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Texas Register



Highlights

- ★ The Credit Union Department repeals existing sections and simultaneously proposes new sections in Chapter 91, which is renamed Chartering, Operations, Mergers, Liquidations; earliest possible date of adoption - September 12 page 3123
- ★ The Board of Tax Assessor Examiners adopts new rules concerning registration and certification; effective date - September 1 page 3146
- ★ The Texas Water Development Board adopts new rules concerning Lake Travis and Lake Austin water quality; effective date - August 29 page 3151

How To Use the Texas Register

Texas Register

The *Texas Register* (ISN 0362-4781) is published twice a week at least 100 times a year. Issues will be published on every Tuesday and Friday in 1983 with the exception of January 25, March 8, April 26, and November 29, by the Office of the Secretary of State, 201 East 14th Street, P.O. Box 13824, Austin, Texas 78711-3824, (512) 475-7886.

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- Governor—appointments, executive orders, and proclamations
- Secretary of State—summaries of opinions based on election laws
- Attorney General—summaries of requests for opinions, opinions, and open records decisions
- Emergency Rules—rules adopted by state agencies on an emergency basis
- Proposed Rules—rules proposed for adoption
- Withdrawn Rules—rules withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the *Texas Register* six months after proposal publication date
- Adopted Rules—rules adopted following a 30-day public comment period
- Legislature—Bills submitted to, signed by, and vetoed by the Governor and bills that are submitted to the Governor and enacted without his signature
- Open Meetings—notices of open meetings
- In Addition—miscellaneous information required to be published by statute or provided as a public service

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

How To Cite: Material published in the *Texas Register* is referenced by citing the volume in which a document appears, the words "TexReg," and the beginning page number on which

that document was published. For example, a document published on page 2402 of Volume 6 (1981) is cited as follows: 6 TexReg 2402.

In order that readers may cite material more easily, page numbers are now written as citations. Example: page 2 in the lower left-hand corner of this page is written: "8 TexReg 2 issue date," while on the opposite page, in the lower right-hand corner, page 3 is written: issue date: 8 TexReg 3

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

Texas Administrative Code

The *Texas Administrative Code* (TAC) is the approved, collected volumes of Texas administrative rules currently being published by Shepard's/McGraw-Hill, in cooperation with this office.

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

1 indicates the title under which the agency appears in the *Texas Administrative Code* (a listing of all the titles appears below);

TAC stands for the *Texas Administrative Code*;

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

Latest Texas Code Reporter
(Master Transmittal Sheet): No. 10, December 1982

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The Attorney General

Under provisions set out in the Texas Constitution, Texas Civil Statutes (Article 4399), and numerous statutes, the attorney general is authorized to write advisory opinions for state and local officials. These advisory opinions are requested by agencies or officials when they are confronted with unique or unusually difficult legal questions. The attorney general also determines, under authority of the Texas Open Records Act, whether information requested for release from governmental agencies may be held from public disclosure.

Requests for opinions, opinions, and open record decisions are summarized for publication in the *Register*.

Questions on particular submissions, or requests for copies of opinion requests should be addressed to Susan L. Garrison, Opinion Committee chairwoman, Office of the Attorney General, Supreme Court Building, Austin, Texas 78711, (512) 475-5445. Published opinions and open records decisions may be obtained by addressing a letter to the file room, fourth floor, P.O. Box 12548, Austin, Texas 78711-2548, or by telephoning (512) 475-3744. A single opinion is free; additional opinions are \$1.00 a copy.

Requests for Opinions

RQ-174. Request from Charles B. Woode, executive director, Texas Industrial Commission, Austin, concerning whether the Texas Industrial Commission is authorized to approve a sale, lease, or loan agreement relating to a commercial project located in a "development area" which does not conform to the requirements of an "eligible blighted area."

TRD-835971

RQ-175. Request from Homer G. Foerster, executive director, State Purchasing and General Services Commission, Austin, concerning the availability under the Open Records Act of records of long distance calls made from telephone numbers assigned to the Texas Supreme Court.

TRD-835972

RQ-176. Request from Raymon L. Bynum, commissioner of education, Aus-

tin, concerning the authority of peace officers commissioned by school districts.

TRD-835973

RQ-177. Request from M. G. Goode, engineer-director, State Department of Highways and Public Transportation, Austin, concerning whether a community antenna or television service may be reimbursed under Texas Civil Statutes, Article 6674w-4, for the cost of relocation of its facilities, where such relocation is necessitated by highway construction.

TRD-835974

RQ-178. Request from Jerry McGuire, Panhandle Regional Planning Commission, Amarillo, concerning whether audit proposals are subject to disclosure under the Open Records Act.

TRD-835975

RQ-179. Request from Lyndon L. Olson, Jr., chairman, State Board of Insurance, Austin, concerning the constitution of

amendments to the Texas Insurance Code, Article 21.14, §12(c) and §14(c).

TRD-835976

Opinion

JM-52 (RQ-126). Request from Charles Travis, executive director, Texas Parks and Wildlife Department, Austin, concerning whether provisions in Senate Bill 94, repealing certain provisions for fur-bearing animals, are effective.

Summary of Opinion. The legislature repealed each provision of the Parks and Wildlife Code enumerated in Senate Bill 94, Article 1, §37, 68th Legislature, 1983, including provisions relating to fur-bearing animals, on the effective date of a proclamation of the Parks and Wildlife Commission regulating the conduct proscribed by that provision.

TRD-835961

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. A public hearing on the proposal may also be granted if such a procedure is requested by a governmental subdivision or agency, or by an association consisting of at least 25 members.

The proposal, as published in the *Register*, must include a brief explanation of the proposed action; a fiscal statement indicating effect on state or local government; a statement explaining anticipated public benefits and possible economic costs to individuals required to comply with the rule; a request for public comments; a statement of statutory authority under which the proposed rule is to be adopted (and the agency's interpretation of the statutory authority); the text of the proposed action; and a certification statement. The certification information, which includes legal authority, the proposed date of adoption or the earliest possible date that the agency may file notice to adopt the proposal, and a telephone number to call for further information, follows each submission.

Symbology in amended 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.

Proposed Rules



TITLE 7. BANKING AND SECURITIES Part VI. Credit Union Department Chapter 91. Credit Union Regulations

(Editor's note: The text of the following rules proposed for repeal will not be published. The rules may be examined in the offices of the Credit Union Department, 914 East Anderson Lane, Austin, or in the Texas Register office, Room 503E, Sam Houston Building, 201 East 14th Street, Austin.)

