Code, §153.209, having an average quarterly tax liability of \$600 or less have the option of filing quarterly or annual reports. After the method of reporting has been selected, it cannot be changed without permission from the comptroller unless the tax liability for a year exceeds \$2,400. If the tax liability during a year exceeds \$2,400, a report must be filed for all previous quarters of that year. Future reports must be filed on a quarterly basis.

(2) Interstate truckers and bonded users of diesel fuel having an average quarterly tax liability of more than \$600 must file quarterly reports.

(3) Liquefied gas dealers as defined by the Texas Tax Code, §153.304, and liquefied gas interstate truckers as defined by the Texas Tax Code, §153.306, must file annual reports.

(b) **Due dates.**

(1) The due date for all annual reports is January 25.

(2) The report must be filed by the due date in order for an annual filer to receive a refund for credit gallons accrued during the previous year.

(c) **Bonding requirements.** Bonded users of diesel fuel reporting annually will be required to post security in the amount of two times the annual tax liability on taxable uses of diesel fuel. The minimum bond is \$500.

(d) **Qualifications.**

(1) Interstate truckers and bonded users of diesel fuel who obtain permits during the calendar year must file quarterly reports until they are notified that they have the option to file annually.

(2) The annual report for a permit holder going out of business or whose permit is cancelled during the year is due on or



§5.112. *Master Agreement—General Provisions.*

§5.113. *Master Agreement—Services by Vendor for Employee Benefits.*

§5.114. *Master Agreement—Services by Vendor for Employer Benefits.*

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 August 11, 1986.

TRD-8607813 Bob Bullock  
Comptroller of Public  
Accounts

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 463-4004.

★ ★ ★

★34 TAC §5.112

The Comptroller of Public Accounts proposes new §5.112, concerning adoption by reference—State of Texas deferred compensation plan. This new section is proposed to replace current §5.112, which is repealed simultaneously.

The purpose of this new section is to place the formal plan document of record as part of the comptroller's rules governing this activity. The comptroller is the administrator of the state deferred compensation plan, and this document sets out the terms and conditions of the plan.

John Moore, director of the comptroller's economic analysis center, 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 government or small businesses as a result of enforcing or administering the section. The section only involves administrative activities designed to clarify the requirements for vendors participating in the state's deferred compensation plan.

Mr. Moore 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 clarification of the terms and conditions of the plan. This will allow more efficient management of the state's deferred compensation plan. 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 Wade Anderson, Executive Counsel, P.O. Box 13528, Austin, Texas 78711.

The new section is proposed under Texas Civil Statutes, Article 6252-3b, which provide that the comptroller may prescribe, adopt, and enforce rules relating to the administration and enforcement of the deferred compensation program.

§5.112. *Adoption by Reference—State of Texas Deferred Compensation Plan.* The Comptroller of Public Accounts hereby adopts by reference State of Texas Deferred Compensation Plan, dated July, 1986. Copies of the document may be obtained from the Deferred Compensation Section, Legal Services Division, Comptroller of Public Accounts, 111 West Sixth Street, Austin, Texas 78701.

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 August 11, 1986.

TRD-8607814 Bob Bullock  
Comptroller of Public  
Accounts

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 463-4004.

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★34 TAC §5.113

The Comptroller of Public Accounts proposes new §5.113, concerning vendor participation—deferred compensation plan. This new section is proposed to replace current §5.113, which is being repealed simultaneously.

The purpose of the new section is to clearly define the responsibilities of vendors in the deferred compensation program, to provide procedures to be followed for approval of vendors and products to be used in the program, and to provide remedies when vendors fail to meet their responsibilities. The new section also details the requirements for approval and use of advertising material. Requirements for reporting to participants and the plan administrator are listed, as are requirements for changing products, distribution to participants and withholding of federal taxes.

This new section is being proposed as a result of problems with some vendors currently in the program who have failed to comply with the terms of their agreements. Those requirements and others authorized by amendments to Texas Civil Statutes, Article 6252-3b passed during the 1985 legislative session are being incorporated in this section. The reporting requirements have also been amended to reflect Statement 2 of the Government Accounting Standards Board for financial reporting of deferred compensation plans for state and local government employees.

John Moore, director of the comptroller's economic analysis center, has determined that for the first five-year period the proposed section will be in effect the section only involves administrative activities designed to clarify the requirements for vendors participating in the state's deferred compensation plan. There will be no fiscal implications for state or local govern-

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

Mr. Moore 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 clarification of vendor's responsibilities. This will allow more efficient management of the state's deferred compensation plan. 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 Wade Anderson, Executive Counsel, P.O. Box 13528, Austin, Texas 78711.

The new section is proposed under Texas Civil Statutes, Article 6252-3b, which provide that the comptroller may prescribe, adopt, and enforce rules relating to the administration and enforcement of the deferred compensation program.

§5.113. *Vendor Participation—Deferred Compensation Plan.*

(a) Eligibility.

(1) Insurance companies. Each insurance company desiring to participate in the plan must be licensed to do business in this state.

(2) Banks. Each state or national bank desiring to participate in the plan must be domiciled in this state and have its deposits insured by the Federal Deposit Insurance Corporation. Each bank participating in the State of Texas deferred compensation plan and which has on deposit over \$100,000 in total State of Texas funds must provide 100% collateral for all amounts over \$100,000 in accordance with the rules of the State Treasury for state depositories.

(3) Savings and loan associations. Each savings and loan association desiring to participate in the plan must be doing business in this state and have its deposits insured by the Federal Savings and Loan Insurance Corporation.

(4) Credit unions. Each credit union desiring to participate in the plan must be doing business in this state and have its accounts insured by the National Credit Union Administration or the Texas Share Guaranty Credit Union.

(5) Mutual funds. Mutual funds approved for sale in this state may only be marketed by a licensed security dealer or directly by the fund.

(b) Procedure.

(1) Each prospective vendor must complete an application in a format to be provided by the plan administrator.

(2) The application must be accompanied by the following documents:

(A) an original copy of any insurance policy or annuity contract proposed to be offered bearing evidence of acceptance by the State Board of Insurance;

(B) a copy of each product contract or agreement that will be used in offering deferred compensation to any state employee;



(C) a copy of each type of advertising material for use in sale or promotion of a product contract;

(D) a completed disclosure form;

(E) any other information the plan administrator may require.

(3) If a vendor's name or legal entity changes through merger, sale, dissolution, or any other means, the plan administrator must be notified within 30 days. The notice must include a detailed description of the transaction resulting in the change. If the deferred compensation business will no longer be transacted by the same corporation or other legal entity that was an approved vendor, the entity assuming that business must apply for approval as a vendor within 30 days or transfer all deferred compensation business to another approved vendor.

(c) Review of products and materials.

(1) General provisions.

(A) Any provision in a product or contract that is contrary to a provision in the State of Texas deferred compensation plan must be amended to conform to the plan through amendment or endorsement of the product. Amendments are subject to the requirements of acceptance and verification to the same extent as the original product contract.

(B) To the extent of any conflict, the plan and applicable state and federal law prevail over any provision in a product contract.

(2) Insurance companies.

(A) The plan administrator will contact the State Board of Insurance to confirm that insurance policies and/or annuity contracts proposed for use in the deferred compensation plan are the same forms that have been accepted for sale in Texas.

(B) All insurance advertising will be sent to the State Board of Insurance for review and must conform to the rules of that agency.

(3) Other vendors.

(A) Product contracts will be reviewed by the plan administrator to insure compliance with the plan and legality.

(B) Advertising material will be reviewed by the plan administrator for accuracy.

(C) All product contracts and other relevant materials must be approved by the appropriate state regulatory agency if required by other law.

(d) Product approval.

(1) Upon requesting approval to become a vendor in a plan, the company will be sent an application package, including a list of items which must be submitted for approval. Upon approval of the application and of the product and advertising materials, the product approval notice will be signed by the plan administrator and a copy of the signed notice will be returned to the vendor.

(2) No person may solicit business in the deferred compensation plan prior to approval of the product to be used and receipt of the product approval notice.

(3) No vendor may offer to any state employee any product or product contract that has not been approved by the plan administrator.

(4) Revised or amended product contracts must be approved prior to use.

(5) When an approved product is no longer offered in the deferred compensation plan, the vendor should notify the plan administrator in writing within 30 days.

(e) Product advertising.

(1) No vendor may use any advertising material in the solicitation of deferred compensation business unless prior approval has been received from the plan administrator.

(2) If a vendor does not intend to use any printed advertising material, it must provide the plan administrator with a signed statement to that effect in lieu of requesting approval of the advertising material.

(3) Advertising material offered by an agent or salesman must be approved by the vendor company whose product it promotes. This approval is subject to confirmation by the plan administrator.

(f) Solicitation of business.

(1) A vendor may solicit deferred compensation business through agents or salesmen, direct mail, or at a place of business maintained for that purpose.

(2) Agents or salesmen may solicit business at a state agency's office only with permission from that agency. Vendors should contact the agency deferred compensation administrator to determine the policy concerning on-site solicitation.

(3) Agents or salesmen must have the appropriate state license for the type of product sold.

(4) Each vendor must advise the plan administrator of which of the following methods it will use to market its product, and must provide the plan administrator with the information required for that method.

(A) If the product is sold only through employees of the vendor, that fact must be stated and no further information is necessary.

(B) If the product is sold through independent agents or contractors through specific authority from the vendor, that fact must be stated and a list of all authorized agents or contractors must be provided to the plan administrator and updated by November 1 of each year.

(C) If the product is sold through independent agents or contractors who do not have a contractual relationship with or authorization from the vendor, that fact must be stated and no further information is necessary.

(5) Each vendor must designate specific contact personnel who will receive the deferrals, answer questions about account balances, and who will serve as a liaison between the plan administrator and vendor management, concerning matters of administration and/or vendor reporting. Each contact person must notify the plan administrator in writing of any change in the design-

nated personnel, address, or phone number within 30 days of the change.

(6) Each out-of-state vendor must designate a responsible individual in Texas as a point of contact for inquiry into any of the business of that vendor in the deferred compensation plan.

(g) Product contracts.

(1) Employee deferrals are initiated by completion of the participation agreement. It is the responsibility of the state employee to insure that the signed participation agreement and disclosure form reaches the payroll office of his or her agency. The participation agreement must be signed by the new vendor when an initial salary deferral authorization is made, when there is an increase or decrease in the deferral amount, and when there is a transfer of a lump-sum payment.

(2) A specimen copy of the insurance policy or annuity contract must be mailed or delivered directly to the participant.

(3) An annuity maturity date must be set no later than 60 days after the end of the year in which the annuitant reaches age 70½.

(4) All product contracts must be sex neutral.

(5) For life insurance policies, the following steps must be taken:

(A) approval of insurability of participant;

(B) letter of intent to insure issued to participant. The letter of intent must notify the participant that the effective date of the policy will be the first day of the month in which the first deferral is received by the insurance vendor;

(C) a specimen document must be delivered to the participant at the same time as the letter of intent;

(D) submission of participation agreement, disclosure form, and letter of intent to agency administrator by participant;

(E) deferrals begin; and

(F) policy issued.

(6) The State of Texas is the owner and beneficiary of all deferred compensation products, the amounts contributed to those products, and all earnings. A subaccount should be established for each participant and should be styled "State of Texas deferred compensation plan, for the benefit of (name of participant)."

(A) Vendor records should include the Employer Identification Number, 74-600089, and the mailing address of the Plan Administrator: Deferred Compensation Section, State Comptroller of Public Accounts, P.O. Box 13528, Austin, Texas 78711.

(B) Vendor records for each participant should include the participant's social security number and home address.

(h) Reporting.

(1) General requirements.

(A) All reports are for the plan year, September 1-August 31.

(B) All reports must be on computer tape in a format prescribed by the plan administrator or manually in a format that

is data-entry ready and prescribed by the plan administrator.

(C) The types of product shall be defined and coded as follows: SA, savings account; CD, certificate of deposit; MM, money market account at financial institution; MF1-99 for each fund within a family of funds; VA, variable annuity; FA, fixed annuity; TL, term life policy; TWL, traditional whole life policy; ISL, interest-sensitive whole life policy; and OP, any product other than those listed in this subparagraph.

(D) If a participant has more than one account in the same type of product, each account should be listed separately in the reports to the participant and the plan administrator.

(2) Reports to the active participant.

(A) For purposes of this section, active participant shall mean a participant who is currently employed in state government and is currently deferring on a monthly basis.

(B) For life insurance policies, each vendor must provide each participant with a report not less than once each calendar year. The period covered by the report may be either the calendar year or the policy year.

(C) All other product vendors must report to participants on a quarterly basis, November 30, February 28, May 31, and August 31. Reports should be mailed to the participant and the plan administrator no later than 45 days after the end of the quarter.

(D) All participant reports must report the beginning balance, amount of deferrals for the period, transfers in, interest earned or accumulated value, product costs, withdrawals, surrender charges, ending balance/cash value, and current market value if different from ending balance.

(i) Current market value of the account should take into consideration any surrender charges that would apply if the money were distributed at the end of the plan year.

(ii) Current market value for the different products shall be defined as follows:

(I) financial institution accounts—deferrals plus interest earned—any early withdrawal penalties;

(II) mutual funds—market value at close of last day of each quarter minus any load charges;

(III) life insurance policies:  
(-a-) term, zero value;  
(-b-) whole life, accumulation value minus any surrender charges;

(IV) annuities:  
(-a-) accumulation: deferrals plus interest minus any surrender charges;

(-b-) payout: current value of all future payments.

(3) Reports to retired participants.

(A) For purposes of this section, a retired participant shall be defined as a participant who is no longer employed by the state and has filed a distribution plan or a participant who is no longer making monthly deferrals.

(B) Vendors shall report to retired participants at least once a year in the format prescribed for all reports to active participants.

(C) Upon separation from state employment, if a distribution is made to the participant in a lump-sum payment, the participant should receive a report in the format prescribed for reports to an active participant.

(4) Reports to the plan administrator.

(A) Mutual funds must report all account information to the plan administrator in dollar amounts instead of number of shares.

(B) All vendors shall report the following information on each active participant on a quarterly basis: participant's name, social security number, type of product, deferrals for the period, transfers in, and withdrawals.

(C) On an annual basis, the vendor shall provide the plan administrator with the following information on each participant, active and retired: beginning balance, amount of deferrals, transfers in, interest earned or accumulation value, product costs, withdrawals, surrender charges, ending balance/cash value, and current market value, if different from ending balance.

(D) Each annual report to the plan administrator shall provide the participant information in alphabetical order by type of participant, active or retired, and by type of product.

(E) The annual report to the plan administrator shall provide two summaries:

(i) total number of participants and total current market value for each type of product; and

(ii) a grant total of participants and current market value for all products.

(F) The annual report must be submitted to the plan administrator no later than November 1.

(5) Requests for reports. A vendor must provide a list of all participants by product upon request of the plan administrator.

(i) Transfer of account balance.

(1) A participant may transfer the balance of his or her deferred compensation account from one vendor to another more than once annually without specific approval from the agency deferred compensation administrator.

(2) The new vendor must provide a disclosure form for the new product selected.

(3) The plan administrator will direct liquidation of the current account, payable to the state, and then endorse payment of the proceeds to the new vendor.

(4) Transfers of account balances may be reviewed and disapproved by the plan administrator if the transfer is not in

the best interests of the participant or the plan.

(5) Any check for a transfer of amounts deferred must be made payable to the State of Texas so it may be reinvested with another vendor company.

(j) Distribution of deferred compensation accounts.

(1) Requests by participant. When requested by the participant, the plan administrator may authorize the distribution of the deferred compensation account upon the occurrence of any of the following events:

(A) retirement of the employee;

(B) death of the employee;

(C) termination of the participant's employment with the state; or

(D) financial hardship of the employee. Financial hardship—unexpected and unreimbursed major expenses that the employee cannot meet from any other source, that are beyond the control of the employee and, in the opinion of the plan administrator, qualifies under the JRS definition of financial hardship. The denial of a hardship withdrawal may be appealed to the Hardship Committee in the Comptroller's Office upon written request to the plan administrator. The decision of the Hardship Committee is final.

(2) Authorization of transfers and distributions.

(A) A letter of authorization for the transfer or distribution of deferred compensation funds will be the only authorization signed by the plan administrator. No vendor forms will be completed by the plan administrator and the vendor must agree to waive additional authorization forms, including signature guarantees by a commercial bank. The plan administrator will provide each vendor with authorized signatures for transfers and distributions.

(B) Distributions from participant accounts should be made payable to the participant or beneficiary.

(3) Confirmations. All letters authorizing a lump-sum deposit or distribution to a participant or beneficiary must be acknowledged in a format prescribed by the plan administrator.

(4) Distribution plans.

(A) Each participant must file a distribution plan with the plan administrator within 30 days of separation from state employment. Failure to file a distribution plan will result in the plan administrator authorizing an immediate lump-sum distribution to the participant by the vendor.

(B) The distribution plan will direct the timing and amounts of payments from the employee's deferred compensation account. Once designated, the beginning date of distributions may not be changed.

(C) Except with regard to the beginning date of distributions, the plan may be amended before the first distribution is made. Once distribution begins, the plan may not be amended, except in case of financial hardship.

(D) The vendor must review the distribution plan to insure that at least 50% of the account balance will be distributed within the projected lifetime of the participant. Each vendor may use its own actuarial tables to determine projected lifetime.

(E) Distribution plans must be consistent with the distribution options available under the investment contract in which the employee's deferrals are invested.

(5) If a product contract is declared null and void and there is a refund of all deferrals, the refund must be made payable to the State of Texas. There can be no personal refunds to a participant.

(6) Federal taxes.

(A) The vendor must file all reports required by the Internal Revenue Service when any amounts are distributed to the participant. All distributions to the participant are taxable as ordinary income and should be reported on a W-2 form., they are not considered supplemental wages (Rev. Ruling 82-46; Reg 31.6051-1(a)). The employer identification Number (EIN) can be that of the plan administrator or the vendor.

(B) Total death benefits, including life insurance proceeds, are taxable as ordinary income to the beneficiary (Reg. 1.457-1(c)).

(C) The vendor must accurately determine any amounts to be withheld for taxes based on a W-4 submitted by the participant at the time of a distribution. If no W-4 is provided, the participant should be taxed as if he were single with no dependents. TEFRA does not apply to a Section 457 Plan (Section 35.3504.1, Temporary Employment Tax Regulations, News Release R-982, October 8, 1982); withholding is not by election.

(D) Yearly earnings are not subject to taxation until they are paid or otherwise made available to the participant (Internal Revenue Code, §457). Earnings are taxed upon distribution as ordinary income.

(E) Copies of all reports filed with the Internal Revenue Service must be mailed to the participant's home address.

(k) Termination of vendor participation.

(1) A vendor may voluntarily terminate its participation in the State of Texas deferred compensation plan after notifying the plan administrator. Participants must be given not less than 60 days notice of the vendor's intent so they may select a new vendor. Participants who have not transferred their account balances within a reasonable period may be transferred by the vendor as long as there is no loss of principal, earnings, or other benefits to the participant. Transfers of accounts without participant approval must be approved by the plan administrator.

(2) A vendor that does not have a balance in any deferred compensation account for 12 consecutive months will be terminated as a vendor.

(3) A vendor that violates this section, the State of Texas deferred compensation plan document, or its vendor agreement may be required by the plan administrator

to terminate its participation as a vendor and negotiate a transfer of product contracts to another vendor or may be subject to a restriction of its right to acquire new business.

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 August 11, 1986.

TRD-8607815      Bob Bullock  
Comptroller of Public  
Accounts

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 463-4004.

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### ★ 34 TAC §5.114

The Comptroller of Public Accounts proposes new §5.114, concerning disclosure, representations, and violations. This new section is proposed to replace current §5.114, which is repealed simultaneously.

The new section details the requirements for the disclosure of information about the products offered to participants, including a required disclosure form. It also enumerates a nonexclusive list of violations and remedies, and establishes a procedure for resolution of complaints.

This new section is being proposed as a result of problems with some vendors currently in the program who have failed to comply with the terms of their master agreements. Those requirements and others authorized by amendments to Texas Civil Statutes, Article 6252-3b, passed during the 1985 legislative session are being incorporated in this section and others being adopted concurrently.

John Moore, director of the comptroller's economic analysis center, 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 government or small businesses as a result of enforcing or administering the section. The section involves administrative changes designed to clarify the requirements for vendors participating in the state's deferred compensation plan.

Mr. Moore 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 clarification of vendors' responsibilities. This will allow more efficient management of the state's deferred compensation plan. 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 Wade Anderson, Executive Counsel, P.O. Box 13526, Austin, Texas 78711.

The new section is proposed under Texas Civil Statutes, Article 6252-3b, which provide that the comptroller may prescribe, adopt, and enforce rules relating to the administration and enforcement of the deferred compensation program.

### §5.114. Disclosure, Representations, and Violations.

(a) Disclosure.

(1) Disclosure form.

(A) The plan administrator will provide a disclosure form to each vendor. The vendor will complete the form to include basic information for each product offered in the plan.

(i) Basic information common to all products and not dependent on the individual purchaser must be uniformly stated on all disclosure forms.

(ii) Disclosure of costs and product information that is dependent on the individual purchaser must be filled in by the vendor representative at the time the employee and the vendor sign the participation agreement and the disclosure form.

(B) Approval and use of disclosure forms.

(i) Within 60 days after the effective date of this section, or when requesting approval of a new product to be offered in the deferred compensation plan, each vendor must submit a proposed disclosure form to the plan administrator.

(ii) A separate disclosure form must be submitted for each product offered. Two or more products may not be described on the same disclosure form.

(iii) The plan administrator and/or the regulatory agency for the type of product offered will review the disclosure form to insure that it accurately describes the product offered. If any discrepancy is noted, the plan administrator or the regulatory agency will contact the vendor to resolve the dispute.

(iv) Upon approval of a disclosure form, the plan administrator will notify the vendor. The vendor shall then have the approved form reproduced to give to each prospective participant.

(v) The type of product shall be in bold face type or type that is larger than that used for other items on the form.

(vi) For a period of six months following the effective date of this section, the vendor may use the proposed disclosure form whether or not approval has been received from the plan administrator. After that date, or upon approval of its disclosure form, whichever is earlier, a vendor may solicit deferred compensation business only for products for which a disclosure form has been approved by the plan administrator and must provide each prospective participant a copy of the approved form.

(C) Information that will not conveniently fit in the space allowed on the disclosure form must be attached to the disclosure form. This includes schedules of payments, charges, cash values, or any other items required to be disclosed.



Issued in Austin, Texas, on August 7, 1986.

TRD-8607726

David Spencer  
General Counsel  
Texas Adult Probation  
Commission

Earliest possible date of adoption:

September 15, 1986

For further information, please call  
(512) 834-8188.

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## TITLE 40. SOCIAL SERVICES AND ASSISTANCE

### Part I. Texas Department of Human Services

#### Chapter 27. ICF-MR

##### Subchapter M. Admissions Policies

###### ★ 40 TAC §27.1206

The Texas Department of Human Services (DHS) proposes an amendment to §27.1206, concerning recipient-resident visits away from the facility, in its chapter governing intermediate care facilities for the mentally retarded (ICF-MR). The amendment clarifies the requirements and circumstances under which facilities may claim vendor payment when recipient-residents are absent from facilities. The amendment addresses time frames for absences, circumstances under which vendor payment will not be made, bed-hold reservation charges, and regulation of vendor payment when recipient-residents attend special activities.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the 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 will be clearer DHS policy for providers to use in determining when audit exceptions may be taken for bed-hold charges and vendor payments for residents on special-activities leave. 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-512, Department of Human Services 153-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

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

###### §27.1206. Visits Away From the Facility.

(a) In order for vendor payments to be made for ICF-MR recipients-residents who are away from the facility on therapeutic visits, [only] the following criteria must be met:

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

(3) Each therapeutic visit cannot [shall not] exceed three days duration. A day means a 24-hour period extending from midnight to midnight. If a visit extends beyond the third day, the facility must [shall] submit the discharge form effective on the fourth day of absence.

(4) The facility must maintain a record of each therapeutic visit and ensure that these records are [shall be] available for review by staff of the Texas Department of Human Services (DHS) [Resources]. Facility staff must also ensure that the [facility's] records [must] provide statistics concerning the number of visits for which vendor payments [have been made as well as those visits for which vendor payments] have not been made.

(5) During audits of facilities, DHS audit-staff verify [Verification of] therapeutic visits [shall be a part of the audit procedures during the Texas Department of Human Resources' audit of the facility].

[(6) The facility may not receive vendor payments for recipient-residents away from the facility due to hospitalization.]

(b) (No change.)

(c) DHS does not make vendor payments when a Title XIX recipient-resident is absent from the facility because of:

(1) hospitalization;

(2) therapeutic home visits that extend beyond three days; or

(3) unauthorized departures that extend beyond three days.

(d) The ICF-MR may enter into a written agreement with the resident or responsible party to hold a bed during a recipient-resident's temporary absence from the facility. The written agreement must be signed and dated by the facility administrator or QMRP and by the resident or responsible party each time arrangements are made to hold a bed. The ICF-MR may charge the resident an amount not to exceed DHS' daily vendor rate according to the recipient-resident's classification at the time the individual leaves the facility.

(1) The ICF-MR must document each bed-hold charge in the recipient-resident's financial record at the time the bed-hold service is provided, and must specify that it is a bed-hold charge.

(2) If a bed-hold charge is made against the recipient-resident's personal-funds account managed by the ICF-MR, the ICF-MR must comply with §27.4803(c)(4) of this title (relating to Protection of Funds).

(3) During audits of facilities, DHS audit-staff verify bed-hold charges.

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 August 6, 1986.

TRD-8607699

Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Earliest possible date of adoption:

September 15, 1986

For further information, please call  
(512) 450-3766.

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The Texas Department of Human Services (DHS) proposes the repeal of §27.3007 and new §27.3007, concerning release from an intermediate-care facility for the mentally retarded (ICF-MR), and an amendment to §27.3008, concerning transfer to another facility. The proposed changes address the requirements facilities must meet to discharge residents who are absent from the facilities' care and treatment services for 24 hours or more.

Section 27.3007, as proposed, addresses release requirements for three types of releases: temporary, permanent, and emergency. Temporary-release requirements include notification of the resident's family, documentation for the resident's record, and review of the resident's program plan upon his return. Permanent-release requirements address the actions facilities must take when planning and documenting the release, including a requirement that the facility identify services the resident will need after he leaves the facility and make appropriate referrals to those service providers.

New requirements also include notification of the mental health and mental retardation MRA (mental retardation authority) into whose catchment area the resident is moving. If the facility is releasing the resident because of maladaptive behaviors that the facility has been unable to manage successfully, the facility must have documented its efforts to manage the behaviors, and include the ICF-MR psychologist in alternate-placement planning. Emergency-release requirements include a description of the circumstances under which such releases may occur. Section 27.3007 also stipulates that facilities must comply with department regulations for terminating vendor payments when residents are absent for 24 hours or more, except when on therapeutic home-visits.

The amendment to §27.3008 deletes requirements made obsolete by new §27.3007.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the repeal, new section, and amendment will be in effect there will be no fiscal implications for state or local government or small businesses as a re-

sult of enforcing or administering the repeal, new section, and amendment.

Mr. Packard also has determined that for each year of the first five years the repeal, new section, and amendments are in effect the public benefit anticipated as a result of enforcing the repeal, new section, and amendment will be enhanced continuity of care for residents who move from one living arrangement to another. There is no anticipated economic cost to individuals who are required to comply with the repeal, new section, and amendment as proposed.

Comments on the proposal may be submitted to Cathy Rossberg, Administrator, Policy Development Support Division-511, Department of Human Services 153-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

### Subchapter EE. Admission and Release

#### ★ 40 TAC §27.3007

*(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 Department of Human Services, 701 East 51st Street, Austin, or in the Texas Register office, Room 503F, Sam Houston Building, 201 East 14th Street, Austin.)*

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

#### §27.3007. Release from the ICF-MR.

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 August 6, 1986.

TRD-8607700

Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Earliest possible date of adoption:

September 15, 1986

For further information, please call  
(512) 450-3766.

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#### ★ 40 TAC §27.3007

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

#### §27.3007. Release from the ICF-MR.

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

(1) **Emergency release**—The resident is absent from the ICF-MR for more than 24 hours for reasons specified in subsection (d)(1) of this section. The nature of the release prevents the ICF-MR from accomplishing prerelease planning.

(2) **Mental retardation authority (MRA)**—The Texas Department of Mental Health and Mental Retardation (MHMR) entity that, in a local service area, directs, operates, facilitates, or coordinates services required by state law and MHMR for persons with mental retardation. A local service area consists of one or more counties.

(3) **Permanent release**—The resident moves from the ICF-MR to another residence and the ICF-MR does not intend that the resident return for continued services, or the resident is absent from the facility for more than 30 days. MHMR state schools comply with permanent-release requirements when an ICF-MR resident is placed on extended furlough status (a furlough longer than 30-days).

(4) **Temporary release**—The resident is absent from ICF-MR care for more than 24 hours but no longer than 30 days from the date of departure. The absence is for reasons other than a therapeutic visit, or for a therapeutic visit that exceeds the allowed length of stay. The ICF-MR intends that the resident return to the ICF-MR for continued services and provides a bed upon the resident's return.

(5) **Therapeutic visit**—A resident's absence from the facility meets the criteria stated in §27.1206 of this title (relating to Visits Away from the Facility).

(b) Requirements for temporary release are as follows.

(1) The ICF-MR may temporarily release a resident if:

(A) the resident, parent, if resident is a minor, or legal guardian requests the release;

(B) the interdisciplinary team plans or approves the absence;

(C) the resident transfers to a acute-care medical setting; or

(D) the resident's absence is not authorized. This includes, but is not limited to, a resident who leaves without permission or is being held by legal authorities.

(2) The ICF-MR must notify the resident's family, parent, if resident is a minor, or legal guardian about the release.

(3) The ICF-MR must document the temporary release in the resident's record, including the date of departure, the circumstances causing the absence, and the date of return.

(4) Upon the resident's return, the ICF-MR must conduct an interdisciplinary team meeting (attended by the QMRP and any other appropriate team member). The purpose of the meeting is to review the resident's individual program plan, identify new needs, and make necessary changes to the plan.

(5) If the resident's absence from the facility exceeds 30 days, the ICF-MR must permanently release him.

(c) Requirements for permanent release are as follows.

(1) The ICF-MR must complete permanent-release requirements in any of the following situations.

(A) The resident makes a planned move to an alternate living arrangement, including, but not limited to, another ICF-MR, apartment, foster home, or home.

(B) The resident, parent, if resident is a minor, or legal guardian requests the release.

(C) The resident loses financial (Medicaid) eligibility for ICF-MR services, and the ICF-MR chooses to release him.

(D) The ICF-MR stops operating or voluntarily withdraws from the Medicaid program.

(E) The resident does not pay allowable fees, including but not limited to, applied income and bed-hold charges, and the ICF-MR chooses to release him.

(F) The resident's temporary release exceeds 30 days.

(2) Except in cases when a resident's temporary release exceeds 30 days, the ICF-MR must meet the following requirements before release. When a resident's temporary release exceeds 30 days, the ICF-MR must complete the following items within seven calendar days after the resident's permanent release.

(A) Except in cases when a resident makes a planned move as described in paragraph (1)(A) of this subsection, the ICF-MR must notify the resident, parent, if resident is a minor, legal guardian, or other family members about the proposed release. When a resident makes a planned move, the ICF-MR must provide the notification at least 30 days before release.

(B) The ICF-MR must counsel the resident, parent, or legal guardian about the advantages and disadvantages of the release. These persons should participate in release planning whenever possible.

(C) The ICF-MR must notify the mental retardation authority (MRA) of the catchment area in which the resident will live regarding the release and the reason for it.

(D) The ICF-MR must develop a plan for providing appropriate services, including protective supervision and other follow-up services. The ICF-MR must ensure that the resident's record contains the following documentation from service agencies identified in the plan as responsible for providing after-care services:

(i) letters of intent to provide the services identified in the plan; or

(ii) signatures of service-agency representatives verifying their attendance at the interdisciplinary team meeting in which the plan is developed; or

(iii) letters of attempts to secure such services, if service agencies have

not provided documentation described in clauses (i) and (ii) of this subparagraph.

(3) When the ICF-MR must release a resident because of maladaptive behavior(s) that the facility is unable to address successfully, the ICF-MR must provide evidence, in the resident's record, of the ICF-MR interdisciplinary team's attempts to manage the behavior(s). These attempts must include active participation of the ICF-MR's psychologist and review by the ICF-MR's human rights committee.

(4) Within seven calendar days after the resident's release, the ICF-MR must ensure that the resident's record contains a release summary including the following:

(A) the reason for permanent release. If the resident is released to another residence, the ICF-MR must include an explanation of why the ICF-MR is no longer appropriate or no longer able to provide services;

(B) a description of findings, events, and progress of the resident during residence. If the resident is released because of behaviors or active-treatment needs the ICF-MR is unable to address, the ICF-MR must ensure that the summary describes the actions taken by the interdisciplinary team to meet those needs before discharge planning was initiated;

(C) a comprehensive statement of the resident's service needs, the plan for addressing those needs, and the agency(ies) and other service providers responsible for providing the services.

(5) The ICF-MR must send a copy of the release summary to the resident, parent, if resident is a minor, or legal guardian; to the local MRA in whose catchment area the client will live; and to any alternative residence, if requested and legal consent is obtained.

(6) The ICF-MR psychologist must participate in the release planning if the reason for release is the resident's display of maladaptive behavior that the ICF-MR is unable to address successfully.

(7) If the ICF-MR voluntarily withdraws from the Medicaid program or ceases to operate, the ICF-MR implements a release plan for each resident, in cooperation with DHS and MHMR.

(8) If the resident dies, the ICF-MR must complete a release summary as described in paragraph (4)(A) and (B) of this subsection.

(d) Requirements for emergency release are as follows.

(1) The ICF-MR may release the resident on an emergency basis for any of the following reasons.

(A) The resident, parent, if resident is a minor, or legal guardian requests an immediate permanent release. The ICF-MR must counsel the party(ies) about the advantages and disadvantages of the release.

(B) The resident's physician determines that failure to release the resident will threaten the resident's health and safety or the health and safety of others.

(C) The resident requires an acute-care medical setting.

(2) The ICF-MR must notify, at least orally, the resident's family, parent, if resident is a minor, or legal guardian before the release unless the resident's well-being will be jeopardized. If the resident's well-being will be jeopardized, the ICF-MR must attempt to contact the family, parent, or legal guardian within 24 hours of the release. The ICF-MR must document in the resident's record all contacts or attempted contacts.

(3) If the release is temporary, the ICF-MR must comply with subsection (b)(3)-(5) of this section.

(4) If the release is permanent, the ICF-MR must comply with subsection (c) of this section. The ICF-MR must notify the local MRA within 72 hours of the resident's release.

(e) When an ICF-MR recipient-resident is absent from the facility for 24 hours or more, except for purposes of a therapeutic visit, the ICF-MR must meet the requirements for termination of state reimbursement for services as described in §27.1214 of this title (relating to Discharge or Transfer).

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 August 6, 1986.

TRD-8607701      Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 450-3766.

★      ★      ★

#### ★40 TAC §27.3008

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

#### §27.3008. *Transfer to Another Facility.*

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

(c) When a resident is transferred to another facility, the ICF-MR making the transfer must:

[(1) record the reason for the transfer and a summary of findings, progress, and plans; and

(2) [except in an emergency, inform the resident and his parent or guardian in advance and obtain their written consent to the transfer.]

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 August 6, 1986.

TRD-8607702      Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Earliest possible date of adoption:  
September 15, 1986  
For further information, please call  
(512) 450-3766.



# Withdrawn

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

## TITLE 28. INSURANCE

### Part I. State Board of Insurance

#### Chapter 5. Property and Casualty Insurance

##### Subchapter H. Cancellation, Denial, and Nonrenewal of Certain Property and Casualty Insurance Coverage

###### ★ 28 TAC §§5.7001, 5.7013-5.7015

The State Board of Insurance has withdrawn from consideration the emergency effectiveness of the amendment to §5.7001 and new §§5.7013-5.7015, concerning property and casualty insurance. The text of the new sections and amendment appeared in the July 25, 1986, issue of the *Texas Register* (11 *TexReg* 3386). The effective date of these withdrawals is August 6, 1986.

Issued in Austin, Texas, on August 6, 1986.

TRD-8607713      Nicholas Murphy  
                         Chief Clerk  
                         State Board of Insurance

Filed: August 6, 1986  
For further information, please call  
(512) 463-6327.

★      ★      ★





# Adopted Rules

An agency may take final action on a rule 30 days after a proposal has been published in the *Register*. The rule 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 rule 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 rule with changes to the proposed text, the proposal will be republished with the changes.

## TITLE 7. BANKING AND SECURITIES

### Part VII. State Securities Board

#### Chapter 115. Dealers and Salesmen

##### ★7 TAC §115.2

The State Securities Board adopts an amendment to §115.2, without changes to the proposed text published in the March 25, 1986, issue of the *Texas Register* (11 TexReg 1499). The changes from the proposed amendment are contained in §115.2 (c)(4) and (5), and were made in response to comments received.

The section formalizes the substantive requirements for applicants seeking registration as investment advisers, including financial planners who give advice concerning the offer and sale of securities.

The section, as amended, sets forth specific requirements for each applicant seeking registration as an investment adviser to file with the securities commissioner a copy of its standard advisory contract and to make certain disclosures to clients or prospective clients.