The Credit Union Department proposes the repeal of §§91.11-91.18, 91.21-91.25, 91.31-91.34, 91.41-91.43, 91.51, 91.52, 91.61, 91.62, 91.71, 91.91, 91.92, and 91.94-91.96, concerning the

chartering, operating, merging, and liquidating of state-chartered credit unions. The repeal is necessary to realign the current numbering system of all rules to coincide with the numbering system of the amended Texas Credit Union Act that will be effective on September 1, 1983. These rules will be proposed for adoption under this chapter; however, the number for each rule will be different.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the repeal will be in effect there will be no fiscal implications for state or local government as a result of the repeal.

Mr. Parsons also has determined that for each year of the first five years the repeal is in effect the public benefit anticipated as a result of the repeal will be realignment of the rules so that their numbering system corresponds with the chapter numbers of the statute, so that identification and research of the rules applicable to a specific chapter of the statute can be more readily accomplished. There is no anticipated economic cost to individuals as a result of the repeal.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Officer, 914 East Anderson Lane, Austin, Texas 78752.

Organizational Procedure

7 TAC §§91.11-91.18

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.11. *Charter Fee.*
- §91.12. *Investigation Fee.*
- §91.13. *Appeal.*
- §91.14. *Purpose.*
- §91.15. *Definitions.*
- §91.16. *Special Requirements for Community Credit Unions.*
- §91.17. *Bylaws.*
- §91.18. *Community Charter Credit Unions.*

Powers of Credit Unions

7 TAC §§91.21-91.25

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.21. *Purchase, Lease, Sale of Property.*
- §91.22. *Membership in Other Credit Unions.*
- §91.23. *Donations and Contributions.*
- §91.24. *Permanent Records.*
- §91.25. *Incidental Powers.*

Audits and Bond Requirements

7 TAC §§91.31-91.34

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.31. *Bond Coverage.*
- §91.32. *Audits.*
- §91.33. *Verification of Accounts.*
- §91.34. *Board of Directors.*

Loans

7 TAC §§91.41-91.43

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.41. *General Provisions.*
- §91.42. *Personal Loans.*
- §91.43. *Real Estate Loans.*

Investments

7 TAC §91.51, §91.52

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.51. *Investments by Credit Union.*
- §91.52. *Purchase of Loans of Liquidating Credit Unions.*

Reserves and Dividends

7 TAC §91.61, §91.62

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.61. *Reserved Allocations.*
- §91.62. *Dividends.*

Change in Corporate Status

7 TAC §91.71

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.71. *Conversion.*

Capital—Deposit Accounts

7 TAC §§91.91, 91.92, 91.94-91.96

The repeal is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

- §91.91. *Purpose.*
- §91.92. *General.*
- §91.94. *Types of Deposit Accounts.*
- §91.95. *Definitions and Limitations of Deposit Accounts.*
- §91.96. *Sanctions.*

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 5, 1983.

TRD-836034 John P. Parsons
Commissioner
Credit Union Department

Earliest possible date of adoption:
September 12, 1983

For further information, please call (512) 837-9236.

Chapter 91. Chartering, Operations, Mergers, Liquidations [Credit Union Regulations]

General Rules

7 TAC §91.101

The Credit Union Department proposes new §91.101, concerning the requirements which must be met for a credit union to invest in, or organize and establish,

a credit union service organization or any other business.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rule will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Parsons also has determined that for each year of the first five years the rule as proposed is in effect the public benefit anticipated as a result of enforcing the rule as proposed will be protection of credit union shareholders against unnecessary and unwarranted establishment of, or investment in, credit union service organizations. There is no anticipated economic cost to individuals who are required to comply with the rule as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

The new rule is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this act and, from time to time, amend the same.

§91.101. Other Business, Activity, or Service.

(a) Notice to commissioner. At least 30 days prior to making any commitment to organize or invest in a credit union service organization or any other business, such as a joint venture, any credit union subject to the Texas Credit Union Act shall notify the commissioner in writing of its intention to do so and shall furnish complete information to the commissioner relating to such business or organization. The commissioner shall acknowledge in writing such notification within 15 days, indicating that the credit union is authorized to proceed, in accordance with this section, or that it does not meet the requirements of subsection (b) of this section. The commissioner may waive the 30-day prior notice for good cause shown.

(b) Authorization requirement. A credit union that is rated Code 1 or Code 2 as of the date of its latest examination shall be authorized to proceed with its proposed service organization or business. Credit unions that are rated Code 3, Code 4, or Code 5 as of their latest examination shall not make any commitments or establish or invest in any service organization or business without the prior written approval of the commissioner.

(c) Reporting requirements. A credit union that conducts any unrelated business, activity, or service shall make a full disclosure report of the financial position and activities of such business to the membership at the annual meeting each year. Such information shall also be included in written annual reports as separate items. Copies of such reports shall be furnished annually to the commissioner with each "call" report.

(d) Access to information.

(1) By officials of the credit union. Each director of a credit union shall have access to any and all information relating to any unrelated "business, activity, or service" of his or her credit union in the line of duty. Written policies shall be adopted by the board of direc-

tors to establish consistent and orderly procedures for such access. Directors shall hold all such information confidential and shall address concerns through the board of directors.

(2) By credit union members. Individual credit union members shall not be authorized access to books and records except through annual published reports, or through the board of directors in accordance with written policies adopted by the board.

(3) By credit union commissioner. The commissioner and/or any examiner of the Credit Union Department shall be authorized full access to books, reports, and any information from any source relating to the unrelated business, activity, or service of a credit union, and examiners shall file a supplementary report to the commissioner of the financial condition of such business, activity, or service on forms prescribed by the commissioner.

(e) Compensation. No credit union director may receive compensation or hold any pecuniary interest in joint ventures or a credit union service organization for serving as a director of such organization, unless specific authorizations are established by the credit union commission in relation to the Texas Credit Union Act, §5.06.

(f) Sanctions. If the commissioner finds that the conduct of any unrelated business, activity, or service is threatening the solvency or reputation of a credit union, he may impose sanctions as authorized by the Texas Credit Union Act, §5.09.

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 5, 1983.

TRD-836035 John P. Parsons
 Commissioner
 Credit Union Department

Earliest possible date of adoption:
September 12, 1983

For further information, please call (512) 837-9236.

Organization Procedures

7 TAC §91.203, §91.205

The Credit Union Department proposes new §91.203, concerning incorporation procedures, and new §91.205, concerning special requirements of a state-chartered credit union. Except for new language added in §91.203(c)-(f), these rules are currently contained in Chapter 91 of this title; however, they are being repropoed for renumbering so their numbering system corresponds to the chapter numbers in the Texas Credit Union Act which will be effective September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rules.