A comment in favor of the section was received from Robert L. Bunne, Jr., of the Investment Company Institute, Washington, DC. Comments from Kevin P. Howe of IDS Financial Services, Inc., Minneapolis, Minnesota were also received. Mr. Howe suggested that the section permit an applicant to furnish its clients or prospective clients with either Part II of Form ADV or a brochure containing the required information. Mr. Howe also suggested that the section set forth the point in time at which certain disclosures must be made. Both of these comments are addressed via changes in the section as adopted.

The amendment is adopted under Texas Civil Statutes, Article 581, §28-1, which provide that the board may make or adopt rules or regulations governing registration statements, applications, notices, and reports, and in the adoption of rules and regulations may classify securities, persons, and matters within its jurisdiction, and prescribe different requirements for different classes.

##### §115.2. Application.

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

(c) Investment advisers—additional information.

(1) In addition to the information required to be submitted by subsection (b) of this section, each applicant for registration as an investment adviser must furnish to the commissioner a copy of its standard advisory compact.

(2) The applicant must also undertake to the commissioner to disclose to each client or prospective client the following:

(A) the applicant's affiliation(s), if any, with other securities dealers or investment advisers, and the nature of such affiliation(s);

(B) the applicant's fee schedule and whether fees are negotiable; and

(C) whether the applicant will also act as a principal or as an agent to execute recommended transactions.

(3) The applicant may satisfy the requirements of paragraph (2)(A)-(C) of this subsection by furnishing to the commissioner a completed copy, as filed with the securities and exchange commission, of Part II of Form ADV (uniform application for investment adviser or to amend such an application under the Investment Advisers Act of 1940 (17 Code of Federal Regulations, §279.1)) as made effective in Release IA-991 and corrected in Release IA-991A.

(4) Nothing in this section shall relieve an investment adviser from any obligation pursuant to any provision of the Investment Advisers Act of 1940 or the rules and regulations thereunder or other federal or state law to disclose any information to its clients not specifically required by this section.

(d) The application for registration of any person or company who fails to meet registration requirements within one year of the filing date of the application will expire and become null and void. A copy of this rule will be mailed to applicants at least 60 days prior to the expiration of this application.

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 August 7, 1986.

TRD-8607740

Richard D. Latham  
Securities Commissioner  
State Securities Board

Effective date: August 28, 1986  
Proposal publication date: March 18, 1986  
For further information, please call  
(512) 474-2233.

★ ★ ★

## Chapter 117. Administrative Guidelines for Registration of Real Estate Programs

### ★7 TAC §§117.1-117.9

The State Securities Board adopts amendments to §§117.1-117.9. Amendments to §§117.1, 117.2, and 117.4-117.7, are adopted with changes to the proposed text published in the May 9, 1986, issue of the *Texas Register* (11 TexReg 2139). The other sections are adopted without changes and will not be republished.

The language in §117.5(a)(3)(B) is added because it is determined that such language is a part of the section itself, rather than a part of the North American Securities Administrators' Association (NASAA) Real Estate Committee's commentary on the section. Other, nonsubstantive changes are made at §117.1(b)(5) where the word "and" is changed to the word "an"; §117.1(b)(7) where the reference to §117.4(c)(3) is changed to §117.4(c)(3)(A); §117.2(f)(2) where the word "whether" is changed to the word "where"; §117.4(a)(3)(C) where the phrase "for each 1% of" was added; §117.6(c)(2) where the word "interests" is changed to "properties"; and §117.7(c)(4) where the word "annual" is added.

The section maintains continued uniformity with the guidelines promulgated by NASAA governing the registration of publicly offered real estate programs.

The sections, as amended, mirror the NASAA guidelines for the registration of publicly offered real estate programs.

No comments were received regarding adoption of the amendments.

The amendments are adopted under Texas Civil Statutes, Article 581, §28-1, which provide that the board may make or adopt rules or regulations governing registration

statements, applications, notices, and reports, and in the adoption of rules and regulations may classify securities, persons, and matters within its jurisdiction, and prescribe different requirements for different classes.

**§117.1. Introduction.**

(a) (No change.)

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

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

(5) Audited financial statements—Financial statements (balance sheet, statement of income, statement of partners' equity, and statement of changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an unqualified opinion or an opinion containing no material qualification of an independent certified public accountant or independent public accountant.

(6) Capital contribution—The gross amount of investment in a program by a participant, or all participants, as the case may be.

(7) Carried interest—An equity interest taken in a program by a person other than the promotional interest provided for in §117.4(c)(3)(A), (e)(1), and (e)(2) of this title (relating to Fees—Compensation—Expenses), for which full consideration is not paid or to be paid.

(8) Cash flow—Program cash funds provided from operations, including lease payments on net leases from builders and sellers, without deduction for depreciation, but after deducting cash funds used to pay all other expenses, debt payments, capital improvements, and replacements.

(9) Cash available for distribution—Cash flow less amount set aside for restoration or creation of reserves.

(10) Competitive real estate commission—That real estate or brokerage commission paid for the purchase or sale of property which is reasonable, customary, and competitive in light of the size, type, and location of the property.

(11) Construction fee—A fee for acting as general contractor to construct improvements on a program's property either initially or at a later date.

(12) Cross-reference sheet—A compilation of the guideline sections, referenced to the page of the prospectus, partnership agreement, or other exhibits, and justification of any deviation from the guidelines.

(13) Development fee—a fee for the packaging of a program's property, including negotiating and approving plans, and undertaking to assist in obtaining zoning and necessary variances and necessary financing for the specific property, either initially or at a later date.

(14) Financing—The indebtedness encumbering program properties the principal amount of which is scheduled to be paid

over a period of not less than 48 months, and not more than 50% of the principal amount of which is scheduled to be paid during the first 24 months. Nothing in this definition shall be construed as prohibiting a bona fide prepayment provision in the financing agreement.

(15) Front-end fees—Fees and expenses paid by any party for any services rendered during the program's organizational or acquisition phase including organization and offering expenses, acquisition fees, acquisition expenses, and any other similar fees, however designated by the sponsor.

(16) Investment in properties—The amount of capital contributions used to make or invest in mortgage loans or the amount actually paid or allocated to the purchase, development, construction or improvement of properties acquired by the program, including the purchase of properties, working capital reserves allocable thereto (except that working capital reserves in excess of 5.0% shall not be included), and other cash payments such as interest and taxes but excluding front-end fees.

(17) Net worth—The excess of total assets over total liabilities as determined by generally accepted accounting principles, except that if any of such assets have been depreciated, then the amount of depreciation relative to any particular asset may be added to the depreciated cost of such asset to compute total assets, provided that the amount of depreciation may be added only to the extent that the amount resulting after adding such depreciation does not exceed the fair market value of such asset.

(18) Nonspecified property program—A program where, at the time a securities registration is ordered effective, less than 75% of the net proceeds from the sale of program interests is allocable to the purchase, construction, or improvement of specific properties, or a program in which the proceeds from any sale or refinancing of properties may be reinvested. Reserves shall be included in the nonspecified 25%.

(19) Organization and offering expenses—Those expenses, incurred in connection with and in preparing a program for registration and subsequently offering and distributing it to the public, including sales commissions paid to broker-dealers in connection with the distribution of the program and all advertising expenses.

(20) Participant—The holder of a program interest.

(21) Person—Any natural person, partnership, corporation, association, or other legal entity.

(22) Program—A limited or general partnership, joint venture, unincorporated association, or similar organization other than a corporation formed and operated for the primary purpose of investment in and the operation of or gain from an interest in real property including such entities formed to make or invest in mortgage loans.

(23) Program interest—The limited

partnership unit or other indicia of ownership in a program.

(24) Program management fee—A fee paid to the sponsor or other persons for management or administration of the program.

(25) Property management fee—A fee paid for day-to-day professional property management services in connection with a program's real property projects.

(26) Prospectus—Shall have the meaning given to that term by the Securities Act of 1933, §2(10), including a preliminary prospectus; provided, however, that such term as used herein shall also include an offering circular as described in the Securities Act of 1933, Rule 256, or, in the case of an intrastate offering, any document by whatever name known, utilized for the purpose of offering and selling securities to the public.

(27) Purchase price of property—The price paid upon the purchase or sale of a particular property, including the amount of acquisition fees and all liens and mortgages on the property, but excluding points and prepaid interest.

(28) Sponsor—A sponsor is any person directly or indirectly instrumental in organizing, wholly or in part, a program or any person who will manage or participate in the management of a program, and any affiliate of any such person, but does not include a person whose only relation with the program is as that of an independent property manager, whose only compensation is as such. Sponsor does not include wholly independent third parties such as attorneys, accountants, and underwriters whose only compensation is for professional services rendered in connection with the offering of syndicate interests.

**§117.2. Requirements of Sponsors.**

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

(c) Reports to securities commissioner. Each application for registration shall contain a commitment, executed by the sponsor, to submit to the securities commissioner upon request any report or statement required to be distributed to limited partners pursuant to §117.7(c) of this title (relating to Rights and Obligations of Participants).

(d) Liability and indemnification.

(1) The partnership agreement shall not provide for indemnification of the sponsor for any liability or loss suffered by the sponsor, nor shall it provide that the sponsor be held harmless for any loss or liability suffered by the partnership, unless all of the following conditions are met:

(A) the sponsor has determined, in good faith, that the course of conduct which caused the loss or liability was in the best interests of the partnership;

(B) such liability or loss was not the result of negligence or misconduct by the sponsor; and

(C) such indemnification or agreement to hold harmless is recoverable only out

of the assets of the partnership and not from the limited partners.

(2) Indemnification of the sponsors or their affiliates will not be allowed for any liability imposed by judgment, and costs associated therewith, including attorneys' fees, arising from or out of a violation of state or federal securities laws associated with the offer and sale of partnership units. Indemnification will be allowed for settlements and related expenses of lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that a court either:

(A) approves the settlement and finds that indemnification of the settlement and related costs should be made; or

(B) approves indemnification of litigation costs if a successful defense is made.

(3) Every application for registration must contain an undertaking that such parties seeking indemnification will apprise the court of the positions of the securities commissioner and the SEC with respect to indemnification for securities law violations, before seeking court approval for indemnification.

(4) The program may not incur the cost of that portion of liability insurance which insures the sponsor for any liability as to which the sponsor is prohibited from being indemnified under this subsection.

(e) Fiduciary duty. The program agreement shall provide that the sponsor shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the program, whether or not in the sponsor's possession or control, and that the sponsor shall not employ, or permit another to employ such funds or assets in any manner except for the exclusive benefit of the program. In addition, the program shall not permit the participant to contract away the fiduciary duty owed to the participant by the sponsor under the common law.

(f) Terminated sponsor.

(1) Upon the occurrence of a terminating event, the partnership may be required to pay to the terminated sponsor all amounts then accrued and owing to the terminated sponsor. Additionally, the partnership may terminate the sponsor's interest in partnership income, losses, distributions, and capital by payment of an amount equal to the then present fair market value of the terminated sponsor's interest determined by agreement of the terminated sponsor and the partnership, or, if they cannot agree, by arbitration in accordance with the then current rules of the American Arbitration Association. The expense of arbitration shall be borne equally by the terminated sponsor and the partnership.

(2) The method of payment to the terminated sponsor must be fair; and must protect the solvency and liquidity of the partnership. Where the termination is voluntary, the method of payment will be deemed presumptively fair where it provides for a non-

interest bearing unsecured promissory note with principal payable, if at all, from distributions which the terminated sponsor otherwise would have received under the partnership agreement had the sponsor not terminated. Where the termination is involuntary, the method of payment will be deemed presumptively fair where it provides for an interest bearing promissory note coming due in no less than five years with equal installments each year.

§117.4. Fees—Compensation—Expenses.

(a) Fees, compensation, and expenses to be reasonable.

(1) The total amount of consideration of all kinds which may be paid directly or indirectly to all parties shall be reasonable.

(2) The prospectus must fully disclose and itemize all consideration which may be received from the program directly or indirectly by the sponsor, its affiliates and underwriters, what the consideration is for and how and when it will be paid. This shall be set forth in one location in tabular form.

(b) Organization and offering expenses. All organization and offering expenses incurred in order to sell program interests shall be reasonable, and the total expenses for marketing securities paid by the program shall in no event in the aggregate exceed the percentages specified in §113.4(g) of this title (relating to Application for Registration).

(c) Investment in properties.

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

(3) If the sponsor enters into an investment in properties commitment in excess of that specified in paragraph (2) of this subsection, the following mutually exclusive forms of compensation are viewed as not unreasonable alternatives to front-end fees:

(A) the sponsor may take an additional promotional interest in the net proceeds remaining from the sale or refinancing of the properties after payment of such proceeds to participants in an amount equal to 100% of capital contributions, equal to 1.0% for each 1.0% of additional investment in properties;

(B) the sponsor may take a carried interest which participates in the net proceeds remaining from the sale or refinancing of properties only after payment of such proceeds to participants in an amount equal to 100% of capital contributions, equal to 1.0% for the first 2.0% of additional investment in properties, plus 1.0% for the next 1.5% of additional investment in properties, plus 1.0% for each 1.0% of additional investment in properties thereafter; or

(C) the sponsor may take a fully participating carried interest equal to 1.0% for the first 2.5% of additional investment in properties, 1.0% for the next 2.0% of additional investment in properties, and 1.0% for each 1.0% of additional investment in properties thereafter.

(4)-(5) (No change.)

(d)-(e) (No change.)

(f) Real estate brokerage commissions on resale of property. The total compensa-

tion paid to all persons for the sale of a program property shall be limited to a competitive real estate commission, not to exceed 6.0% of the contract price for the sale of the property. If the sponsor provides a substantial amount of the services in the sales effort, he may receive up to ½ of the competitive real estate commission, not to exceed 3.0%, and subordinated as in subsection (e) of this section. If the sponsor participates with an independent broker on resale, the subordination requirement shall apply only to the commission earned by the sponsor.

(g)-(i) (No change.)

§117.5. Conflicts of Interest and Investment Restrictions.

(a) Sales, leases, and loans.

(1) Sales and leases to program. A program shall not purchase or lease property in which a sponsor has an interest unless:

(A) the transaction occurs at the formation of the program and is fully disclosed in its prospectus or offering circular;

(B) the property is sold upon terms fair to the program and at a price not in excess of its appraised value;

(C) the cost of the property and any improvements thereon to the sponsor is clearly established. If the sponsor's cost was less than the price to be paid by the program, the price to be paid by the program will not be deemed fair, regardless of the appraised value, unless some material change has occurred to the property which would increase the value since the sponsor acquired the property. Material factors may include the passage of a significant amount of time (but in no event less than two years), the assumption by the promoter of the risk of obtaining a rezoning of the property and its subsequent rezoning, or some other extraordinary event which in fact increases the value of the property; and

(D) the provisions of this subsection notwithstanding, the sponsor may purchase property in its own name (and assume loans in connection therewith) and temporarily hold title thereto for the purpose of facilitating the acquisition of such property or the borrowing of money or obtaining of financing for the program, or completion of construction of the property, or any other purpose related to the business of the program, provided that such property is purchased by the program for a price no greater than the cost of such property to the sponsor, except compensation in accordance with §117.4 of this title (relating to Fees—Compensation—Expenses) and provided there is no difference in interest rates of the loans secured by the property at the time acquired by the sponsor and the time acquired by the program, nor any other benefit arising out of such transaction to the sponsor apart from compensation otherwise permitted by these sections.

(2) Sales and leases to sponsor. The program will not ordinarily be permitted to sell or lease property to the sponsor except that the program may lease property to the

sponsor under a lease-back arrangement made at the outset and on terms no more favorable to the sponsor than those offered other persons and fully described in the prospectus.

(3) Loans. No loans may be made by the program to the sponsor or affiliate. Programs which make or invest in mortgage loans may provide such loans to programs formed by or affiliated with such persons in those circumstances in which such activities have been fully justified to the securities commissioner. These affiliated transactions must, at the minimum, meet the following conditions:

(A) the circumstances under which the loans will be made and the actual terms of the loans must be fully disclosed in the prospectus; or

(B) in order for the adviser to be considered qualified and independent the following conditions must be met:

(i) the adviser must be a long established, nationally recognized investment banking firm, accounting firm, mortgage banking firm, bank, real estate financial consulting firm or advisory firm;

(ii) the advisor must have a staff of real estate professionals;

(iii) the compensation of the adviser must be determined and embodied in a written contract before an opinion is rendered;

(iv) if an adviser has been engaged to render a fairness opinion who is not the adviser previously engaged to render this or the preceding fairness opinion, the sponsor shall inform the investors (by no later than the next annual report) of the date when such new adviser was engaged, and whether there were any disagreements with the former adviser on any matters of valuation, assumptions, methodology, accounting principles and practice, or disclosure, which disagreements, if not resolved to the satisfaction of the former adviser would have caused him to make reference, in connection with the fairness opinion, to the subject matter of the disagreement or decline to given an opinion;

(v) the compensation of the adviser must be paid by the sponsor and the sponsor may not claim reimbursement from the program for such expenses;

(vi) the adviser, directly or indirectly, has no interest in, nor any material business or professional relationship with the program, the sponsor, the borrower, or any affiliates thereof. Independence will be considered to be impaired if, for example, during the period of the adviser's engagement, or at the time of expressing his opinion, he or his firm:

(I) had, or was committed to acquire any direct or indirect ownership interest in the program, sponsor, borrower, or affiliates thereof;

(II) had any joint closely held business investment with the program, sponsor, borrower, or any affiliate thereof,

which was material in relation to the adviser's net worth; or

(III) had any loan to or from the program, sponsor, borrower, or affiliates thereof;

(vii) the foregoing examples are not intended to be all inclusive. However, for purposes of determining whether or not the business or professional relationship or joint investment is material, the gross revenue derived by the adviser from the program, the sponsor, the borrower, and their affiliates shall be deemed material per se if it exceeds 5.0% of the annual gross revenue derived by the adviser from all sources or exceeds 5.0% of the individual's or the adviser's net worth (on an estimated fair market value basis).

(C) Loans made to third parties, the proceeds of which are used to purchase or refinance property in which the sponsor or an affiliate has an equity or security interest, must meet the requirements of subparagraph (A) or (B) of this paragraph.

(4) (No change.)

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

(g) Commingling of funds. The funds of a program shall not be commingled with the funds of any other person. Nothing contained in this subsection however, shall prohibit a sponsor from establishing a master fiduciary account pursuant to which separate subtrust accounts are established for the benefit of affiliated limited partnerships, provided, that program funds are protected from claims of such other partnerships and/or creditors. The prohibition of this subsection shall not apply to investments meeting the requirements of subsection (h) of this section.

(h) Investments in other programs.

(1) (No change.)

(2) Such prohibitions shall not apply to programs participating in the subsidized housing provisions of the National Housing Act or any similar programs that may be enacted, but unless prohibited by the applicable federal statute, such partnership (herein referred to as lower tier partnership) shall provide for its limited partners all of the rights and obligations required to be provided by the original program in §117.7 of this title (relating to Rights and Obligations of Participants) of these guidelines.

(3) (No change.)

(i)-(j) (No change.)

(k) Completion bond requirements.

(1) The completion of property acquired which is under construction should be guaranteed at the price contracted by an adequate completion bond or other satisfactory arrangements.

(2) For purposes of this subsection, satisfactory arrangements include, but are not limited to, the following:

(A) a written guarantee of completion by a person, supported by financial statements demonstrating sufficient net worth adequately collateralized by other real or personal properties or other persons guarantees;

(B) a retention of a reasonable portion of the purchase consideration as a potential offset to such purchase consideration in the event the seller does not perform in accordance with the purchase and sale agreement; and

(C) other satisfactory arrangements to guarantee completion may be made, provided they are disclosed in the prospectus and the prior written approval of the securities commissioner has been obtained.

(l)-(m) (No change.)

#### §117.6. *Nonspecified Property Programs.*

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

(c) Statement of investment objectives.

A nonspecified property program shall state types of properties in which it proposes to invest, such as first-user apartment projects, subsequent-user apartment projects, shopping centers, office buildings, unimproved land, etc., and the size and scope of such projects shall be consistent with the objectives of the program and the experience of the sponsors. As a minimum, the following restrictions on investment objectives shall be observed.

(1) Unimproved or nonincome producing property shall not be acquired except in amounts and upon terms which can be financed by the program's proceeds or from cash available for distribution from operations. Investments in such property shall not exceed 10% of the gross proceeds of the offering. Properties which are expected to produce income within a reasonable period of time shall not be considered nonincome producing. For purposes of this subsection two years shall be deemed to be presumptively reasonable.

(2) Investments in junior trust deeds and other similar obligations shall be prohibited, except for junior trust deeds which arise from the sale of program properties.

(3)-(4) (No change.)

(d) (No change.)

(e) Multiple programs. The method for the allocation of the acquisition of properties by two or more programs of the same sponsor seeking to acquire similar types of properties shall be reasonable. The method also shall be described in the prospectus.

#### §117.7. *Rights and Obligations of Participants.*

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

(c) Reports to holders of limited partnership interests. The partnership agreement shall provide that the sponsor shall cause to be prepared and distributed to the holders of program interests during each year the following reports.

(1) (No change.)

(2) In the case of all programs, within 75 days after the end of each program's fiscal year, all information necessary for the preparation of the limited partners' federal income tax returns.

(3) In the case of all programs, within 120 days after the end of each program's fiscal year, an annual report containing:

(A) a balance sheet as of the end of its fiscal year and statements of income, partners' equity, and changes in financial position and a cash flow statement, for the year then ended, all of which, except the cash flow statement, shall be prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an opinion of an independent certified public accountant;

(B) a report of the activities of the program during the period covered by the report; and

(C) where forecasts have been provided to the holders of limited partnership interests, a table comparing the forecasts previously provided with the actual results during the period covered by the report.

(4) Such annual report shall set forth distributions to limited partners for the period covered thereby and shall separately identify distributions from:

(A) cash flow from operations during the period;

(B) cash flow from operations during a prior period which had been held as reserves;

(C) proceeds from disposition of property and investments;

(D) lease payments on net leases with builders and sellers; and

(E) reserves from the gross proceeds of the offering originally obtained from the limited partners.

(5) Where assessments have been made during any period covered by any report required by paragraphs (1), (2), and (4) of this subsection, then such report shall contain a detailed statement of such assessments and the application of the proceeds derived from such assessments.

(d) Access to records. Every limited partner shall at all times have access to the records of the partnership and may inspect and copy any of them. A list of the names and address, of all of the limited partners shall be maintained as part of the books and records and shall be mailed to any limited partner upon request. A reasonable charge for copy work may be charged by the program.

(e) (No change.)

(f) Redemption of program interests. Ordinarily, the program and the sponsor may not be mandatorily obligated to redeem or repurchase any of its program interests, although the program and the sponsor may not be precluded from purchasing such outstanding interests if such purchase does not impair the capital or the operation of the program. Notwithstanding the foregoing, a real estate program may provide for mandatory redemption rights under the following necessitous circumstances:

(1) (No change.)

(2) a substantial reduction in the owner's net worth or income provided that:

(A) the program has sufficient cash to make the purchase;

(B) the purchase will not be in violation of applicable legal requirements;

(C) not more than 15% of the outstanding units are purchased in any year; and

(D) where the purchase price is not mutually agreed upon, the matter shall be submitted to arbitration.

(g) (No change.)

(h) Assessments and defaults.

(1) Assessments. Assessments will not be allowed for nonspecified programs. In the case of specified programs, assessments shall be permitted only when specific circumstances demonstrate a need. If the anticipated cash flow from property (after payment of debt service and all operating expenses) is not sufficient to pay taxes and/or special assessments imposed by governmental or quasi-governmental units, the program agreement may include a provision for assessability to meet such deficiencies, including those obligations of a defaulting participant. Assessability must be limited to the foregoing obligations, and all amounts derived from such assessments must be applied only to satisfaction of said obligations.

(2) (No change.)

(i) (No change.)

(j) Special reports. Within 60 days after the end of each quarter during which there have been real property acquisitions, a special report (which may be part of the quarterly report) shall be sent to all participants until the proceeds of the offering are committed or returned to the investors. The report shall contain the following information:

(1) the location and a description of the general character of all materially important real properties acquired or presently intended to be acquired by or leased to the program, during the quarter;

(2) the present or proposed use of such properties and their suitability and adequacy for such use;

(3) the terms of any material lease affecting the property;

(4) the proposed method of financing, including estimated down payment, leverage ratio, prepaid interest, balloon payment(s), prepayment penalties, due-on-sale or encumbrance clauses and possible adverse effects thereof and similar details of the proposed financing plan; and

(5) a statement that title insurance and any required construction, permanent or other financing, and performance bonds or other assurances with respect to builders have been or will be obtained on all properties acquired.

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 August 7, 1986.

TRD-8607741

Richard D. Latham  
Securities Commissioner  
State Securities Board

Effective date: August 28, 1986  
Proposal publication date: May 9, 1986  
For further information, please call  
(512) 474-2233.

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## Chapter 133. Forms

### ★7 TAC §133.31

The State Securities Board adopts an amendment to §133.31, without changes to the proposed text published in the May 9, 1986, issue of the *Texas Register* (11 TexReg 2144).

The section is adopted in order that the review of real estate program offerings will be quicker since the cross reference sheet enables securities analysts to review such programs and process such applications more efficiently.

The section as amended, increases efficiency in the review of real estate program offerings.

No comments were received regarding adoption of the amendment.

The amendment is adopted under Texas Civil Statutes, Article 581, §28-1, which provide that the board may make or adopt rules or regulations governing registration statements, applications, notices, and reports, and in the adoption of rules and regulations may classify securities, persons, and matters within its jurisdiction, and prescribe different requirements for different classes.

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 August 7, 1986.

TRD-8607742

Richard D. Latham  
Securities Commissioner  
State Securities Board

Effective date: August 28, 1986  
Proposal publication date: May 9, 1986  
For further information, please call  
(512) 474-2233.

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## Chapter 143. Administrative Guidelines for Registration of Real Estate Investment Trusts

### ★7 TAC §§143.1-143.21

The State Securities Board adopts new §§143.1-143.21, without changes to the proposed text published in the May 9, 1986, issue of the *Texas Register* (11 TexReg 2145).

The new sections are adopted in order to set forth guidelines for the registration of publicly offered real estate investment trusts. The guidelines mirror those adopted by the North American Securities Admini-

trators' Association, Inc. (NASAA). Since the guidelines have been adopted by a number of other states, uniformity of regulation in this area is furthered.

The new sections set forth the registration criteria for publicly offered real estate investment trusts.

No comments were received regarding adoption of the new sections.

The new sections are adopted under Texas Civil Statutes, Article 581, §28-1, which provide that the board may make or adopt rules or regulations governing registration statements, applications, notices, and reports, and in the adoption of rules and regulations may classify securities, persons, and matters within its jurisdiction, and prescribe different requirements for different classes.

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 August 7, 1986.

TRD-867743 Richard D. Latham  
Securities Commissioner  
State Securities Board

Effective date: August 28, 1986  
Proposal publication date: May 9, 1986  
For further information, please call  
(512) 474-2233.

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## TITLE 19. EDUCATION

### Part I. Coordinating Board, Texas College and University System

#### Chapter 5. Program Development Subchapter N. Guidelines on Approval of Course Inventories for Public Senior Institutions

##### ★ 19 TAC §5.285

The Coordinating Board, Texas College and University System, adopts new §5.285, without changes to the proposed text published in the May 23, 1986, issue of the *Texas Register* (11 TexReg 2413).

Adoption of the new section is justified to protect the quality of baccalaureate degree programs. Under the new section, less-than-college level courses are not assigned degree program credit.

The new section changes institutional catalog language and other publications to advise students that precollegiate courses will not be counted toward degree requirements.

No comments were received regarding adoption of the new section.

The new section is adopted under the Texas Education Code, §§61.002, 61.051 (e) and (g), 61.052, and 61.057, which provides

the Coordinating Board with the authority to adopt rules regarding guidelines on approval of course inventories for public senior institutions.

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 August 6, 1986.

TRD-8607790 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Effective date: August 29, 1986  
Proposal publication date: May 23, 1986  
For further information, please call  
(512) 462-6420.

★ ★ ★

### Chapter 9. Public Junior Colleges

#### Subchapter B. Procedures to be Followed in the Creation of Public Junior Colleges

##### ★ 19 TAC §9.24

The Coordinating Board, Texas College and University System, adopts an amendment to §9.24, without changes to the proposed text published in the May 23, 1986, issue of the *Texas Register* (11 TexReg 2413).

Adoption of the amendment is justified to comply with the Texas Election Code. Citizens petitioning for a new community college district election are now required to comply with the section and the Texas Election Code. Petitions completed for expansion of a public community college district will also be effected by the amendment.

No comments were received regarding adoption of the amendment.

The amendment is adopted under House Bill 2162, Chapter 895, Page 6483, 69th Legislative, 1985, which provides the Coordinating Board with the authority to adopt rules regarding procedures to be followed in the creation of public junior colleges.

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 August 6, 1986.

TRD-8607791 James McWhorter  
Assistant Commissioner  
for Administration  
Coordinating Board, Texas  
College and University  
System

Effective date: August 29, 1986  
Proposal publication date: May 23, 1986  
For further information, please call  
(512) 462-6420.

## TITLE 40. SOCIAL SERVICES AND ASSISTANCE

### Part I. Texas Department of Human Services Chapter 10. Family Self-Support Services

The Texas Department of Human Services (DHS) adopts the repeal of §10.4312 and new §10.4312, concerning the payment methodology for Emergency Nutrition and Temporary Emergency Relief Program (ENTERP) contractors, without changes to the proposed text published in the June 27, 1986, issue of the *Texas Register* (11 TexReg 2962).

The adoption is justified to permit greater flexibility in the contract provisions relating to the amount and timing of payments from DHS to the contractor.

The adoption will function to establish a one-payment system that will reduce paperwork for the contractors and will permit them to budget and expend the funds based on the emergency needs of their communities.

No comments were received regarding adoption of the repeal.

#### Emergency Nutritional Temporary Emergency Relief Program

##### ★ 40 TAC §10.4312

The repeal is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department 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 August 6, 1986.

TRD-8607696 Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: October 1, 1986  
Proposal publication date: June 27, 1986  
For further information, please call  
(512) 450-3768.

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##### ★ 40 TAC §10.4312

The new section is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department to administer public 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 August 6, 1986.

Effective date: October 1, 1988  
Proposal publication date: June 27, 1988  
For further information, please call  
(512) 450-3786.

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## Chapter 27. ICF-MR

The Texas Department of Human Services adopts amendments to §§27.102, 27.103, 27.105, 27.106, and 27.2701, concerning the Intermediate Care Facility for the Mentally Retarded (ICF-MR) program.

The amendments are necessary to comply with newly adopted federal regulations (42 Code of Federal Regulations 436.1009) effective June 27, 1988, defining persons with related conditions who may be served in the ICF-MR Program. The amendments to §§27.102, 27.103, 27.105, and 27.106 delete the definition of and references to pervasive development disorder (autism) and include the new, federally mandated definition of persons with related conditions.

The amendment to §27.2701 deletes an obsolete definition of persons with related conditions.

### Subchapter B. Criteria for ICF-MR Care

#### ★ 40 TAC §§27.102, 27.103, 27.105, 27.106

The amendments are adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department to administer public and medical assistance programs. The amendments are adopted effective June 27, 1988, to comply with federal requirements.

**§27.102. Definitions for Level-of-Care Criteria.** The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

Persons with related conditions—Individuals who have a severe, chronic disability that:

- (A) is attributable to:  
(i) cerebral palsy or epilepsy;

or

(ii) any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of mentally retarded persons, and requires treatment or services similar to those required for mentally retarded persons;

(B) is manifested before the person reaches age 22;

(C) is likely to continue indefinitely; and

(D) results in substantial functional limitations in at least three of the following areas of major life activity:

- (i) self-care;  
(ii) understanding and use of language;  
(iii) learning;  
(iv) mobility;  
(v) self-direction;  
(vi) capacity for independent living.

#### §27.103. Eligibility for Level-of-Care Assignment.

(a) The ICF-MR Program provides services to individuals who have the developmental disability of mental retardation. These individuals must have an I.Q. of 69 or below as measured by a standardized psychometric instrument. The ICF-MR Program also provides services to persons with related conditions as defined in §27.102 of this title (relating to Definitions for Level-of-Care Criteria). These individuals must also have an I.Q. of 75 or below and deficits in adaptive behavior. The condition(s) must have been diagnosed through formal testing and evaluation.

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

#### §27.105. ICF-MR I Level-of-Care Criteria.

The individual eligible for the ICF-MR I Program must have the potential to participate in a training program that will prepare him for eventual placement in a less structured living setting. The individual requires training in the skills of independent living. This training includes using community resources, maintaining the home, managing money, and acquiring independence in self-care areas. If age-appropriate, the individual requires placement in a sheltered workshop or in community employment training. The individual demonstrates sufficient self-direction to participate in the active treatment of the program. The individual may have maladaptive behaviors that require programmatic intervention but do not prevent his participation in the active treatment of the program.

(1) Intellectual functioning. The individual functions in the mild to moderate range of mental retardation as evidenced by a full scale I.Q. score within the range of 35 to 69 obtained by formal assessment. If the individual has been diagnosed as having a related condition as defined in §27.102 of this title (relating to Definitions for Level-of-Care Criteria), the individual must have a full scale I.Q. score within the range of 35 to 75 obtained by formal assessment. If the individual has a sensory or motor handicap for which a specialty standardized intelligence test or a certain portion of a standardized intelligence test is appropriate, then that score must be reported as the I.Q. score for compliance with this criterion.

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

#### §27.106. ICF-MR V Level-of-Care Criteria.

The individual eligible for the ICF-MR V

Program may need assistance and supervision in the refinement of self-help skills. The individual may require training in socialization skills, work skills and behaviors (if age-appropriate), motor skills, care of belongings and personal care, and group recreation skills. The individual may require daily supervision and management to ensure completion of scheduled activities and compliance with staff requests. The individual may have maladaptive behaviors that require programmatic intervention. The individual may also have health care needs requiring daily supervision by licensed nursing personnel.

(1) Intellectual functioning. The individual functions in the mild to severe range of mental retardation as evidenced by an I.Q. score within the range of 20 to 69 obtained by formal assessment. If the individual has been diagnosed as having a related condition as defined in §27.102 of this title (relating to Definitions for Level-of-Care Criteria), the individual must have a full scale I.Q. score within the range of 20 to 75 obtained by formal assessment. If the individual has a sensory or motor handicap for which a specialty standardized intelligence test or a certain portion of a standardized intelligence test is appropriate, then that score must be reported as the I.Q. score for compliance with this criterion.

(2)-(4) (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 August 6, 1988.

TRD-8807704

Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: June 27, 1988  
For further information, please call  
(512) 450-3786.

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### Subchapter BB. Facilities with More than 15 Beds

#### ★ 40 TAC §27.2701

The amendment is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department to administer public and medical assistance programs. The amendment is adopted effective June 27, 1988, to comply with federal requirements.

**§27.2701. Criteria Relating to ICF-MR Facility Status.** For purposes of federal financial participation, the following criteria apply:

(1)-(2) (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 August 6, 1986.

TRD-8607705  
Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: June 27, 1986  
For further information, please call  
(512) 450-3766.

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### Subchapter WW. Residents' Personal Funds and Property

#### ★ 40 TAC §27.4803

The Texas Department of Human Services adopts an amendment to §27.4803 with changes to the proposed text published in the May 6, 1986, issue of the *Texas Register* (11 TexReg 2087).

The amendment makes explicit the designation of intermediate care facility for the mentally retarded (ICF-MR) resident trust-fund accounts to protect recipient-resident monies from attachment for any liability claims against the facility. The amended section requires facilities to keep resident trust-fund accounts separate and clearly identified as resident trust-fund accounts. The amended section is adopted with one editorial change to the text as proposed. The term "resident" has been substituted for the term "patient" to conform to terminology in other ICF-MR sections.

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

#### §27.4803. Protection of Funds.

(a)-(e) (No change.)

(f) The ICF-MR must keep any funds received from a resident for holding, safeguarding, and accounting separate from the ICF-MR's funds. This separate account must be identified "Trustee, (name of facility), Residents' Trust Fund Account." An ICF-MR may commingle the trust funds of Medicaid recipient-residents and private-pay residents. If the funds are commingled, the ICF-MR must provide, upon request, the following information. This information must be provided to DHS, the Texas Department of Health, the Texas attorney general's Medicaid Fraud Control Unit, and the U.S. Department of Health and Human Services.

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

(g)-(k) (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 August 6, 1986.

TRD-8607688

Martin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: August 27, 1986  
Proposal publication date: May 6, 1986  
For further information, please call  
(512) 450-3766.

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### Chapter 29. Purchased Health Services

The Texas Department of Human Services adopts amendments to §§29.403, 29.1501, 29.1502, and 29.1504, concerning purchased health services. The amendments are adopted without changes to the proposed text published in the June 27, 1986, issue of the *Texas Register* (11 TexReg 2064).

The amendments are justified to ensure continued availability of chiropractic and hearing aid services as covered services under the Texas Medical Assistance Program.

The amendments will function by specifying additional limitations on these covered services. The limitations are necessary because of state funding limitations.

No comments were received regarding adoption of the amendments.

### Subchapter E. Medicaid Chiropractic Program

#### ★ 40 TAC §29.403

The amendment is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department 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 August 6, 1986.

TRD-8607706  
Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: September 1, 1986  
Proposal publication date: June 27, 1986  
For further information, please call  
(512) 450-3766.

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### Subchapter P. Hearing Aid Services

#### ★ 40 TAC §§29.1501, 29.1502, 29.1504

The amendments are adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which authorizes the department 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 August 6, 1986.