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in ef-

fect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752

The new rules are proposed under Texas Civil Statutes, Article 2461, §11.07 which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same

§91.203. Incorporation Procedures

(a) The charter fee for obtaining a state credit union charter shall be \$25. This fee will be refunded if a charter is denied.

(b) An investigation fee is required to be transmitted with each charter application in an amount of \$50 to cover departmental expenses incidental to investigation of the qualifications of directors and the determination of the need for and probable success of the proposed credit union. The investigation fee is not refundable, even if the charter is denied

(c) Public notice requirements. Applicants for a state-chartered credit union shall be required to file public notice of their application as follows

(1) Within five working days of submittal of application for credit union charter, the applicants shall advertise in a public newspaper of general circulation in the local area of the proposed credit union that a credit union charter has been applied for, giving the proposed name and address of the credit union; the names of the proposed initial directors and president (if not a director); a description of the field of membership; and the name of the key person or agent, if such person is not a proposed initial director

(2) Copies of such a publication shall be forwarded to the credit union commissioner, 914 East Anderson Lane, Austin, Texas, as evidence of compliance with this section of the rules.

(3) Upon receipt of such application, the commissioner shall publish notice of receipt in the *Texas Register*, providing the information required in paragraph (1) of this subsection.

(d) Conditions under which a hearing may be available.

(1) Informal review. Any interested party may request an informal review under the provisions of subsection (e) and subsection (f) of this section, relating to any application for a Texas credit union charter, after the commissioner has notified the parties of his intention to approve or deny a charter.

(2) The commissioner shall determine the reasonable need for such review and inform the intended parties of his intention within 15 days of receipt of such request, or not to refer such request, stating clearly the reasons for his decision.

(3) Formal appeal. Any interested party may file a written appeal to the commission and request a hearing relating to a public notice charter application in lieu

of an informal review or subsequent to an informal review, if held. The commissioner shall, within 10 days of receipt of such written hearing request, set a date for hearing, which shall be scheduled within 60 days of receipt of request. The commissioner shall notify the requesting party (parties) of the date, time, and place of hearing, by registered or certified mail, and shall publish such notice in the *Texas Register*. The commissioner shall notify other interested parties and may notify any party that he has reason to believe would have an interest in such a hearing. The credit union commission may issue an order overruling or sustaining the commissioner.

(4) Rules of procedure for such hearing shall be as prescribed in §§93.41-93.64 of this title (relating to Contested Cases).

(5) Hearing costs shall be assessed against the requesting party (parties) in the event that the commission sustains the commissioner order. The Credit Union Department will absorb the hearing costs in the event the commissioner's order is overruled.

(6) These rules apply only to appeals relating to applications for a Texas credit union charter. Appeals and requests for hearing relating to branch office permits of out-of-state credit unions may be filed under the provisions of §91.211 of this title (relating to Out-of-State Credit Union Branch Offices).

(e) Charter review procedure.

(1) The commissioner shall, within 60 days of receipt, respond to applications for a credit union charter, to ensure that the citizens of this state are provided the opportunity to organize and operate a credit union, based on industry standards and practices.

(2) The commissioner shall also exercise diligence in the review of credit union charter applications to insure that the intent of the law is considered and that the integrity of the credit union industry as a whole is considered

(3) The commissioner is authorized to consult with the incorporators and/or other parties, with notice to all interested parties and to recommend and negotiate alternative provisions in the application and articles of incorporation prior to making a final decision to grant or deny a charter

(4) If the commissioner denies an application for a charter, he shall advise the applicants and interested parties of their options to request an informal review of the decision by a Charter and Expansion Review Committee of the commission or a formal appeal to the commission

(5) If applicants elect to have the commissioner's decision reviewed by the committee, such a review does not preclude the filing of an appeal for a formal hearing before the commission.

(f) Appeal of commissioner's decision.

(1) In order to facilitate the fair and expeditious granting of charters to citizens of this state, a committee shall be appointed by the commission chairman to review denials by the commissioner of charters and/or requests for expansions of existing credit union charters. The Charter and Expansion Review Committee shall, upon the written request of applicants or aggrieved parties, with notice to all interested parties, review the decisions of the

commissioner in denying such charters and/or expansion requests.

(2) This committee shall report its recommendations to the commission within 30 days in writing. Such recommendations shall include a summary of all controlling facts to all interested parties.

(3) Any parties interested in such informal reviews shall retain the right to file an appeal in accordance with the provisions of the Texas Credit Union Act, §2.03(f).

(4) If the applicants or other aggrieved parties file for a formal hearing to the commission, the informal review process shall be automatically canceled, and the rules of hearing procedures under Chapter 93 of this title (relating to Administrative Proceedings) shall be followed.

§91.205. Special Requirements—Community Charters.

(a) Membership shall be limited to persons who live or work within the specified community.

(b) A community credit union in metropolitan area of 250,000 or more population, as determined by the latest Standard Metropolitan Statistical Area (SMSA) statistics, shall be limited to one community, township, or identifiable area, unless otherwise approved by the commissioner, for good cause shown.

(c) The board of directors shall consist of a minimum of nine directors during the first five years of operation. In order to avoid conflicts of interest and maintain an independent board, no director shall be related to another director by either blood or marriage during the first five years of operation.

(d) No person may serve as a director of a community credit union if he or she owns as much as 10% of the stock of a bank, savings association, or loan company within 50 miles of the community served by the community credit union, or is either on the board of directors or an employee of such an institution.

(e) Before granting a certificate of incorporation for a community credit union, the commissioner shall determine that the proposed incorporators possess demonstrated leadership, integrity, and creditworthiness, such as to warrant belief that the affairs of the credit union will be conducted in accordance with the intent and purpose of the Texas Credit Union Act, Texas Civil Statutes, Articles 2461-1.01-11.17, in order that the operation of the credit union will function solely to serve the financial needs of its members.

(f) Students of colleges within the area served by a community credit union are not eligible for membership unless such students are either employed in or have permanent residence in the community.

(g) Community credit unions shall be authorized to engage in participation loans as follows.

(1) Participation loans must originate with the community credit union and be made only to their own members.

(2) The community credit union shall retain at least 10% of the proceeds of each participation loan.

(3) The total proceeds of each participation loan shall be considered as part of the total volume of loan business of the credit union, and a community credit

union is limited to 25% of their total loan volume in participation loans.

(4) A community credit union shall not engage in participation loans with commercial banks, savings associations, or loan companies during the first five years of operations, unless authorized by the commissioner in writing to do so.