TRD-8607707  
Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: September 1, 1986  
Proposal publication date: June 27, 1986  
For further information, please call  
(512) 450-3766.

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### Chapter 49. Child Protective Services

#### Subchapter B. Children's Trust Fund

#### ★ 40 TAC §§49.201-49.209

The Texas Department of Human Services (DHS) adopts new §§49.201-49.209, without changes to the proposed text published in the June 20, 1986, issue of the *Texas Register* (11 TexReg 2874).

The adoption is justified because it implements the Human Resources Code, Chapter 74, (Senate Bill 371, 69th Legislature, 1985), which established the children's trust fund (CTF). CTF monies are to be used to fund community-based programs to prevent child abuse and neglect. The law creates the Council on Child Abuse and Neglect Prevention and gives the council responsibility for establishing grant application requirements; funding priorities; and guidelines for selecting proposals, determining grant amounts, distributing grants, and monitoring expenditures of funds.

The new sections will function to make available programs that provide parenting education, anti-victimization training for children, assistance to families in crisis, and community awareness campaigns to reduce the incidence of abuse and neglect.

A public hearing was held July 8, 1986, to receive oral comments on the new sections. A representative of the Center for the Development of Nonformal Education spoke in favor of the formation of the council and requested the council and department to focus on the minority population and on the relationship of family violence and child abuse. The department received a similar written request from a representative of the Texas Council on Family Violence. The council and department clearly intend to address the needs of all populations in preventing child abuse and neglect. A second written comment from the Alamo Area RAPE Crisis Center asked that the department delineate its administrative procedures, particularly in granting contracts. Because these comments did not address the proposed sections, the department is not making any changes based on them.



The new sections are adopted under the Human Resources Code, Title 2, Chapter 22, which authorizes the department to administer public assistance programs, and the Human Resources Code, Title 3, Chapter 74, which directs the department to issue sections according to the recommendations of the Council on Child Abuse and Neglect Prevention.

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 August 6, 1986.

TRD-8607703  
Marlin W. Johnston  
Commissioner  
Texas Department of  
Human Services

Effective date: September 1, 1986  
Proposal publication date: June 20, 1986  
For further information, please call  
(512) 460-3766.

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**TITLE 43.**  
**TRANSPORTATION**  
**Part I. State Department of**  
**Highways and Public**  
**Transportation**  
**Chapter 21. Right of Way**  
**Division**

**Control of Outdoor Advertising**  
**Signs**

★43 TAC §21.152

The State Department of Highways and Public Transportation adopts an amendment to §21.152, without changes to the proposed text published in the April 25, 1986, issue of the *Texas Register* (11 TexReg 1917).

The amendment clarifies the section and improves the administration of the section.

The amendment clarifies the section and allows cutouts to be added to an off-premise sign which has an area of 672 square feet, provided that no sign to which a cutout has been added shall have an area greater than 807 square feet.

No comments were received regarding adoption of the amendment.

The amendment is adopted under Texas Civil Statutes, Article 6666, which authorize the commission to adopt rules for the conduct of the work of the State Department of Highways and Public Transportation. Texas Civil Statutes, Article 4477-9a, §4.03(d), authorize the State Highway and Public Transportation Commission to adopt rules to regulate the orderly and effective display of outdoor advertising signs.

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 August 6, 1986.

TRD-8607691  
Diane L. Northam  
Administrative Technician  
State Department of  
Highways and Public  
Transportation

Effective date: August 27, 1986  
Proposal publication date: April 25, 1986  
For further information, please call  
(512) 463-8630.

**Chapter 25. Maintenance**  
**Division**  
**Method of Payment of Fees for**  
**Oversize Permits Ordered by**  
**Telephone**

★43 TAC §25.77

The State Department of Highways and Public Transportation adopts new §25.77, without changes to the proposed text published in the June 20, 1986, issue of the *Texas Register* (11 TexReg 2878).

The new section establishes specific methods of payment of oversize permit fees in order to insure uniform accounting procedures; facilitates the issuance of oversize permits through a central permit issuing office; and provides for the use of certain types of credit cards as payment of oversize permit fees.

The new section provides for using Visa, Mastercard, or a permit account card established through a financial institution, under contract to the department and the State Treasury, as the method of payment of oversize permit fees. The new section also provides for automated accounting of permit fee collections through the use of credit cards as the method of payment.

No comments were received regarding adoption of the new section.

The new section is adopted under Texas Civil Statutes, Articles 6666 and 6701a, which provide the State Highway and Public Transportation Commission with the authority to promulgate rules in general, and specifically to establish rules regarding method of payment of oversize permit fees.

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 August 6, 1986.

TRD-8607690  
Diane L. Northam  
Administrative Technician  
State Department of  
Highways and Public  
Transportation

Effective date: August 27, 1986  
Proposal publication date: June 20, 1986  
For further information, please call  
(512) 463-8630.

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# 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 *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 bulletin 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 agendas than what is published in the *Register*.

## Texas Department of Agriculture

**Monday, August 18, 1986, 8 a.m.** The Texas Department of Agriculture will meet in Suite 103, district office, 1801 North Lamar Boulevard, Dallas. According to the agenda summary, the department will conduct an administrative hearing to review insurance coverage held by commercial applicators.

**Contact:** Samuel T. Biscoe, P.O. Box 12847, Austin, Texas 78711, (512) 463-7591.

**Filed:** August 7, 1986, 1:59 p.m.  
TRD-8607730

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## Texas Air Control Board

**Friday, August 22, 1986.** Committees of the Texas Air Control Board will meet in Room 332, 6330 Highway 290 East, Austin. Times, committees, and agendas follow.

**9 a.m.** The Mobile Source Emissions Committee will consider the proposed contract with Colorado State University for extension of the new Technology Automotive Technician Training Program to El Paso, Dallas, and Tarrant Counties; the vehicle inspection and maintenance program annual status report; and discuss and consider the revisions to the carbon monoxide control strategy for El Paso County.

**Contact:** Paul M. Shinkawa, 6330 Highway 290 East, Austin, Texas 78723, (512) 451-5711, ext. 354.

**Filed:** August 12, 1986, 9:55 a.m.  
TRD-8607868

**9:30 a.m.** The Regulation Development Committee will discuss and consider the adoption of new §116.12, Review and Continuance of operating permits; and discuss and consider the adoption of revisions to the carbon monoxide control strategy for El Paso County.

**Contact:** Paul M. Shinkawa, 6330 Highway 290 East, Austin, Texas 78723, (512) 451-5711, ext. 354.

**Filed:** August 12, 1986, 9:55 a.m.  
TRD-8607869

**10:30 a.m.** The board will approve the minutes of the July 11 1986, meeting; consider public testimony; reports; consider and act on proposed rules and revisions to the State Implementation Plan; the enforcement report; agreed enforcement orders; consider and act on the proposed agency contract; the hearing examiner's report; and consider new business.

**Contact:** Paul M. Shinkawa, 6330 Highway 290 East, Austin, Texas 78723, (512) 451-5711, ext. 354.

**Filed:** August 12, 1986, 9:56 a.m.  
TRD-8607870

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## State Bar of Texas

**Friday, August 15, 1986, 9 a.m.** The State Bar of Texas met at the Hilton Hotel, 500 Padre Boulevard, South Padre Island. Items on the agenda summary included reports and considerations presented by the board chairman; reports and considerations presented by the president, the executive director, and the general counsel; reports of the TYLA president, immediate past president, president-elect, and supreme court liaison; the updates of the teleconferencing equipment; a report of law related education and consideration of employment of additional staff; and an update on the Bar Leaders' Conference.

**Contact:** Paula Welch, 1414 Colorado Street, Austin, Texas 78701, (512) 463-1451.

**Filed:** August 7, 1986, 2:40 p.m.  
TRD-8607727

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## Battleship Texas Advisory Board

**Saturday, August 16, 1986, 10 a.m.** The Battleship Texas Advisory Board will meet at

the Battleship Texas, 3527 Battleground Road, La Porte. Items on the agenda include the approval of minutes; the approval of expenses; a report on the Pasadena Sesquicentennial fundraiser; a review of the slide presentation and song; and the report on fundraising activities. The board also will meet in executive session if necessary.

**Contact:** W. Douglas Williams, 3033 Chimney Rock, Suite 601, Houston, Texas 77056, (713) 783-8109.

**Filed:** August 7, 1986, 2:05 p.m.  
TRD-8607731

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## Texas Committee on Purchases of Products and Services of Blind and Severely Disabled Persons

**Tuesday, August 19, 1986, 10 a.m.** The Texas Committee on Purchases of Products and Services of Blind and Severely Disabled Persons will meet via conference call in Suite 300, 4800 North Lamar Boulevard, Austin. According to the agenda, the committee will discuss and act on set-aside products including embroidered patches, guest chairs, and bulk package of 5¼ inch floppies.

**Contact:** Ron P. Mansolo, P.O. Box 12866, Austin, Texas 78711, (512) 459-2603.

**Filed:** August 8, 1986, 2:41 p.m.  
TRD-8607800

**Tuesday, August 19, 1986, 10 a.m.** The Texas Committee on Purchases of Products and Services of Blind and Severely Disabled Persons will meet via conference call from the Executive Conference Room, Criss Cole Rehabilitation Center, 4800 North Lamar Boulevard, Austin. According to the agenda, the committee will discuss and act on the set-aside products including embroidered patches, guest chairs, and bulk package of 5¼ inch floppies. The meeting was rescheduled due to a change in location from Suite 300, Administrative Building.

**Contact:** Ron P. Mansolo, P.O. Box 12866, Austin, Texas 78711, (512) 459-2603.

**Filed:** August 11, 1986, 11:17 a.m.  
TRD-8607819

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### Texas Commission for the Deaf

**Saturday, August 23, 1986, 9 a.m.** The Texas Commission for the Deaf will meet at 2033 Sidney Baker, Kerrville. Items on the agenda include the approval of previous minutes; the report from the Board for Evaluation of Interpreters; director and staff reports; the annual election of commission officers; public comments; and the chairman's report. The commission also will meet in executive session if necessary.

**Contact:** Larry Evans, P.O. Box 12904, Austin, Texas 78711, (512) 475-2492.

**Filed:** August 8, 1986, 4:20 p.m.  
TRD-8607807



### Texas Economic Development Commission

**Thursday, August 7, 1986, 5 p.m.** The Texas Small Business Industrial Development Corporation (TSBIDC) of the Texas Economic Development Commission made an emergency revision to the agenda for a meeting held in The Houstonian, 111 North Post Oak Lane, Houston. According to the agenda, the corporation considered the approval of the minutes of the July 15, 1986, special meeting; considered and took action on the project requesting inducement resolution for the TSBIDC/CAPITAL COGAS, Inc.; discussed the marketing of the TSBIDC/CAPITAL Program; discussed and took action on the TEXCAP Program guidelines; discussed the allocation of TSBIDC fees; approved the expenditure of funds; discussed the authority for a TEDC fiscal officer to serve as TSBIDC funds custodian; discussed the accounting system for TSBIDC; discussed the request for proposal for TEXCAP program administrator; and selected of the next meeting site, date, and time. The emergency status was necessary because of the need of legal authority for discussion of a deletion of fiscal officer to serve as custodian of the TSBIDC fund.

**Contact:** Wardaleen Belvin, 410 East Fifth Street, Austin, Texas 78711, (512) 472-5059.

**Filed:** August 7, 1986, 1:34 p.m.  
TRD-8607725

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### Employees Retirement System of Texas

**Monday, August 11, 1986, 1 p.m.** The Board of Trustees of the Employees Retirement System of Texas met in emergency session in the Employees Retirement Building, 18th and Brazos Streets, Austin. According to the agenda, the board met with its attorney in executive session pursuant to Texas Civil Statutes, Article 6252-17, §2(e), to discuss potential litigation against the Central Texas Health Plan (CTHP). The board acted, decided, and/or voted with respect to matters discussed in executive session. The emergency status was necessary because CTHP has refused to provide prepaid health services after August 31, 1986, even though it previously agreed to do so. There is an urgent public necessity that the Board of Trustees meet to analyze and discuss with its attorney the legal rights and remedies of its insurance program participants who are CTHP members and of the Board of Trustees.

**Contact:** James T. Herod, 18th and Brazos Streets, Austin, Texas 78711, (512) 476-6431, ext. 178.

**Filed:** August 11, 1986, 9:40 a.m.  
TRD-8607811

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### Texas Employment Commission

**Tuesday, August 19, 1986, 1:30 p.m.** The Texas Employment Commission (TEC) will meet in Room 644, TEC Building, 101 East 15th Street, Austin. According to the agenda summary, the commission will consider prior meeting notes; internal procedures of commission appeals; consider and act on higher-level appeals in unemployment compensation cases on Commission Docket 33; and set the date of the next meeting.

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

**Filed:** August 11, 1986, 11:29 a.m.  
TRD-8607823

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### Office of the Governor

**Thursday, August 14, 1986, 5 p.m.** The Border Economic Development Task Force of the Office of the Governor met in emergency session in the Control Data Business and Technology Center, 301 South Frio, San Antonio. According to the agenda summary, the task force considered the adoption of minutes; discussed and selected the issues for further consideration by subject area; discussed the mechanics of task force participation in "Future of a Region Conference;" and reviewed the introduction to the task force final report; and considered other business. The emergency status was necessary because of the changed date.

**Contact:** Tom Adams, Room 412, 201 East 14th Street, Austin, Texas 78711, (512) 463-1827.

**Filed:** August 11, 1986, 10:23 a.m.  
TRD-8607817

**Wednesday, August 20, 1986, 9 a.m.** The State Job Training Coordinating Council Advisory Panel on Work and Welfare of the Office of the Governor will meet in the boardroom, John H. Winters Building, Texas Department of Human Services, 701 West 51st Street, Austin. According to the agenda, the panel will consider the work and welfare efforts of other states; the governor's corporate model; and the development of a workshop.

**Contact:** Luis Plascencia, 107 West 27th Street, Austin, Texas 78712, (512) 471-6010.

**Filed:** August 8, 1986, 2:39 p.m.  
TRD-8607799

**Tuesday and Wednesday, August 26 and 27, 1986, 7 p.m. and 8:30 a.m., respectively.** The Task Force on Literacy of the State Job Training Coordinating Council of the Office of the Governor will meet at the Hyatt Regency Hotel, 208 Barton Springs Road, Austin. According to the agenda, the task force will discuss the executive summary and report to the governor; and create an action plan and time schedule to implement and finalize the governor's report.

**Contact:** Joe Jennings, 107 West 27th Streets, Austin, Texas 78712, (512) 471-6010.

**Filed:** August 12, 1986, 9:53 a.m.  
TRD-8607867

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### Texas Grain Sorghum Producers Board

**Thursday, August 21, 1986, 10 a.m.** The Texas Grain Sorghum Producers Board of the Texas Department of Agriculture will meet in the boardroom, Sheraton Mockingbird West, 1893 West Mockingbird Lane, Dallas. Items on the agenda include the minutes; the financial report; the participation in the Grain Sorghum Federation; the market development plans; research review; the Texas Farm Bureau request; the nuclear waste repository; the farra program review of the Texas Department of Agriculture; and other business.

**Contact:** Elbert Harp, P.O. Box 530, Abernathy, Texas 79311-0530, (806) 298-2543.

**Filed:** August 8, 1986, 10:42 a.m.  
TRD-8607759

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## Texas Department of Health

**Friday, August 15, 1986, 3 p.m.** The Environmental Health Committee of the Texas Board of Health of the Texas Department of Health will meet in Room T-604, Texas Department of Health, 1100 West 49th Street, Austin. According to the agenda summary, the committee will consider the proposed amendments to regulations for the control of radiation; the final adoption of amendments to regulations for the control of radiation; and the final adoption of amendments for registration fees to be paid by manufacturers of food in Texas.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607747

**Friday, August 15, 1986, 4 p.m.** The Public Relations Committee of the Texas Board of Health of the Texas Department of Health will meet in Room G-107, Texas Department of Health, 1100 West 49th Street, Austin. According to the agenda, the committee will consider the public information work plan for the Texas Department of Health.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607748

**Friday, August 15, 1986, 5 p.m.** The Budget Committee of the Texas Board of Health of the Texas Department of Health will meet in Rooms 426 and 430, Austin Embassy Suites Hotel North, 5910 IH 35 North, Austin. According to the agenda summary, the committee will approve the fiscal year 1987 Medical Services Trust Fund budgets for the San Antonio State Chest Hospital and the South Texas Hospital; the transfer from the other general administration line item to the superintendent line item; the fiscal year 1987 operating budgets for the San Antonio State Chest Hospital and the South Texas Hospital; the adjustment of rent for occupied housing at the San Antonio State Chest Hospital; and the Internal Audit Committee report.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607749

**Saturday, August 16, 1986.** Committees of the Texas Board of Health of the Texas Department of Health will meet at 1100 West 49th Street, Austin. Times, rooms, committees, and agendas follow.

**8 a.m.** In Room G-107, the Legislative Committee will approve the minutes of July 11, 1986; consider the request to withdraw the proposal "Massage Therapists-Code of Ethics;" a report on the authority of the commissioner to request autopsy records; the proposal to draft legislation relating to fees

for milk and milk products; the update on the proposal for drafting legislation "Pharmacies in Regional Clinics;" approve the draft legislation relating to emergency medical services including fees authorized under the Emergency Medical Services Act (EMS), licensing of EMS providers, staffing standards for EMS vehicles, authorization for inspections and complaint investigations, and the extension of certification for members of the Armed Forces; and the funding of EMS concerning establishing a dedicated fund and funding from the general revenue.

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

**Filed:** August 7, 1986, 4:18 p.m.  
TRD-8607750

**3:30 a.m.** In Room T-604, the Emergency and Disaster Committee will review the State Emergency Medical Services Plan; consider the report on status of request for proposal for management study on emergency medical services; the report from the Texas Emergency and Management Aero Medical Services Committee meeting; and review the potential funding from surcharge on traffic tickets.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607751

**8:30 a.m.** In Room G-108, the Nursing Homes Committee will consider the proposed rules for charging fees for plan reviews and building inspections of long-term care facilities.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607752

**8:45 a.m.** In Room G-108, the Alternate Care Committee will consider the final adoption of rules concerning licensure renewal for professional counselors.

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

**Filed:** August 7, 1986, 4:17 p.m.  
TRD-8607753

**8:45 a.m.** In Room T-507, the Crippled Children's Services Committee will consider the recommendation of the Cardiovascular Advisory Committee for approval and denial of physicians; the report of the Interim Committee on Health and Human Resources on Crippled Children's Services; and the report on actions of the Crippled Children's Services General Advisory Committee.