(h) In order to avoid conflict of interest, credit union officers, directors, committee members, and employees shall not enter into any business relationships involving the credit union with business entities which are owned, managed, or controlled by such individuals.

(i) The entire fields of membership of existing credit unions domiciled within the geographic boundaries of the community credit union's field of membership shall be excluded from eligibility for membership in the community credit union, unless the existing credit unions waive this provision by board resolution and furnish a copy of such written resolution to the community credit union.

(j) No shares or deposits shall be used, in any manner, for expenses of operation of a community credit union, except for organization costs and initial basic supplies, up to a maximum of \$2,500, unless authorized to do so in writing by the commissioner.

(k) No director or member may borrow from the community credit union for the purpose of subsidizing or supporting, in any manner, the credit union's operational expenses or dividends. Actions contrary to this subsection shall be deemed an illegal loan in violation of the Texas Credit Union Act, §5.08(c).

(l) If a member, official, or director makes a grant to a residential credit union for the purpose of offsetting initial operating expenses or capitalization in the form of equity or reserves, the total of such grants shall not exceed 5.0% of capital or \$25,000, whichever is less, unless written authorization for additional funding has been obtained from the commissioner. The commissioner may require sworn statements and other reports justifying requests for such additional subsidies.

(m) All repayable grants used in the development of a community credit union shall be:

(1) evidenced by written agreement between the grantor and the residential credit union setting forth the terms of repayment, date on which repayment shall commence, interest rate, if any, cancellation provisions, and creditor status in the event of merger or voluntary/involuntary liquidation; and

(2) approved by the commissioner 30 days prior to the receipt of the grant.

(n) The community credit union may accept donations in the form of cash or fixed assets (furniture, equipment, or building) provided that no liability for repayment exists. Except in the case of material tangible fixed assets, donations shall be credited to a nonoperating income account. In the case of material tangible fixed assets, a "donated equity" account shall be established at the market value of the fixed asset.

(o) Certificates of deposit restrictions. A community credit union may issue certificates of deposit if the following conditions are met.

(1) The estimated solvency ratio of 103, as defined by the Credit Union Department, has been attained and is maintained.

(2) The funds retained in undivided earnings are sufficient to cover the amount of interest obligated by the certificates.

(3) Obligations relating to advance subsidies have been satisfied.

(p) Reserves. Each community credit union shall encumber each month 10% of the gross income, including donated funds, for the first five years of operation. In addition, all membership fees and fines shall be placed directly to the regular reserve account for the first 24 months of operation. After five years, the regular reserve transfer shall be 5.0% of total gross income, and shall be transferred to the regular reserve at the close of each dividend period prior to the payment of dividends on shares.

(q) The first day of operation shall be the date upon which the credit union is qualified to begin operations in accordance with the Texas Credit Union Act, §2.05, and not the date of issuance of the charter.

(r) Breach of fiduciary duty.

(1) A community credit union shall be required to maintain a solvency ratio of 100, as defined by the Credit Union Department, at all times. Therefore, any fiduciary funds used for organization costs and initial supplies shall be treated as a "prepaid asset" and amortized within the first 24 months of operations. Use of members' shares or deposits held by a community credit union for purposes other than those stated in this paragraph and in subsection (j) of this section shall be considered a violation of the Texas Credit Union Act, §5.09(a)(4).

(2) Breaches of fiduciary duty, questionable, or unsafe and unauthorized practices in the conduct of business of a community credit union shall include, but not be limited to, the following:

(A) use of fiduciary funds in excess of the amount authorized by these sections;

(B) borrowing of fiduciary funds of a community credit union for the purpose of subsidizing the operations of that community credit union;

(C) accepting or holding positions of employment or elective office with the community credit union that places the employee or office holder in a conflict of interest as set out in subsection (h) of this section;

(D) preferential terms on loans to officials and employees and their family members;

(E) excessive expense ratio;

(F) commitments made and contracts for goods, services, personnel, space, or for any purpose that exceeds funds on hand and available to meet such commitments at the time such commitments or contracts are entered into and at all times thereafter;

(G) violation or circumvention of generally accepted accounting principles and procedures customarily applied to credit unions;

(H) entering into business relationships or other operations of the credit union which are calculated to enhance the business or profession of directors or employees of their families or business entities subject to their influence; or

(I) curtailment of credit union services for the benefit of any other local business or enterprise.

(s) Capital and membership requirements. After commencement of operations, as provided in the Texas

Credit Union Act, §2.05, a community credit union shall be prohibited from using cash subsidy advances for expense of operations, salaries, dividends, interest, or borrowed money, etc., until it has received shares totaling \$50,000 or more and has a membership of 500 or more, unless it requests in writing and receives the prior written approval of the commissioner. The commissioner may require sworn statements or other reports in support of requests for such approval. The commissioner shall give written approval after he has ascertained by investigation or other credible evidence or both that all members' interest are protected and that such subsidy advances are necessary to carry on the operations of the credit union. Violation of or failure to comply with this provision constitutes questionable or unsafe and unauthorized practices in the conduct of the business of the credit union.

(t) Standard bylaws for community credit unions shall be promulgated by the commissioner with the approval of the commission.

(u) All community credit unions chartered under this Act after the effective date of these sections shall be required to adopt and abide by these standard bylaws, without amendment to standard wording, during the first five years of operations. Operation begins when the provisions of the Texas Credit Union Act, §2.05, and §2.05 of the community credit union bylaws are met.

(v) The Credit Union Department adopts by reference the *Texas Standard Bylaws for State-Chartered Community Credit Unions*. All community credit unions chartered after the effective date of this section shall adopt and abide by the following standard bylaws, without amendment to standard wording, during the first five years of their operation. This document is published by the Credit Union Department and is available upon request to Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752.

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 5, 1983.

TRD-836036 John P. Parsons
Commissioner
Credit Union Department

Earliest possible date of adoption:
September 12, 1983

For further information, please call (512) 837-9236.

7 TAC §91.209

The Credit Union Department proposes new §91.209, concerning the establishment by rule of provisions that were formerly contained in the Texas Credit Union Act.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rule will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Parsons also has determined that for each year of the first five years the rule as proposed is in effect

the public benefit anticipated as a result of enforcing the rule as proposed will be the ability of the Credit Union Commission to amend such provisions of the section in response to changes in economic conditions. There is no anticipated economic cost to individuals who are required to comply with the rule as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Officer, 914 East Anderson Lane, Austin, Texas 78752.

This new rule is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

§91.209. Filing Fee and Penalties for Late Filing.