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

**Filed:** August 7, 1986, 4:18 p.m.  
TRD-8607754

**9:30 a.m.** In Room T-610, the Texas Board of Health will approve the minutes of the last meeting; consider the commissioner's report; approve the memorial resolution; consider the report on "Suicide in Texas: A Cohort Analysis of Trends in Suicide Rates, 1945-1980;" the adoption of final rules concerning kidney health, oral health, reportable diseases, and arthropod-borne diseases; the proposed amendment to cancer registry data; the adoption of final rules concerning registration fees and proposed rules concerning radiation; committee reports from Nursing Homes, Environmental Health, Budget, Personnel, Alternate Care, Crippled Children's Services, Emergency and Disaster, Hospitals, Legislative, Public Relations, and Strategic Planning Committees; and set the next meeting date. The board also will meet in executive session.

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

**Filed:** August 7, 1986, 4:18 p.m.  
TRD-8607755

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## Texas Indian Commission

**Friday, August 29, 1986, 9:30 a.m.** The Texas Indian Commission will meet in the conference room, Second Floor, Administration Building, Texas Commission for the Blind, 4800 North Lamar Boulevard, Austin. Items on the agenda summary include the approval of minutes of the previous meetings; JM-17 judgement; other pending attorney general opinions; House Rule 1344 (Federal Restoration); the legislative report; the end of the year summary status reports; general discussion; and new business.

**Contact:** Joan Wilson, P.O. Box 12030, Austin, Texas 78711, (512) 458-1203.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607837

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## State Board of Insurance

Sections of the State Board of Insurance will meet at 1110 San Jacinto Street, Austin. Days, times, rooms, sections, and dockets follow.

**Tuesday, August 19, 1986, 9 a.m.** In Room 342, the Fire Marshal Hearing Section will consider Docket FM-038—whether disciplinary action should be taken against LBR, Inc., Houston, who holds a certificate of registration to install fire protection sprinkler systems.

**Contact:** J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6524.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607829

**Tuesday, August 19, 1986, 9 a.m.** In Room 353, the Commissioner's Hearing Section will consider Docket 9322—application of Michael E. Buoy, Houston, and Robert D. Miller, Bellaire, to acquire control of Renaissance Insurance Company, Dallas.

**Contact:** O. A. Cassity, III, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6498.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607830

**Tuesday, August 19, 1986, 10 a.m.** The State Board of Insurance will meet in Room 414, State Insurance Building, 1110 San Jacinto Street, Austin. According to the agenda summary, the board will consider final action on 28 TAC §§7.1101-7.1107; proposed action on 28 TAC §5.6004; board orders on several different matters; the fire marshal's report on personnel matters; matters related to the legislative session; the commissioner's report on personnel matters, pending and contemplated litigation; proposed contract with the Employee Assistance Center of Texas; and the annual statement blanks and forms for 1986.

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

**Filed:** August 11, 1986, 2:52 p.m.  
TRD-8607836

Sections of the State Board of Insurance will meet at 1110 San Jacinto Street, Austin. Days, times, sections, and dockets follow.

**Tuesday, August 19, 1986, 1:30 p.m.** In Room 342, the Fire Marshal Hearing Section will consider Docket FM-037—whether disciplinary action should be taken against Quality Automatic Fire Protection who holds a certificate of registration to install fire protection sprinkler systems.

**Contact:** J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6524.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607831

**Tuesday, August 19, 1986, 1:30 p.m.** In Room 353, the Commissioner's Hearing Section will consider Docket 9321—application of David Alan Combs, Tyler, for a Group I legal reserve life insurance agent's license.

**Contact:** James W. Norman, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6525.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607832

**Wednesday, August 20, 1986, 1:30 p.m.** In Room 342, the Commissioner's Hearing Section will consider Docket 9320—proposed plan of merger of Avon Life Insurance Company, Tempe, Arizona, into Surety American Life Insurance Company, El Paso.

**Contact:** O. A. Cassity, III, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6498.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607833

**Thursday, August 21, 1986, 9 a.m.** In Room 342, the Fire Marshal Hearing Section will consider Docket FM-035—whether disciplinary action should be taken against Mecos Systems, Inc., Nederland, who holds a certificate of registration to install fire protection sprinkler systems.

**Contact:** J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6524.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607834

**Monday, August 25, 1986, 9 a.m.** In Room 342, the Commissioner's Hearing Section will consider Docket 8092—whether disciplinary action should be taken against Maurice Devere Coats, Austin, who holds a Group I legal reserve life insurance agent's license issued by the State Board of Insurance.

**Contact:** O. A. Cassity, III, 1110 San Jacinto Street, Austin, Texas 78701-1998, (512) 463-6498.

**Filed:** August 11, 1986, 11:28 a.m.  
TRD-8607835

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### Texas Department of Labor and Standards

**Monday, August 18, 1986, 10 a.m.** The Boiler Division of the Texas Department of Labor and Standards will meet in Room 809, E. O. Thompson Building, 920 Colorado Street, Austin. According to the agenda, the division will conduct an informal conference concerning non-compliance with Texas Civil Statutes, Article 8861.

**Contact:** Steven M. Matthews, P.O. Box 12157, Austin, Texas 78711, (512) 463-2904.

**Filed:** August 7, 1986, 3:22 p.m.  
TRD-8607738

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### Legislative Audit Committee

**Friday, August 22, 1986, 11 a.m.** The Legislative Audit Committee will meet in Room 220, State Capitol, Austin. According to the agenda, the committee will consider the 1987 fiscal year operating budget and any other concerns.

**Contact:** Lawrence F. Alwin, P.O. Box 12067, Austin, Texas 78711, (512) 463-5776.

**Filed:** August 8, 1986, 8:18 a.m.  
TRD-8607756

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### Legislative Education Board

**Monday, August 18, 1986, 9:30 a.m.** The Legislative Education Board will meet in the Lieutenant Governor's Committee Room 220, State Capitol, Austin. Items on the agenda include the overview of the State Board of Education long-range plan for public education; the directions for vocational education; the status report on the Paperwork Reduction Advisory Committee.

**Contact:** Nancy Frank, P.O. Box 12068, Austin, Texas 78711, (512) 463-0010.

**Filed:** August 7, 1986, 3:02 p.m.  
TRD-8607735

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### Texas State Board of Medical Examiners

**Wednesday, August 20, 1986.** Committees of the Texas State Board of Medical Examiners will meet at 1101 Camino La Costa, Austin. Times, committees, and agendas follow.

**8 a.m.** The Reciprocity Committee will discuss the board rules on licensure; and review the reciprocity applicants. The committee also will meet in executive session under authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §§2.07, 3.05(d), 4.05(d), 5.06(e)(1), and Attorney General Opinion H-484, 1974.

**Contact:** Jean Davis, P.O. Box 13562, Austin, Texas 78711, (512) 452-1078.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607838

**2 p.m.** The Examination Committee will review the new jurisprudence exam; and review the exam applicants. The committee also will meet in executive session under the authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §§2.07, 3.05(d), 4.05(d), 5.06(e)(1), and Attorney General Opinion H-484, 1974.

**Contact:** Jean Davis, P.O. Box 13562, Austin, Texas 78711, (512) 452-1078.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607839

**4 p.m.** The Legislative Committee will consider statutory language changes to propose (fees, committees, licensure, immunity, drugs, meeting notifications, executive director); House Bill 2; disciplinary responsibilities; and administrative sanction rules. The committee also will meet in executive session under the authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §§2.07, 3.05(d), 4.05(d), 5.06(e)(1), and Attorney General Opinion H-484, 1974.

**Contact:** Jean Davis, P.O. Box 13562, Austin, Texas 78711, (512) 452-1078.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607840

**4 p.m.** The Standing Orders Committee will continue the discussion of JM-454 and possible rule amendments to Chapter 193. The committee also will meet in executive session under the authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §§2.07, 3.05(d), 4.05(d), 5.06(e)(1), and Attorney General Opinion H-484, 1974.

**Contact:** Jean Davis, P.O. Box 13562, Austin, Texas 78711, (512) 452-1078.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607841

**6 p.m.** The Ad Hoc Committee on Drugs will review documentation concerning the drug issue, including possible proposed rules. The committee also will meet in executive session under authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §§2.07, 3.05(d), 4.05(d), 5.06(e)(1), and Attorney General Opinion H-484, 1974.

**Contact:** Jean Davis, P.O. Box 13562, Austin, Texas 78711, (512) 452-1078.

**Filed:** August 11, 1986, 3:40 p.m.  
TRD-8607842

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### Midwestern State University

**Thursday, August 14, 1986.** Committees of the Board of Regents met in the boardroom, Hardin Administration Building, Wichita Falls. Times, committees, and agendas follow.

**3 p.m.** The Executive Committee set the board meeting dates and holiday schedule for 1986-1987; discussed the construction accounts and acted on recommendations as necessary; and approved the printing contract for the student newspaper.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:54 a.m.  
TRD-8607820

**3:30 p.m.** The Finance Committee approved the salary changes in the fiscal year 1985-1986 budget; authorized the fund transfers and allocations as deemed necessary; the write-off outstanding checks, short term loans, and returned checks.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:54 a.m.  
TRD-8607821

**4 p.m.** The Personnel and Curriculum Committee presented information on enrollment reports and small class reports for the first and second summer sessions of 1986, the library staff changes, and recommend new overtime policy revisions.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:55 a.m.  
TRD-8607822

**4:15 p.m.** The Student Affairs Committee recommended approval of the Health Service Physicians Agreement, the identification card contract, and Wai-Kun Printing agreement as well as ratification of the alcohol policy guidelines.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:55 a.m.  
TRD-8607824

**4:30 p.m.** The Athletics Committee discussed and approved the Athletics Policy Manual and received information on the athletics program.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:55 a.m.  
TRD-8607825

**5 p.m.** The University Development Committee considered the summary of estimated gifts, grants, and pledges of September 9, 1985-July 21, 1986.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:55 a.m.  
TRD-8607818

**Friday, August 15, 1986, 9 a.m.** The Board of Regents of Midwestern State University met in the boardroom, Hardin Administration Building, Wichita Falls. According to the agenda summary, the board approved the minutes, financial reports, and recommendations by the Executive Committee and Finance Committee; the Personnel and Curriculum Committee and Student Affairs Committee reports; and reports of the Athletics Committee, University Development Committee, and the president. The board also met in executive session to discuss pending litigation.

**Contact:** Deborah L. Barrow, 3400 Taft Boulevard, Wichita Falls, Texas 76308, (817) 692-6551.

**Filed:** August 11, 1986, 10:56 a.m.  
TRD-8607826

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### Pan American University

**Tuesday, August 19, 1986.** Committees of the Board of Regents of Pan American University will meet in the boardroom, Admin-

istration Building, Pan American University, Edinburg. Times, committees, and agendas follow.

**1 p.m.** The Buildings and Grounds Committee will consider the acceptance of the Health and Physical Education Building equipment bids.

**Contact:** Migual A. Nevarez, Pan American University, Edinburg, Texas 78539, (512) 381-2100.

**Filed:** August 7, 1986, 2:06 p.m.  
TRD-8607732

**1:10 p.m.** The Academic Affairs Committee will meet in executive session to consider tenure appeal, faculty hires, and leave of absence.

**Contact:** Migual A. Nevarez, Pan American University, Edinburg, Texas 78539, (512) 381-2100.

**Filed:** August 7, 1986, 2:06 p.m.  
TRD-8607734

**1:10 p.m.** The Academic Affairs Committee will consider the revised agenda concerning the tenure and grievance appeals. The committee also will meet in executive session to consider faculty hires and leaves of absence.

**Contact:** Migual A. Nevarez, Pan American University, Edinburg, Texas 78539, (512) 381-2100.

**Filed:** August 7, 1986, 2:04 p.m.  
TRD-8607733

**1:20 p.m.** The Board of Regents will consider the reports of the Building and Grounds Committee and Academic Affairs Committee, the Committee of the Whole grievance appeal; executive session matters; and informational items.

**Contact:** Migual A. Nevarez, Pan American University, Edinburg, Texas 78539, (512) 381-2100.

**Filed:** August 7, 1986, 2:06 p.m.  
TRD-8607736

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### Board of Pardons and Paroles

**Monday-Friday, August 18-22, 1986, 1:30 p.m. daily Monday-Thursday and 11 a.m. Friday.** A three-member panel of the Board of Pardons and Paroles will meet at 8610 Shoal Creek Boulevard, Austin. According to the agenda summary, the panel will receive, review, and consider information and reports concerning prisoners and inmates and administrative releases subject to the board's jurisdiction, and initiate and carry through with appropriate action.

**Contact:** Mike Roach, 8610 Shoal Creek Boulevard, Austin, Texas, (512) 459-2713.

**Filed:** August 8, 1986, 10:17 a.m.  
TRD-8607793

**Tuesday, August 19, 1986, 1:30 p.m.** The Board of Pardons and Paroles will meet at 8610 Shoal Creek Boulevard, Austin. According to the agenda, the board will consider executive clemency recommendations and related actions, other than out-of-country conditional pardons, including full pardons and restoration of civil rights of citizenship; emergency medical reprieves; commutations of sentence; and other reprieves, remissions, and executive clemency actions.

**Contact:** Juanita Llamas, 8610 Shoal Creek Boulevard, Austin, Texas, (512) 459-2749.

**Filed:** August 8, 1986, 10:17 a.m.  
TRD-8607794

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### Public Utility Commission of Texas

**Wednesday, August 13, 1986, 9 a.m.** The Hearings Division of the Public Utility Commission made an emergency addition to the agenda for a meeting held in Suite 450N, 7800 Shoal Creek Boulevard, Austin. The addition concerned Docket 6565—application of Continental Telephone Company of Texas for customer owned pay telephone service. The emergency status was necessary because of statutory deadline

**Contact:** Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

**Filed:** August 7, 1986, 2:35 p.m.  
TRD-8607728

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### State Purchasing and General Services Commission

**Wednesday, August 13, 1986, 10 a.m.** The State Purchasing and General Services Commission made an emergency revision to the agenda for a meeting held in Room 916, LBJ Building, 111 East 17th Street, Austin. According to the agenda summary, the commission considered the adoption of commission reduction in the work force policy. The emergency status was necessary in order to establish a policy to address potential immediate cut-backs in agency funding.

**Contact:** John R. Neel, 111 East 17th Street, Austin, Texas 78711, (512) 463-3446.

**Filed:** August 8, 1986, 10:24 a.m.  
TRD-8607758

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### Railroad Commission of Texas

**Monday, August 11, 1986, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an emergency revision to the agenda for a meeting held in the 12th Floor Conference Room, William B. Travis Building, 1701 North Congress Avenue,

Austin. The revision concerned whether to use state funds to plug the leaking well of Billy Bridewell—W. G. Darsey, Jr., Parsley—Merrill Lease, Well No. 1, Sinton, West Field, San Patricio County. The emergency status was necessary because the well is leaking oil and saltwater and is located near the bank of Chiltipin Creek. The well is causing pollution and could be a threat to the public's health, safety, and welfare.

**Contact:** Willis Steed, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6827.

**Filed:** August 8, 1986, 4:07 p.m.  
TRD-8607806

**Monday, August 11, 1986, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an emergency revision to the agenda for a meeting held in the 12th Floor Conference Room, William B. Travis Building, 1701 North Congress Avenue, Austin. The revision concerned Docket 4-86,855—application of Cox, Edwin L. and Cox, Berry R., to consider the compliance of Edwin L. Cox and Berry R. Cox alleging improper field classification and wrongful commingling by GHR Energy Corporation in the Hirsch Well No. 2, McLean (Lobo) Field, Webb County. The emergency status was necessary because this item was properly noticed at the meeting of August 4, 1986, and was passed.

**Contact:** Bob Rago, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6919.

**Filed:** August 8, 1986, 10:31 a.m.  
TRD-8607760

**Monday, August 18, 1986, 9 a.m.** The Railroad Commission of Texas will meet in the 12th Floor Conference Room, William B. Travis Building, 1701 North Congress Avenue, Austin. The commission will consider and act on division agendas as follows.

The Administrative Services Division director's report on division administration, budget, procedures, and personnel matters.

**Contact:** Roger Dillon, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-7257.

**Filed:** August 8, 1986, 10:32 a.m.  
TRD-8607761

The Automatic Data Processing Division director's report on division administration, budget, procedures, equipment acquisitions, and personnel matters.

**Contact:** Bob Kmetz, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-7251.

**Filed:** August 8, 1986, 10:34 a.m.  
TRD-8607762

The Flight Division director's report on division administration, budget, procedures, and personnel matters.

**Contact:** Ken Fossler, 1701 North Congress Avenue, Austin, Texas 78701, (512) 463-6787.

**Filed:** August 8, 1986, 10:33 a.m.  
TRD-8607763

Various matters falling within the Gas Utilities Division's regulatory jurisdiction.

**Contact:** Lucia Sturdevant, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-7003.

**Filed:** August 8, 1986, 10:34 a.m.  
TRD-8607764

The Office of Information Services director's report on division administration, budget, procedures, and personnel matters.

**Contact:** Brian W. Schaible, P.O. Drawer 12967, Austin, Texas 78711-2967, (512) 463-6710.

**Filed:** August 8, 1986, 10:32 a.m.  
TRD-8607765

The LP-Gas Division director's report on division administration, budget, procedures, and personnel matters.

**Contact:** Thomas D. Petru, P.O. Drawer 12967, Austin, Texas 78711-2967, (512) 463-6931.

**Filed:** August 8, 1986, 10:30 a.m.  
TRD-8607766

Various matters falling within the Oil and Gas Division's regulatory jurisdiction.

**Contact:** Timothy A. Poe, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6713.

**Filed:** August 8, 1986, 11:01 a.m.  
TRD-8607767

Additions to the previous agenda:

Consideration of category determinations under the Natural Gas Policy Act of 1978, §§102(c)(1)(B), 102(c)(1)(C), 103, 107, and 108.

**Contact:** Margie L. Osborn, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6755.

**Filed:** August 8, 1986, 10:31 a.m.  
TRD-8607768

Consideration of Docket 3-87,018—complaint of Houston Oil Producing Enterprises, Inc., against Tenneco Oil Company, regarding the Tenneco Oil Company State Tract 118-S, Well No. 1, Wildcat Field, Galveston County.

**Contact:** William D. Coffey, III, P.O. Box 12967, Austin, Texas 78711, (512) 463-7291.

**Filed:** August 8, 1986, 10:30 a.m.  
TRD-8607769

The Personnel Division director's report on division administration, budget, procedures, and personnel matters.

**Contact:** Mark K. Bogan, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6981.

**Filed:** August 8, 1986, 10:34 a.m.  
TRD-8607770

The Office of Research and Statistical Analysis director's report on division admin-

istration, budget, procedures, and personnel matters.

**Contact:** Gail Gemberling, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-6976.

**Filed:** August 8, 1986, 10:32 a.m.  
TRD-8607771

The Office of the Special Counsel director's report relating to pending litigation, state and federal legislation, and other budget, administrative, and personnel matters.

**Contact:** Walter Earl Lillie, 1124 IH 35 South, Austin, Texas 78704, (512) 463-7149.

**Filed:** August 8, 1986, 10:33 a.m.  
TRD-8607772

The Surface Mining and Reclamation Division director's report on division administration, budget, procedures, and personnel matters; consideration of a partial release of the reclamation obligation of Continental Oil Company's Conquista Project operating under Permit No. 008, Sites 6 and 7; consideration of the permit application of Texas Municipal Power Agency's Gibbons Creek Lignite Mine III in Docket 23; and the acceptance of the self bond of Texas Municipal Power Agency for its Gibbons Creek Lignite Mine III and issuance of Permit 23.

**Contact:** J. Randel (Jerry) Hill, William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, (512) 463-7149.

**Filed:** August 8, 1986, 10:34 a.m.  
TRD-8607773

Various matters falling within the Transportation Division's regulatory jurisdiction.

**Contact:** Michael A. James, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-7122.

**Filed:** August 8, 1986, 10:33 a.m.  
TRD-8607774

Addition to the previous agenda:

Consideration of Docket 027201ZZT and 027143ZZT—general rate increase TTTCA/TBC Tariffs 7, 10, 11, 13, 18, 19, 22, 24, and RCT Tariff 25 Series; increase all specific and distance linehaul rates therein by 9%; and general rate increase, TTTCA/TBC Tariffs 7, 10, 11, 13, 18, 19, 22, and 24 increase all linehaul rates therein by 6%.

**Contact:** Michael A. James, P.O. Drawer 12967, Austin, Texas 78711, (512) 463-7315.

**Filed:** August 8, 1986, 10:34 a.m.  
TRD-8607775

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### Texas Rehabilitation Commission

**Monday, August 11, 1986, 2:30 p.m.** The Subcommittee on Program Accountability of the Governor's Committee for Disabled Persons of the Texas Rehabilitation Commission met in emergency session via conference call in Room 104, 158 East River-

side Drive, Austin. According to the agenda, the subcommittee reviewed the status of the fiscal year 1987 budget, and reviewed committee action plans for fiscal year 1986. The emergency status was necessary because of the close deadline of report needed by the Governor's Committee for Disabled Persons.

**Contact:** Virginia Roberts, 118 East Riverside Drive, Austin, Texas 78704, (512) 445-8126.

**Filed:** August 11, 1986, 8:45 a.m.  
TRD-8607810

**Friday, September 5, 1986, 9:30 a.m.** The Texas Planning Council for Developmental Disabilities of the Texas Rehabilitation Commission will meet in the Topaz Palmwood Room, Embassy Suites Hotel, 300 South Congress Avenue, Austin. Items on the agenda include the approval of minutes; the chairman's report; the executive director's report; the Advocacy and Public Information Committee report, including the Sunset Review Update, state budget discussion, federal legislation, legislative priorities, and certificates of appreciation; the Planning and Evaluation Committee report, including the Developmental Disabilities state plan status report and role and responsibilities in evaluation; the Executive Committee report, including proposed policy revisions, the NADDC report, the grant awards announcement procedure, employee protection provisions, and the fiscal year 1987 grant projects report; and public comments.

**Contact:** Roger A. Webb, 118 East Riverside Drive, Austin, Texas 78704, (512) 445-8044.

**Filed:** August 7, 1986, 1:58 p.m.  
TRD-8607729

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### Board of Tax Professional Examiners

**Thursday, August 21, 1986, 10 a.m.** The Board of Tax Professional Examiners will meet at the State Property Tax Board, 9501 IH 35, Austin. According to the agenda summary, the board will approve the minutes of the May 18, 1986, meeting; act on the certification and recertification of qualified persons, and a proposal to change rules to require 45 continuing education units (CEU) and one examined course for recertification; changes to the fiscal years 1986 and 1987 operating budgets; approval of the amended request for funds of the 1988-1989 biennium; the procedures to permit early administration of III and IV exams; issue the dual field card to the pre-September 1983 Level IV registrants on request; include board members in warning of cancellation letters; request reconsideration of cancellation of registration; discuss items including board position on limitation property tax

professional performing private fee appraisals; and information items including the annual mail out letter registration and exam statistical results, the revised III-C exam, and the planning calendar. The board also will meet in executive session to consider the revised exam.

**Contact:** Sam Smith, P.O. Box 15920, Austin, Texas 78753, (512) 834-4982.

**Filed:** August 8, 1986, 1:45 p.m.  
TRD-8607797

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### University of Texas System

**Thursday, August 14, 1986, 10:30 a.m.** The Standing Committees and Board of Regents of the University of Texas System met in the Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin. Items on the agenda summary included consideration of proposed amendments to the RRR; the advance refunding of certain non-PUF bonds; a reduction in damage payments regarding PUF lands; buildings and grounds matters including authorization for projects; the approval of preliminary plans; the awarding of contracts; consider the chancellor's docket submitted by the system administration; the amendment to the ground lease and student housing of the University of Texas at San Antonio; the insurance contract; the health maintenance organizations; appointments to endowed positions and advisory councils; additional depositor banks; the affiliation agreements; land and investment matters, acceptance of gifts, bequests, and estates; the establishment of endowed positions and funds; pending litigation, personnel matters, land acquisition, and negotiated contracts.

**Contact:** Arthur H. Dilly, P.O. Box N, U.T. Station, Austin, Texas 78711-7328, (512) 499-4402.

**Filed:** August 8, 1986, 1:20 p.m.  
TRD-8607795

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### University Interscholastic League

**Wednesday, August 13, 1986, 10:15 a.m.** The Waiver Review Board of the University Interscholastic League met in Room 2.110, Thompson Conference Center, 26th and Red River Streets, Austin. According to the agenda summary, the board conducted a review hearing on Case FY86-522-01, Gregory McKinney Vaughan, Amarillo High School.

**Contact:** Dr. Bailey Marshall, 2622 Wichita Street, Austin, Texas 78713, (512) 471-5883.

**Filed:** August 8, 1986, 1:49 p.m.  
TRD-8607798



## Board of Veterinary Medical Examiners

**Saturday, August 16, 1986, 8 a.m.** The Board of Veterinary Medical Examiners will meet at the Marriott Hotel, 6121 IH 35 at U.S. Highway 290 East, Austin. According to the agenda summary, the board will meet in executive session to discuss personnel matters.

**Contact:** Donald B. Wilson, Suite 118, 3810 Medical Parkway, Austin, Texas 78756, (512) 458-1183.

**Filed:** August 7, 1986, 1:59 p.m.  
TRD-8607737

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## Texas Water Commission

**Tuesday, August 19, 1986, 10 a.m.** The Texas Water Commission will meet in Room 118, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda, the commission will consider the water district bond issues; the release from escrow; the use of surplus funds; the dismissal of application; the appeal on a rate matter; the proposed water quality permits, amendments, and renewals; consideration of a motion for suspension and revocation; water use applications for final decision; weather modification license renewal; private sewage facility regulations; contract matters; and the transfer of a water quality permit.

**Contact:** Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 463-7898.

**Filed:** August 8, 1986, 3:56 p.m.  
TRD-8607802

**Wednesday, September 10, 1986, 9 a.m.** The Office of Hearings Examiner of the Texas Water Commission made a revision for a meeting to be held in Room 512, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. The revision concerns the changes in name and in the discharge point for the proposed permit.

**Contact:** Steve Dickman, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 11, 1986, 4:08 p.m.  
TRD-8607844

**Thursday, September 11, 1986, 9 a.m.** The Office of Hearings Examiner of the Texas Water Commission will meet in Room 512, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda, the office will consider the matter of cancellation of Permit 2937 of Bert Wheeler.

**Contact:** Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 463-7898.

**Filed:** August 8, 1986, 3:57 p.m.  
TRD-8607803

**Monday, September 15, 1986, 10 a.m.** The Office of Hearings Examiner of the Texas Water Commission will meet in Room 118, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda, the office will consider the designation of an underground water management area in the Carrizo-Wilcox Sand in the proximity of Bastrop County.

**Contact:** Kay Trostle, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 8, 1986, 3:56 p.m.  
TRD-8607804

**Tuesday, September 23, 1986, 9 a.m.** The Office of Hearings Examiner of the Texas Water Commission will meet in Room 127, Administration Building, U. T. Tyler, 3900 University Boulevard, Tyler. According to the agenda summary, the office will consider the application of the City of Lindale, P.O. Box 116, Lindale, Texas 75771 for a Proposed Permit 10412-01 to authorize a discharge of treated domestic wastewater effluent at a volume not to exceed an average flow of 72,000 gallons per day from the Southside Wastewater Treatment Plant. The proposed facility would serve a residential, professional, and commercial area.

**Contact:** Cynthia Hayes, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 11, 1986, 4:07 p.m.  
TRD-8607845

**Wednesday, September 24, 1986, 10 a.m.** The Office of Hearings Examiner of the Texas Water Commission will meet in the Council Chambers, El Paso City Hall, Santa Fe and Missouri Streets, El Paso. According to the agenda summary, the office will consider the application of Tennis West Sewage Association, Inc., P.O. Box 220177, El Paso, 79912, for a renewal of Permit 11605-01 which authorizes a discharge of treated domestic wastewater effluent at a volume not to exceed an average flow of 100,000 gallons per day from the Valley West Addition Wastewater Treatment Plant which is located immediately northeast of FM Road 260 (Country Club Road) and approximately 2.8 miles west of its intersection with IH 10 in El Paso County. The effluent is discharged into a drainage ditch which flows along the Texas-New Mexico state line; thence into the State of New Mexico in the Rio Grande above Segment 2308 of the Rio Grande River Basin.

**Contact:** Claire Patterson, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 11, 1986, 4:07 p.m.  
TRD-8607847

**Wednesday and Thursday, September 24 and 25, 1986, 10 a.m. daily.** The Office of Hearings Examiner of the Texas Water Commission will meet in the auditorium, Emergency Medical Services Training Building, 7411 Park Place, Houston. According to the agenda summary, the office will consider the

application of Gulf Coast Utilities, Inc., P.O. Box 162, Pearland, Texas 77588 for a Proposed Permit 13214-01 to authorize a discharge of treated domestic wastewater effluent at a volume not to exceed an average flow of 5,000 gallons per day. The applicant proposes to construct wastewater treatment facilities to serve an industrial/commercial complex.

**Contact:** Duncan Norton, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 11, 1986, 4:07 p.m.  
TRD-8607848

**Wednesday and Thursday, September 24 and 25, 1986, 10 a.m. daily.** The Office of Hearings Examiner of the Texas Water Commission will meet in the auditorium, Emergency Medical Services Training Building, 7411 Park Place, Houston. According to the agenda summary, the office will consider the application of Harris County Fresh Water Supply District No. 27, P.O. Box 712, Baytown, Texas 77520, for a Proposed Permit 13224-01 to authorize a discharge of treated domestic wastewater effluent at a volume not to exceed an average flow of 200,000 gallons per day. The district is currently being served by the City of Baytown (10395-02) and proposes to construct wastewater treatment facilities to provide its own service.

**Contact:** Duncan Norton, P.O. Box 13087, Austin, Texas 78711, (512) 463-7875.

**Filed:** August 11, 1986, 4:08 p.m.  
TRD-8607846

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## West Texas State University

**Tuesday, August 19, 1986, 11 a.m.** The Board of Regents of West Texas State University will meet in Room 211, Virgil Henson Activities Center, West Texas State University, Canyon. According to the agenda summary, the board will consider the revision of traffic and parking regulations; the delegation of signatory authority; the contract of president Ed D. Roach; business and finance items, including budget changes, the construction contracts including change orders, construction contracts concerning permission to bid and award, the student service fee, the adoption of 1986-1987 operating budget, the legislative appropriation request for 1988-1989, travel reimbursement approval, year-end accounting entries; and the appeal of denial of tenure; the university policy for chemical testing; policy governing publication of *Prairie* and *La Mirage*; and faculty and staff and curriculum items. Committee meetings precede the meeting of the full board. The board will also meet in executive session to consider the request to the coordinating board.

**Contact:** Texas Smith, West Texas State University, Canyon, Texas 79016, (806) 656-3962.



### Regional Agencies Meetings Filed August 7

**The Bastrop County Appraisal District, Appraisal Review Board,** will meet at 1200 Cedar Street, Bastrop, on August 19, 21, and 26, 1986, at 7 p.m. The Board of Directors will meet at the same location, on August 28, 1986, at 7:30 p.m. Information may be obtained from Lorraine Perry, P.O. Drawer 578, Bastrop, Texas 78602, (512) 321-3925.

**The Concho Valley Council of Governments, Executive Committee,** met at Horseshoe Bay Inn, Marble Falls, on August 13, 1986, at 7:30 p.m. Information may be obtained from Robert R. Weaver, P.O. Box 60050, San Angelo, Texas 76906, (915) 944-9666.

**The Dallas Area Rapid Transit, Search Committee,** met in emergency session at 601 Pacific Avenue, Dallas, on August 7, 1986, at 4 p.m. Information may be obtained from Darla Hill, (214) 658-6202.

**The Edwards County Appraisal District, Appraisal Review Board,** will meet at the New County Office Building, Rocksprings, on September 3, 1986, at 10 a.m. Information may be obtained from Sondra Madden, P.O. Box 378, Rocksprings, Texas 78880, (512) 683-7490.

**The Golden Crescent Service Delivery Area, Private Industry Council, Inc.,** met at the Texas Employment Commission, 1301 East Rio Grande, Victoria, on August 13, 1986, at 6:30 p.m. Information may be obtained from Cleve F. Schoener, P.O. Box 2149, Victoria, Texas 77901, (512) 578-0341.

**The Gulf Bend Mental Health and Mental Retardation Center, Board of Trustees,** met at 1404 Village Drive, Victoria, on August 13, 1986, at 3 p.m. Information may be obtained from Bill Dillard, 1404 Village Drive, Victoria, Texas 77901, (512) 578-5262.

**The Henderson County Appraisal District, Board of Directors,** met for the revised agenda at 101 East Corsicana, Athens, on August 11, 1986, at 7:30 p.m. Information may be obtained from Ron Groom, 101 East Corsicana, Athens, Texas, (214) 675-9296.

**The Lamar County Appraisal District, Appraisal Review Board,** met at 1523 Lamar Avenue, Paris, on August 11-15, 1986, at 9 a.m. Information may be obtained from Rodney Anderson, 1523 Lamar Avenue, Paris, Texas 75460, (214) 785-7822.

**The Leon County Central Appraisal District, Appraisal Review Board,** met in the Gresham Building, Centerville, on August 13-15, 1986, at 9 a.m. Information may be obtained from Tom G. Holmes, P.O. Box 536, Centerville, Texas 75833, (214) 536-2252.

**The Nueces River Authority, Board of Directors,** met at the Staghorn Inn, U.S. Highway 281, Three Rivers, on August 14, 1986, at 11 a.m. Information may be obtained from Con Mims, P.O. Box 349, Uvalde, Texas 78802, (512) 278-6810.

**The Central Appraisal District of Rockwall County, Board of Directors,** met in the Commissioner's Courtroom, Courthouse, Rockwall, on August 12, 1986, at 7:30 p.m. Information may be obtained from Ray Helm, 106 North San Jacinto, Rockwall, Texas 75087, (214) 722-2034.  
TRD-8607722



### Meetings Filed August 8

**The Angelina and Neches River Authority, Board of Directors,** met at the Crown Colony County Club, 900 Crown Colony Drive, Lufkin, on August 12, 1986, at 11 a.m. Information may be obtained from Charles D. Thomas, Angelina and Neches River Authority, Lufkin, Texas 75901, (409) 632-7795.

**The Lampasas County Appraisal District, Board of Directors,** met for a revised agenda at 109 East Fifth Street, Lampasas, on August 13, 1986, at 3 p.m. The Review Board met at the same location, on August 14, 1986, at 9 a.m. Information may be obtained from Dana Ripley, P.O. Box 175, Lampasas, Texas 76550, (512) 556-8058.

**The Texas Municipal Power Agency, Board of Directors,** met in the Comet Room, East Tower, AMFAC Hotel and Resort, International Parkway, DFW Airport, on August 14, 1986, at 2 p.m. Information may be obtained from Jim Bailey, P.O. 7000, Bryan, Texas 77805, (409) 873-2013.

**The Trinity River Authority of Texas, Administration Committee,** met at 5300 South Collins, Arlington, on August 14, 1986, at 10:30 a.m. The Legal Committee will meet at the same location, on August 15, 1986, at 10:30 a.m. Information may be obtained from Jack C. Worsham, P.O. Box 60, Arlington, Texas 76010, (817) 467-4343.

**The West Texas Council of Governments, Board of Directors,** will meet in the conference room, Eighth Floor, Two Civic Center Plaza, El Paso, on August 15, 1986, at 9:30 a.m. Information may be obtained from Cecile C. Gamez, Two Civic Center Plaza, El Paso, Texas 79999, (915) 541-4681.  
TRD-8607757

### Meetings Filed August 11

**The Austin-Travis County Mental Health and Mental Retardation Center, Operations and Planning Committee,** will meet in the boardroom, 1430 Collier Street, Austin, on August 15, 1986, at 7:30 a.m. Information may be obtained from Sharon Taylor, 1430 Collier Street, Austin, Texas 78704, (512) 447-4141.

**The Bexar Appraisal District, Appraisal Review Board,** will meet at 534 South Main, San Antonio, on August 15, 1986, at 9 a.m. Information may be obtained from Bill Burnette, 535 South Main, San Antonio, Texas 78204, (512) 224-8511.

**The Dallas Area Rapid Transit, Finance Committee,** met in emergency session at 601 Pacific Avenue, Dallas, on August 11, 1986, at 4 p.m. The Minority Affairs Committee and the Board will meet at the same location, on August 12, 1986, at 2 p.m. and 4 p.m., respectively. Information may be obtained from Nancy McKethan, 601 Pacific Avenue, Dallas, Texas 75202, (214) 658-6237.

**The Deep East Texas Council of Governments, Regional Review Committee,** will meet at the Rodeway Inn, Highway 59 South, Lufkin, on August 19, 1986, at 8:30 a.m. The Board of Directors will meet at the same location, on August 28, 1986, at 1:30 p.m. Information may be obtained from Joan Draper, 274 East Lamar, Jasper, Texas 75951, (409) 384-5704.

**The Dewitt County Appraisal District, Board of Directors,** will meet at 103 Bailey Street, Cuero, on August 19, 1986, at 7:30 p.m. Information may be obtained from Wayne K. Woolsey, P.O. Box 4, Cuero, Texas 77954, (512) 275-5753.

**The Education Service Center Region I, Board of Directors,** met at the Western Sizzlin' Steak House, 1701 West University Drive, Edinburg, on August 14, 1986, at 7 p.m. Information may be obtained from Lauro R. Guerra, 1900 West Schunior, Edinburg, Texas 78539, (512) 383-5611.

**The Education Service Center Region III, Board of Directors,** will meet at the Holiday Inn Restaurant, Houston Highway, Victoria, on August 18, 1986, at 11:30 a.m. Information may be obtained from Dr. Dennis Grizzle, 1905 Leary Lane, Victoria, Texas 77901, (512) 575-1471.