(a) General. Pursuant to the Texas Credit Union Act, §2.09, each credit union in Texas subject to the provisions of that Act shall file a report of condition, as at the close of each calendar year including the balance sheet, operating statement, and selected data, as required by the commissioner, on forms prescribed and furnished by the commissioner.

(b) Filing fee. Each credit union filing such a report shall remit a filing fee of \$10 to cover the cost of processing and tabulating such reports.

(c) Penalty for late submittal. The commissioner shall levy a penalty of \$5.00 for each day that any report is in arrears, unless such reports are received within 15 days of the due date.

(d) Information report fees. The commissioner is authorized to provide, on request, copies of composite data reports and other documents, and levy a charge for such reports to cover the cost of reproduction and mailing, in accordance with schedules authorized by the State of Texas.

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

Issued in Austin, Texas, on August 5, 1983

TRD-836038 John P. Parsons
 Commissioner
 Credit Union Department

Earliest possible date of adoption
September 12, 1983

For further information, please call (512) 837-9236.

7 TAC §91.211

The Credit Union Department proposes new §91.211, concerning the authority of credit unions chartered by another state to establish branch offices in Texas.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rule will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Parsons also has determined that for each year of the first five years the rule as proposed is in effect

the public benefit anticipated as a result of enforcing the rule as proposed will be the opportunity for citizens of this state to obtain improved services through their credit union chartered by another state and similar authority for state credit union branch offices that is available to federally-chartered credit unions. There is no anticipated economic cost to individuals who are required to comply with the rule as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Officer, 914 East Anderson Lane, Austin, Texas 78752.

This new rule is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

§91.211. Out-of-State Credit Union Branch Offices.

(a) A credit union chartered by another state shall be required to file a written application for permit on a form prescribed by the Texas credit union commissioner.

(b) In order to protect the interests of the citizens of Texas, the commissioner shall determine that each out-of-state applicant is financially sound and that it has agreed to comply with the Texas Credit Union Act and rules and will:

(1) pay a permit fee of \$25 for each branch office established;

(2) provide evidence that it has in force fidelity bond coverage similar to the bond coverage required for Texas credit unions;

(3) furnish a copy of the law and rules of the chartering state and a copy of its bylaws;

(4) comply with the maximum loan interest rates authorized for Texas credit unions;

(5) submit a copy of its latest examination report and each succeeding examination report;

(6) pay supervision fee and filing fee in accordance with Texas Credit Union Department rules;

(7) furnish evidence that the shares and deposits of its Texas members are insured or guaranteed through the national credit union share insurance fund or a comparable fund approved by the Texas Credit Union Commission;

(8) keep the commission informed of the name and address of the person designated resident agent for the credit union; and

(9) submit a letter from the chartering state's credit union supervisor, approving the establishment of such branch offices.

(c) Each out-of-state credit union operating a branch office in Texas shall furnish financial statements as required by the commissioner and shall pay an annual supervision fee in accordance with §91.84 of this title (relating to Powers of Commissioner--Supervision Fees).

(d) The Texas Credit Union Department is authorized to examine the books and records of any out-of-state credit union branch office and shall collect a fee in accordance with the fee scheduled for Texas credit unions in §97.114 of this title (relating to Examination Fees). In lieu of performing a periodic examination, the Texas

credit union commissioner may accept the examination report of the chartering state.

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 5, 1983.

TRD-836039 John P. Parsons
 Commissioner
 Credit Union Department

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September 12, 1983

For further information, please call (512) 837-9236.

Powers of Credit Unions

7 TAC §§91.401-91.403

The Credit Union Department proposes new §§91.401-91.403, concerning powers of credit unions. These rules are currently contained in Chapter 91; however, the rules are being renumbered to correspond with the chapter numbers in the Texas Credit Union Act, which will be effective September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rules.

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters in the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Officer, 914 East Anderson Lane, Austin, Texas 78752.

The new rules are proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to the Texas Credit Union Act and, from time to time, to amend the same.

§91.401. Purchase Lien and Sale of Property.

(a) **Restrictions.** A credit union shall not purchase real estate (land or buildings) for the express purpose of engaging in real estate rentals or speculation.

(b) **Insurance.** A credit union shall purchase insurance covering physical damages and personal liability sufficient to protect the shareholders of the credit union from loss. Such coverages shall be reviewed annually by the board of directors.

(c) **Uses of excess building space.**

(1) If a credit union purchases or leases a building or buildings excessive to its present needs but not ex-

cessive to its projected needs, it may lease or rent that excess portion. If such purchase or lease should cause the total investment in land and building to exceed 5.0% of the unimpaired capital and surplus, the excess space may be rented or subleased only upon written approval of the commissioner. A brief statement regarding square feet requirements for credit union use and amount of square feet to be leased, if any, shall be furnished the commissioner, along with the anticipated date of full use by the credit union, when commissioner approval is required.

(2) Any investment of funds in a building and related equipment in an aggregate amount exceeding 5.0% of the credit union's capital and surplus at the time of the investment shall require prior, written approval by the commissioner. Requests for such approval should be submitted prior to entering into any contracts to purchase, to build, or to lease and shall be supported by the following information:

(A) current financial and statistical report, including delinquency report;

(B) projections showing expected growth in next 10 years based on the rate of growth over the past five years (assets, loans, savings, and members);

(C) description and use of currently owned real estate;

(D) plan for financing the purchase of land or construction of building;

(E) brief statement of economic advantages and disadvantages of subject property;

(F) modifications expected, if any, to site or improvements and estimated cost thereof; and

(G) additional information regarding economic impact on the credit union or a floor plan and front elevation.

§91.402. Permanent Records. This section of the Credit Union Act authorizes the Credit Union Commission to establish specific rules for the preservation and destruction of the credit union's records.

(1) Records which shall be kept in original form are as follows:

(A) original charter, articles of incorporation, and amendments thereto;

(B) bylaws and amendments;

(C) credit union board meeting minutes;

(D) credit union membership meeting minutes;

(E) membership and signature cards for active accounts; and

(F) all authorizations from the commissioner.

(2) Records which may be microfilmed and the originals destroyed after three years are as follows:

(A) all authorizations from and notifications to the commissioner or the Credit Union Department which are no longer in force;

(B) copies of each comprehensive annual audit;

(C) monthly financial and statistical reports;

(D) membership applications and signature cards of closed accounts;

(E) joint membership agreements;

(F) journal and cash records;

(G) general ledger and subsidiary ledgers;

(H) expense ledger;

(I) one copy of annual printout of data processing;

(J) listings of records destroyed;

(K) all credit union checks disbursed and reconcilements of statements. These permanent records may be microfilmed and the originals then destroyed, if records are balanced and no discrepancies exist, upon resolution by the board of directors; and

(L) records evidencing the electronic transfer of funds of members.