**The Education Service Center Region XI, Board of Directors,** will meet at 3001 North Freeway, Fort Worth, on August 19, 1986, at noon. Information may be obtained from R. P. Campbell, 3001 North Freeway, Ft. Worth, Texas 76106, (817) 625-5311.

**The Education Service Center Region XVIII, Board of Directors,** will meet at 2811 La-

Force Boulevard, Midland, on August 21, 1986, at 7:30 p.m. Information may be obtained from J. W. Donaldson, P.O. Box 6020, Midland, Texas 79711, (915) 563-2380.

**The Erath County Appraisal District, Appraisal Review Board,** will meet at 1390 Harbin Drive, Stephenville, on August 18, 1986, at 9 a.m. Information may be obtained from Trecia Perales, 313 North Belknap, Stephenville, Texas 76401, (817) 965-7301.

**The Grayson Appraisal District, Board of Directors,** will meet at 205 North Travis, Sherman, on August 29, 1986, at noon. Information may be obtained from Debbie Reneau, 205 North Travis, Sherman, Texas 75090, (214) 893-9673.

**The Hunt County Tax Appraisal District, Board of Directors,** will meet in the boardroom, 4815-B King Street, Greenville, on August 18, 1986, at 7 p.m. Information may be obtained from Joe Pat Davis or Jeanette Jordon, P.O. Box 1339, Greenville, Texas 75401, (214) 454-3510.

**The Central Appraisal District of Johnson County, Appraisal Review Board,** met in emergency session at 109 North Main, Cleburne, on August 12, 1986, at 9 a.m. Information may be obtained from Don Gilmore, 109 North Main, Cleburne, Texas 76031, (817) 645-3986.

**The Lee County Appraisal District, Board of Directors,** will meet at 118 East Richmond Street, Giddings, on August 19, 1986, at 7

p.m. Information may be obtained from Roy L. Holcomb, 218 East Richmond Street, Giddings, Texas 78942, (409) 542-9618.

**The Lower Neches Valley Authority, Board of Directors,** will meet in the LNVA Office Building, 7850 Eastex Freeway, Beaumont, on August 19, 1986, at 10:30 a.m. Information may be obtained from J. D. Nixon, P.O. Drawer 3464, Beaumont, Texas 77704, (409) 892-4011.

**The Texas Municipal Power Agency, Board of Directors,** met in the Trustee Room, Sheraton Hotel, 2211 IH 35 East, North, Denton, on August 14, 1986, at 2 p.m. Information may be obtained from Jim Bailey, P.O. Box 7000, Bryan, Texas 77805, (409) 873-2013.

**The Nortex Regional Planning Commission, Executive Committee,** will meet in the Bounty Room, Trade Winds Motor Hotel, 1212 Broad Street, Wichita Falls, on August 21, 1986, at noon .m. Information may be obtained from Edwin B. Daniel, 2101 Kemp Boulevard, Wichita Falls, Texas 76309, (817) 322-5281.

**The Nueces-Jim Wells-Kleberg Soil and Water Conservation District, Board of Directors,** will meet at Dena's Restaurant, Alice, on August 19, 1986, at 7 a.m. Information may be obtained from Carol Freeman, P.O. Box 142, Alice, Texas 78333, (512) 668-9390.

**The Pecan Valley Mental Health and Mental Retardation Region, Board of Trustees,** will meet at the Life Skills Center, 102 Charles Street, Granbury, on August 20, 1986, at 8 a.m. Information may be obtained from Dr. Theresa Mulloy, P.O. Box 973, Stephenville, Texas 76401, (817) 965-7806.

**The South East Texas Regional Planning Commission, Executive Committee,** will meet in the City of Beaumont Council Chambers, 801 Main, Beaumont, on August 20, 1986, at 7:30 p.m. Information may be obtained from Jackie Vice, P.O. Drawer 1387, Nederland, Texas, (409) 727-2384.

TRD-8607809

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### Meetings Filed August 12

**The Capital Area Planning Council, Executive Committee,** will meet in Suite 100, 2520 IH 35 South, Austin, on August 19, 1986, at 2 p.m. Information may be obtained from Richard Bean, 2520 IH 35 South, Suite 100, Austin, Texas 78704, (512) 443-7653.

**The Eastland County Appraisal District, Appraisal Review Board,** met in emergency session in the cafeteria, Eastland High School, 900 West Plummer, Eastland, on August 14-15, 1986, at 9 a.m. and August 21-22, 1986, at 10 a.m. Information may be obtained from Steve Thomas, P.O. Box 914, Eastland, Texas 76448, (817) 629-8597.

TRD-8607864

# In Addition

The *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.

## Court Reporters Certification Board Certification of Court Reporters

Following examination of applicants on July 18, 1986, the Court Reporters Certification Board has certified to the Supreme Court that the following persons are qualified in the method indicated to practice reporting pursuant to the Government Code, Texas Civil Statutes, Subchapter C, §52.024(a).

**Machine Shorthand.** Brenda Charlene Bates—Pearland; Simone Marie Benoit—Alvin; Tammy Lisa Boyd—Venus; Kathy Dianne Bradford—Mesquite; Marsha M. Brazil—Cedar Hill; Ruth Ann Brooks-Crum—Dallas; Lillie Rene Brown—Dallas; Dorothy Loraine Davenport—El Paso; Tammy Lynne Ellis—San Antonio; Sharla Ann Franklin—Tyler; Robert L. French—Mesquite; Kelley Michelle Fuller—Alvin; Anita R. Garza—Victoria; Sally Tang Won Gaw—Missouri City; Susanne Michelle Helmer—Spring; Brenda L. Hightower—Whitehouse; Holly Beth Hill—Fort Worth; Starla Kay Hooten—Garland; Lynn Nocella Kane—Houston; Kimberly Kay Kirkland—Galveston; Pamela Bell LaMar—Dallas; Gretchen Limmer—Waxahachie; Kathy L. Metzger—Webster; Susan Denise Minshull—Dallas; Renee Terri Mitchell—Abilene; Laura Patricia Morales—Texas City; Michael P. Nobles—El Paso; Carol Diane Noriega—Houston; Joy Howard O'Halla—Houston; Pam Lynn Perez—Pharr; D. Philip Perkins—Deer Park; Kayla Jane Robertson—Lewisville; Bobbie Ann Sellers-Pointer—Houston; Shea Michelle Sloan—Arp; Jeahie L. Snyder—Westlake Village, California; Edwina Carol Sullivan—Dallas; Shaun Hardwick Terry—Houston; Julie A. Wilson—Fort Worth.

Issued in Austin, Texas, on August 8, 1986

TRD-8807798 Jim Hutcheson  
General Counsel  
Office of Court Administration

Filed: August 8, 1986

For further information, please call (512) 635-1630.

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## Texas Commission for the Deaf Amended Consultant Contract

The submission of reports by private consultants which appeared in the fifth paragraph in the September 3, 1985, issue of the *Texas Register* (10 TexReg 3337) is modified as follows.

The fiscal status report and performance report shall be submitted by November 28, 1986, for fiscal year 1986 and November 27, 1987, for fiscal year 1987.

All other information remains the same.

Issued in Austin, Texas, on August 5, 1986.

TRD-8807723 Larry D. Evans  
Executive Director  
Texas Commission for the Deaf

Filed: August 7, 1986

For further information, please call (512) 468-9891.

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## Texas Department of Health Public Hearing

This notice affords an opportunity for public hearing on the following applications for solid waste sites filed with the Texas Department of Health:

(1) Bowie Cass Refuse Company has filed Application 1801 with the Texas Department of Health for a permit to operate a proposed Type II municipal solid waste disposal site to be located 2.4 miles southeast of Domino, approximately six miles northeast of the intersection of FM Road 2327 and U. S. Highway 59 and abutting the east side of proposed FM Road 3337, in Cass County. The site consists of approximately 21.346 acres of land, and is to daily receive approximately 10 tons of solid waste under the regulatory jurisdiction of the Texas Department of Health;

(2) the City of Wills Point has filed Application 1874 with the Texas Department of Health for a permit to operate a proposed Type II municipal solid waste disposal site to be located south of Wills Point at the end of the Goshen Avenue extension near the existing landfill, approximately 1.6 miles south of the intersection of Goshen Avenue and U. S. Highway 80, in Van Zandt County. The site consists of approximately 25 acres of land, and is to daily receive approximately 7.5 tons of solid waste under the regulatory jurisdiction of the Texas Department of Health.

The applications are being processed and the final decision will be made by the department pursuant to the provisions of the Texas Solid Waste Disposal Act Texas Civil Statutes, Article 4477-7, the Texas Department of Health municipal solid waste management regulations, and the Administrative Procedure and Texas Register Act, Texas Civil Statutes, Article 6252-13a.

No public hearing will be held on the applications unless a person affected 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, has suffered or will suffer actual injury or economic damage by the granting of the application.

If a hearing is requested by a person affected, notice of such hearing will be provided to the requester and will also

be published in a newspaper of general circulation in the area where the site is located at least 30 days prior to the date of such hearing. If no request for a hearing is received within 30 days of the date of publication of the said notice in a newspaper of general circulation, the department will make a decision. If a hearing is requested, it will be conducted, and the final decision will be rendered, in accordance with the applicable rules contained in the department's municipal solid waste management regulations, including all changes in effect as of January 10, 1986, (for the application of Bowie Cass Refuse Company) and August 20, 1986 (for the application of the City of Wills Point).

Requests for a public hearing and/or requests for a copy of the technical summary of the applications prepared by the Bureau of Solid Waste Management shall be submitted in writing to the Chief, Bureau of Solid Waste Management, Texas Department of Health, 1100 West 49th Street, Austin, Texas 78756. A copy of the complete applications may be reviewed at the Bureau of Solid Waste Management or at the department's Public Health Region 7/10 headquarters located at 1517 West Front Street, Tyler, Texas 75720, (214) 595-3585.

Issued in Austin, Texas, on August 7, 1986.

TRD-8807745 Robert A. MacLean  
Deputy Commissioner  
Professional Services  
Texas Department of Health

Filed: August 7, 1986  
For further information, please call (512) 458-7271.

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The department will conduct a public hearing on the following municipal solid waste disposal site. The City of Garland presently holds Solid Waste Permits 1062 and 1277, as heretofore issued by the Texas Department of Health for the operation of two Type I municipal solid waste sites located adjacent to each other in the northwest corner of the Garland city limits, adjacent to and on the north side of Castle Drive between Rowlett and Miles Roads, 2.75 miles northeast of the intersection of FM Highway 66 and the MKT Railroad, in Dallas County.

The said permit holder has now filed with the Texas Department of Health an application to amend the aforesaid permit as follows: to add approximately 24.5 acres to the southwest corner of the contiguous 127.5-acre area permitted earlier as Permit 1062, and to add approximately 35 feet to the height of both existing sites (1062 and 1277). The total site will consist of approximately 213.5 acres of land and is to daily receive approximately 800 tons of municipal solid waste. If an amended permit is issued, it is proposed to consolidate both current permits under one number to be designated as 1277-A.

Pursuant to the provisions of the Texas Solid Waste Disposal Act, Texas Civil Statutes, Article 4477-7, the Texas Department of Health municipal solid waste management regulations, and the Administrative Procedure and Texas Register Act, Texas Civil Statutes, Article 6252-13a, a pre-public hearing conference on the aforesaid application will be held at the Council Chambers City Hall, Fifth and State Streets, Garland, Texas, at 9 a.m. on Tuesday, October 3, 1986. The purpose of the pre-public hearing is to ascertain parties and to hear and rule on any preliminary matters relevant to the public hearing on the aforesaid application. Any persons desiring to appear as parties and/or

present testimony at the public hearing should appear at the pre-public hearing conference to make themselves and their position known.

The public hearing on the aforesaid application will be held pursuant to the same laws and regulations set out previously at the Council Chambers City Hall, Fifth and State Streets, Garland, Texas, at 9 a.m. on Tuesday, October 14, 1986. The purpose of the hearing is to receive evidence for and against the issuance of a permit for the aforesaid application. The hearing will be conducted and the final decision will be rendered in accordance with the applicable rules contained in the department's municipal solid waste management regulations, including all changes in effect as of January 17, 1986.

All parties having an interest in this matter shall have the right to appear at the hearing, present evidence, and be represented by counsel. Pursuant to Texas Civil Statutes, Article 6252-13a, and the department's formal hearing procedures, the cost of a written hearing transcript may be assessed against one or more of the designated parties.

A copy of the complete application may be reviewed at the Texas Department of Health, 1100 West 49th Street, Austin, Texas, or at the department's Public Health Region 5 headquarters located at 2561 Matlock Road, Arlington, Texas 76014, (817) 460-3032.

Issued in Austin, Texas, on August 7, 1986.

TRD-8807746 Robert A. MacLean  
Deputy Commissioner  
Professional Services  
Texas Department of Health

Filed: August 7, 1986  
For further information, please call (512) 458-7271.

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## Texas Health and Human Services Coordinating Council Consultant Proposal Request

In accordance with Texas Civil Statutes, Article 6252-11c, the Texas Health and Human Services Coordinating Council is requesting proposals for consulting services.

**Description of Services.** The council invites individuals to offer their services on a consulting basis to assist in the implementation of the council's report on Texas children in residential contract care. Duties of the consultant include coordinating the development of the universal placement document, uniform cost data, and monitoring procedures.

**Contact Person.** Further information may be obtained in writing from DeAnn Friedholm, 311A East 14th Street, Austin, Texas 78701.

**Evaluation and Selection.** To evaluate the offers, the council will consider the knowledge, experience, and education of the applicant, and the applicant's ability to complete the project well and in a timely fashion. Final selection will be based on the results of the council's evaluation of the listed criteria. The proposed contract is a continuation of a current program and the council intends to contract with the current consultant unless a substantially better offer is received.

The closing date for receipt of offers is September 8, 1986.

Issued in Austin, Texas, on August 8, 1986.

TRD-8607801      Rebecca M. Runte  
Director of Information Services  
Texas Health and Human Services  
Coordinating Council

Filed: August 8, 1986  
For further information, please call (512) 463-2195.

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## Texas Department of Human Services Consultant Contract Award

In accordance with Texas Civil Statutes, Article 6252-11c, the Texas Department of Human Services (DHS) furnishes this notice of contract award. The notice for request for proposals was published in the June 10, 1986, issue of the *Texas Register* (11 TexReg 2682).

**Description of Services.** The purpose of this contract is to provide programming of the report component of the MAPPER-based family self support automation/streamlining project. In addition to programming services, the contractor will be responsible for consultation and system analysis as it relates to the service delivery component of this project and family self support policies and procedures.

**Name of Contractor and Value of Contract.** The contractor selected is Edward N. Jones, Jr., 2503 Forest Bend, Austin, Texas 78704. The amount of the contract is \$12,000.

**Effective Date of Contract.** The contract began July 15, 1986, and will end December 31, 1986.

Issued in Austin, Texas, on August 6, 1986.

TRD-8607708      Marlin W. Johnston  
Commissioner  
Texas Department of Human Services

Filed: August 6, 1986  
For further information, please call (512) 450-3786.

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## 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 Bankers Life Insurance Company of Florida, a foreign life, accident, and health insurance company. The home office is in St. Petersburg, Florida.

(2) Application for incorporation of CHIROCARE, Inc., a domestic Health Maintenance Organization. The home office is to be in Houston.

(3) Application for admission to do business in Texas of D.B. Life Insurance Company (Assumed name of Diamond Benefits Life Insurance Company) a foreign life, accident, and health insurance company. The home office is in Diamond Bar, California.

(4) Application for admission to do business in Texas of National Dental Health Insurance Company, a foreign accident and health insurance company. The home office is in Tempe, Arizona.

(5) Application for a name change by PHICO Insurance Company, a foreign casualty insurance company. The home office is in Mechanicsburg, Pennsylvania. The proposed new name is Pennsylvania Casualty Company.

(6) Application for incorporation of Stoma Dental Health Care, a domestic Health Maintenance Organization. The home office is to be in Houston.

Issued in Austin, Texas, on August 6, 1986.

TRD-8607792      Nicholas Murphy  
Chief Clerk  
State Board of Insurance

Filed: August 8, 1986  
For further information, please call (512) 463-6327.



## Texas Department of Mental Health and Mental Retardation Consultant Contract Award

This award of consulting services is being filed pursuant to the provisions of Texas Civil Statutes, Article 6252-11c.

On August 1, 1986, the central office of the Texas Department of Mental Health and Mental Retardation filed a request for proposals with the *Texas Register* (11 TexReg 124).

The consultant is to provide the following services: an analysis of current collection and eligibility assessment procedures to maximize direct and third party revenue; the identification of new sources of revenue; the identification of the enactment, modification, or election of policies or legislation to enhance revenue collection; the design, implementation, and staff training of any new systems or procedures that are put in place to maximize revenue; collections of revenues (both ongoing and retroactively).

The central office of the Texas Department of Mental Health and Mental Retardation has contracted with Touche Ross & Company located at 919 Congress Avenue, Suite 700, Austin, Texas 78701, to provide the previously described services. The contract was entered into on August 1, 1986, and will be in effect until December 31, 1986.

The total value of Phase I of the contract is \$115,000.

Reports produced under Phase I of this contract are required to be completed by August 31, 1986. Additional documents to be produced under Phase II of this contract shall be completed by mutual agreement of both parties under this contract.

Issued in Austin, Texas, on August 1, 1986

TRD-8607808      Gary E. Miller  
Commissioner  
Texas Department of Mental Health  
and Mental Retardation

Filed: August 8, 1986  
For further information, please call (512) 465-4591.

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## **Texas Water Commission Enforcement Order**

Pursuant to the Texas Water Code, which states that if the commission finds that a violation has occurred and a civil penalty is assessed, the commission shall file notice of its decision in the *Texas Register* not later than the 10th day after the date on which the decision is adopted, the following information is submitted.

An enforcement order was issued to Randy Barnes and Ronnie Clayton, doing business as Double R. Plating on August 6, 1986, assessing \$6,400 in administrative penalties.

Information concerning any aspect of this order may be obtained by contacting Ann Bjork, Staff Attorney, Texas Water Commission, P.O. Box 13087, Austin, Texas, 78711-3087, (512) 463-8069.

Issued in Austin, Texas, on August 8, 1986.

TRD-8807805      Mary Ann Hefner  
                                 Chief Clerk  
                                 Texas Water Commission

Filed: August 8, 1986  
For further information, please call (512) 463-7888.

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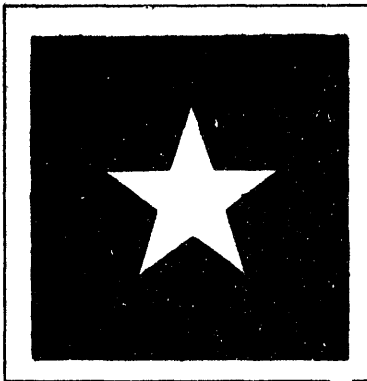
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