(3) Records which do not require microfilming and may be destroyed after three years, provided that audits and verifications of accounts satisfactory to the board were performed subsequent to the dates of the records being destroyed, are as follows:

(A) cash received vouchers, cash collection, and payroll deduction sheets;

(B) cash disbursed vouchers;

(C) journal vouchers;

(D) paid notes on borrowed funds, bills, and invoices;

(E) authorizations for application of shares to loans;

(F) applications for share withdrawals;

(G) loan applications of paid-out loans and rejected loans;

(H) used bank books and copies of bank deposit slips;

(I) dividend worksheets and payment records;

(J) monthly proof tapes of individual shares and loan ledgers, provided the ledgers are in balance with control accounts;

(K) trial balances;

(L) schedules of delinquent loans;

(M) used or canceled passbooks returned by members;

(N) documents evidencing the investment of funds of the credit union which are no longer outstanding;

(O) correspondence of a general nature; and

(P) data processing source documents.

§91.403. Electronic Data Processing (EDP) and Confidentiality of Member Records.

(a) Electronic data processing. Upon entering into a contract or arrangement to initiate a program of processing records by means of electronic data processing, a state-chartered credit union shall notify the Credit Union Department in writing, giving the name and address of the processor.

(b) Confidentiality of members' accounts. In accordance with recent practice in federal government and to protect the individual rights of citizens of Texas, the following restrictions are hereby imposed on all credit unions chartered under the Credit Union Act, Texas Civil Statutes, Article 2461, *et seq.*, in order to enable the credit union to promote and carry on most effectively its purposes. No credit union officer, director, committee member, or employee may disclose to any person or company or government body the individual savings, shares, deposits, or loan records of any credit union member, contained in any document or system, by any means, unless specifically authorized to do so in writing by such members, except as follows:

(1) reporting credit experience to a bona fide credit reporting agency, another credit union, or any other bona fide credit-granting business and/or merchants information exchange, provided that applicable state and federal laws and regulations pertaining to credit collection and reporting are followed;

(2) furnishing copies of reports and/or data to a duly constituted government agency or taxing authority, or any subdivision thereof, including law enforcement agencies; or

(3) furnishing reports and/or data, orally or in written form, in response to the order of a court of competent jurisdiction or other processes of discovery duly issuing from a court of competent jurisdiction.

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 5, 1983.

TRD-836040

John P. Parsons
Commissioner
Credit Union Department

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September 12, 1983

For further information, please call (512) 837-9236.



Direction of Affairs

7 TAC §§91.503, 91.506, 9.507

The Credit Union Department proposes new §§91.503, 91.506, and 91.507, concerning direction of affairs. These rules are currently contained in Chapter 91; however, they are proposed for renumbering to correspond with the chapter numbers in the Texas Credit Union Act, which will be effective September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules will be in effect there will be no fiscal implications to state or local government as a result of enforcing or administering the rules.

Mr. Parsons has also determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

These new rules are proposed under Texas Civil Statutes, Article 2461, § 11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulation pursuant to the Texas Credit Union Act and, from time to time, to amend the same.

§91.503. Eligibility to Hold Office/Recall of Directors. The Board of Directors shall be elected by and from the membership in accordance with the Texas Credit Union Act, §5.03(a), this section, Chapter 5 of the credit union bylaws, and election rules established by the Board of Directors, as required by §3.03(c) of the bylaws.

(a) Elective office. Consistent with the longstanding policy of the Texas Credit Union Department and the provisions of the Texas Credit Union Act, §3.02, each member of the state-chartered credit union shall have an equal right to vote for and seek elective office, without regard to such criteria as race, creed, color, religion, national origin, or any other classification that restricts the policy of "one member, one vote" for the governance or management of credit unions. Accordingly, no credit union shall adopt or amend bylaws designating or reserving one or more places on the Board of Directors for any member representative of any classification such as those set out in this subsection that might restrict or infringe the equal rights of all members to vote for or seek any position on the Board of Directors of that credit union.

(b) Recall of directors. The membership of a credit union may, by two-thirds of those members present and voting at any special or regular meeting, recall any or all members of the Board of Directors, provided, however, that such members in attendance and voting shall constitute 25% of the membership eligible to vote in any election, and provided that all members are given at least 30 days' notice of such a vote, such notice containing valid reasons for such action. A special meeting for recall of directors may not be called or held within 90 days prior to the scheduled annual meeting, unless prior approval for such meeting is authorized by the commissioner in writing after he shall have found that it would be unreasonable or not in the best interest of the members of the credit union to postpone the recall vote until the scheduled annual meeting.

§91.506. Bond Requirements. Each credit union shall provide a blanket fidelity bond issued by a corporate surety company authorized to do business in this state, and approved by the Credit Union Department, covering the officials, employees, members of official committees, attorneys-at-law, and other agents to protect the credit union against loss caused by dishonesty, burglary, robbery, larceny, theft, hold-up, forgery or alteration of instruments, misplacement or mysterious disappearance, and for lack of faithful performance of duty. Each bond shall provide a rider requiring the surety to give 30 days' notice to the Credit Union Department prior to cancellation of any or all coverage set out in the bond.

(1) The following schedule shall be deemed as the minimum requirements for bonds:

Assets:	Basic Minimum Coverage:	Proof of Loss Rider:
\$ 0 to \$ 500,000	Equal to Assets	\$ 2,000
\$ 500,000 to \$ 1,000,000	Equal to Assets	\$ 5,000
\$ 1,000,000 to \$ 5,000,000	\$1,000,000	\$10,000
\$ 5,000,000 to \$10,000,000	\$2,000,000	\$10,000
\$10,000,000 to \$20,000,000	\$3,000,000	\$15,000
\$20,000,000 to \$50,000,000	\$4,000,000	\$15,000
over \$50,000,000	\$5,000,000	\$20,000

(2) Special riders shall be provided where change funds are kept in excess of \$1,000.

(3) Proof-of-loss rider. Each credit union shall purchase a proof-of-loss rider according to the schedule shown in paragraph (1) of this subsection.

(4) The credit union commissioner may require additional coverage of any state credit union when, in his opinion, the surety bond in force is insufficient to provide adequate surety coverage, and it shall be the duty of the board of directors to obtain such additional coverage within 30 days after the date of written notice.

(5) As to surety bonds now in force, each state credit union shall conform to this regulation as to amount of its bond coverage by not later than the next annual anniversary date.

(6) Texas Share Guaranty Credit Union, due to its specialized operation, may obtain coverage under the share insurance corporation bond, and faithful performance of duty coverage shall not be required.

§91.507. Audits and Verification of Accounts.

(a) The Board of Directors shall, at least once each year, make or cause to be made a comprehensive audit of the books and affairs of the credit union as follows.

(1) Each board of directors shall cause an independent audit to be performed not less than once each calendar year;

(2) A summary report shall be presented to the membership at the next annual meeting following completion; and

(3) A copy of each summary report shall be forwarded to the Credit Union Department on a form provided by the Credit Union Department.

(b) Each share, deposit, certificate of deposit, any other type of savings or savings club accounts, and each loan account shall be verified by the duly appointed auditor, as follows:

(1) credit unions with less than 1,000 members: not less than once each calendar year. Such controlled verifications may be made in portions at various intervals.

(2) credit unions with more than 1,000 members as follows:

(A) Volunteer committee. Twenty-five percent positive verification or 50% negative verification annually.

(B) Paid audits. Ten percent positive verification or 50% negative verification. Such controlled verifications are to be by random or stratified sampling and may be done all at once or in portions at various times of the year. When such verifications are performed by a certified public accountant and in conjunction with an audit for which an opinion from the auditor is rendered, the scope of the verification may be modified to conform with generally accepted auditing standards.

(C) A negative or positive verification for any percentage of accounts may be directed by the commissioner at any time.

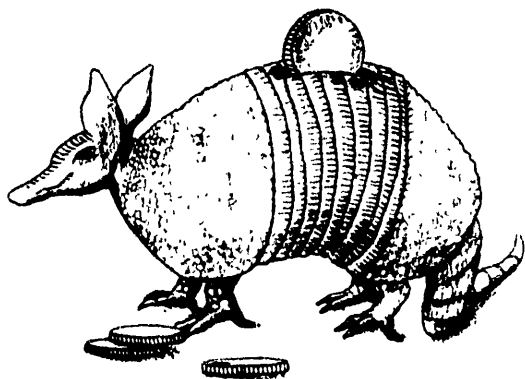
This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on August 5, 1983.

TRD-836041 John P. Parsons
Commissioner
Credit Union Department

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September 12, 1983

For further information, please call (512) 837-9236.



Capital Accounts

7 TAC §§91.601, 91.602, 91.604-91.606

The Credit Union Department proposes new §§91.601, 91.602, and 91.604-91.606, concerning capital accounts. These rules are currently contained in Chapter 91; however, the rules are proposed for renumbering so that their numbering system corresponds to the chapter numbers in the Texas Credit Union Act which will be effective on September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rules.

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

The new rules are proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit

Union Commission with the authority to promulgate general rules and regulations pursuant to this Act and, from time to time, to amend the same.

§91.601. *Purpose.* Deposit accounts are authorized by the Texas Credit Union Act, Texas Civil Statutes, Article 2461, §§6.01-6.03. However, because of the sensitivity of deposit accounts to the money market, this section is promulgated in the public interest under the rulemaking authority of the Texas Credit Union Act, §11.07, and shall apply to all credit unions chartered under the authority of the Texas Credit Union Act.

§91.602. *General.* All deposit accounts of credit unions shall be considered capital. Deposit accounts, if any, shall be operated in accordance with policies and conditions prescribed by the Board of Directors.

§91.604. *Types of Deposit Accounts.* Deposit accounts may be made available only to members, in accordance with the following provisions:

- (1) transaction deposit accounts;
- (2) certificates of deposit accounts; and
- (3) remote withdrawal draft accounts.

§91.605. *Definitions and Limitations.*

(a) Transaction deposit accounts (TD or passbook accounts).

(1) Definition. Transaction deposit accounts (TD accounts) consist of savings of members separate from share accounts, which may have funds deposited or withdrawn at any time, in accordance with policy rules established by the Board of Directors, except by draft.

(2) Interest rates. Interest on TD accounts shall be established from time to time by the Board of Directors. Interest rates may be varied for each different class of TD account; however, all TD accounts of the same class shall be paid the same interest rate. Interest payments on TD accounts may be earned, computed, and credited as authorized by the Board of Directors.

(3) Transaction limits:

(A) No credit union shall allow the total balance of TD accounts to exceed 30% of total share balances unless prior written approval is given by the commissioner.

(B) The Board of Directors is authorized to impose such limitations, conditions, or policies as they deem appropriate subject to this section.

(C) The Board of Directors is authorized to impose limitations on the maximum or minimum number of transactions which will be allowed on the TD account.

(b) Certificates of deposit accounts (CD accounts).

(1) Definition. Certificates of deposit accounts (CD accounts) are savings of members accepted by agreement, for specific amounts, for specified periods of time, at agreed rates of interest.

(2) Other provisions:

(A) A certificate shall be issued to each depositor for a specified sum and may accumulate dividends. Each certificate shall clearly show the length of time, the maturity date, the interest rate stated in annual percentage rates, and penalties for redemption prior to maturity.

(B) Funds represented by a certificate may be partially withdrawn as authorized by the Board of Directors.

(C) The Board of Directors shall establish a penalty to be imposed on the withdrawal of a certificate before maturity. Penalties may be waived by the board for good cause.

(D) Exception to penalties may be made if:

(i) the deposit withdrawal is made subsequent to the death of any owner of the account;

(ii) the deposit account or certificate of deposit account is part of a pension plan which qualifies or qualified for specific tax treatment under the Internal Revenue Code, §401(d) or §408, and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 59½ years of age; or

(iii) such withdrawal is made as a result of the voluntary or involuntary liquidation of the credit union issuing the account.

(E) Certificates of deposit may not contain the words "promises to pay," on any certificate issued after the effective date of this section. At least one joint owner shall be a member of the credit union, but all other joint owners need not be.

(F) Certificates of deposit may not be included in a credit union's "life savings insurance" program.

(G) Interest on deposit accounts shall be accrued monthly and reflected on the operating statement in accordance with generally accepted accounting principles.

(3) Restrictions. No credit union shall issue certificates which would result in the total balance of CD accounts exceeding 70% of its total shares and deposits, unless prior written approval is given by the commissioner.

(c) Remote withdrawal deposit accounts (RWD accounts).

(1) Definition. Remote withdrawal deposit accounts (RWD accounts) are special deposit accounts from which members are authorized to withdraw funds by means of drafts or other procedures authorized by the Board of Directors. By contract with the member, a credit union may authorize the member to withdraw funds from the RWD account by drawing drafts on the credit union, payable through a financial institution, subject to such RWD account contract.

(2) Interest. Interest on RWD accounts shall be earned, computed, and paid as authorized by the Board of Directors of the credit union, subject to this section, except that a credit union under administrative sanctions may not declare or pay any interest on RWD accounts without the prior, written approval of the commissioner.

(3) Liquidity reserve.

(A) The credit union shall maintain a liquidity reserve against all RWD accounts in an amount not less than:

(i) 50% of the total balance in all RWD accounts during the first three months of operation;

(ii) 25% of the total balance in all RWD accounts during the next three months, and thereafter; and

(iii) 7.0% of the total balance in all RWD accounts or 125% of the average daily payable-through bank clearings from RWD accounts during the previous calendar month, whichever is less.

(B) The liquidity reserve shall consist of all credit union investments authorized by law and payable or withdrawable within one year or less, or an irrevocable line of credit from a bank or credit union; provided that, if such line of credit is used, the total amount of the credit union's borrowed funds shall not exceed the limit allowed by law.

(4) Accounting requirements. The credit union shall furnish a statement to the holder of each RWD account, not less often than once each month for active accounts and not less often than once each quarter for accounts without activity during the quarter. The statement must include opening and closing account balances, the account number, and charges for the account service. The statement shall also show each deposit and withdrawal and shall identify each transaction by amount, date, and source of transaction. Records shall be maintained in accordance with generally accepted credit union accounting principals, and a credit union with RWD accounts shall reconcile transactions at payable-through financial institutions not less than once each calendar month.

(5) Report requirements.

(A) Each credit union president shall make a written report to the board on the activity and status of the credit union's RWD program not less often than once each month.

(B) The Board of Directors shall report to the Credit Union Department the activity of the RWD program at the close of each year or more frequently as requested on a form prescribed by the commissioner, for good cause.

(6) Service fees. A credit union may charge reasonable service fees for services including, but not limited to, the following (fees shall approximate related costs):

(A) furnishing draft forms;

(B) monthly service fee;

(C) account research, reconciliation, and documentation; and

(D) overdraft, stop payment order, etc.

(7) Closure of accounts. An RWD account may be closed at any time for good cause shown or for violation of these sections of the credit union bylaws, as authorized by the board of directors. The principal owner member of any such closed RWD account shall be given notice of such closure by mail addressed to the member's last known address within five working days. Such members may appeal to the Board of Directors.

(8) Commissioner sanctions.

(A) The credit union commissioner may order a credit union to discontinue offering RWD accounts when such action is reasonably deemed to be in the best interest of the members, under the authority of the Texas Credit Union Act, Texas Civil Statutes, Article 2461, §5.09(a)(4) or §5.09(a)(6).

(B) The commissioner may direct changes in a program and record keeping and require additional reports, in lieu of discontinuance of any RWD program.

(C) The commissioner may require special liquidity reserves, in addition to those prescribed in this section, when warranted.

(D) Deposit accounts issued or authorized by the credit union, and which remain outstanding prior to the effective date of these sections, may continue in force

and effect according to the terms and conditions under which they were issued and accepted, provided that any renewal, extension, reissuance, or exchange thereof may be effected only in compliance with these sections.

§91.606. Sanctions. Violations or disregard of any of the provisions of these sections by any state-chartered credit union, or officer or employee of any state-chartered credit union, constitutes unsafe, unauthorized, and unsound practices in the conduct of the credit union's business and subjects the concerned credit union or individual to the sanctions of the Texas Credit Union Act, Texas Civil Statutes, Article 2461, §5.09.

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 5, 1983.

TRD-836042 John P. Parsons
Commissioner
Credit Union Department

Earliest possible date of adoption:
September 12, 1983

For further information, please call (512) 837-9236.

Loans

7 TAC §§91.701-91.703

The Credit Union Department proposes new §91.701, concerning general loan provisions; §91.702, concerning personal loans; and §91.703, concerning real estate loans. These rules are currently contained in Chapter 91; however, they are being repropoed for renumbering so that their numbering system corresponds to the chapter numbers in the Texas Credit Union Act, which will be effective on September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rules.

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

These new rules are proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the credit union commission with the authority to promulgate general rules and regulations pursuant to the Texas Credit Union Act and, from time to time, amend the same.

§91.701. General Provisions.

(a) Limitations and restrictions. The Board of Directors may establish loan limitations and restrictions, not inconsistent with the law and these rules, relating to loan terms and amounts and applicable to all borrowers or to classes of borrowers; provided such loan restrictions and limitations shall be based upon financial factors and shall not discriminate between members because of race, creed, or sex, or marital status.

(b) Modifications of existing loans. Modification of an existing outstanding loan, whether by extension or renewal thereof, may be made upon reasonable written request by a borrower, within the loan term limitations otherwise imposed by these rules.

(c) Fees and late charges. The credit union may charge the borrower and include such charges as part of the proceeds of a loan (maximum loan limitation to the contrary notwithstanding) its actual costs or fees it is required to pay in behalf of such borrower, the following costs, fees, charges, or premiums, without the amounts thereof being considered part of the interest: insurance premiums; filing and recording fees; credit reports; legal fees; title search; appraisal fees. A late charge penalty may be charged, in addition to interest, when an installment is 10 days or more in arrears. Such penalty shall not exceed \$.05 for each dollar of the installment due, but in no event not less than \$.05 nor more than \$5.00. Only one such penalty shall be charged on each installment.

§91.702. Personal Loans.

(a) Loan terms. Credit unions may make loans to members, either secured or unsecured, for any lawful purpose. Except for single-payment loans, all loans made by a credit union shall require payments no less frequently than once each month. The maximum term for such loans shall be 63 months from the date the loan is made unless specifically authorized elsewhere in this chapter.

(b) Single-payment loans. Loans which call for repayment in one installment only may be made for a period not exceeding 63 months from the date the loan is made. Interest shall be paid at least annually.

(c) Insured and guaranteed loans. Any credit union may make, without regard to the terms limitation, any loan, secured or unsecured, which is insured or guaranteed in any manner and in any amount by the State of Texas or by the United States or any instrumentality thereof.

(d) Loans secured by shares, U.S. government bonds, or other funds on deposit or insurance policy. Loans fully secured by a pledge of unencumbered shares in the credit union, or by an irrevocable assignment of a life insurance policy or savings account in another financial institution may be made for a term not exceeding 123 months from the date the loan was made; provided the cash surrender value of the shares, insurance policies, or other savings account shall be sufficient at all times during the term of the loan to pay or satisfy fully the unpaid balance.

(e) House trailer loans. Loans secured by a first lien interest in a mobile home may be made for a term not to exceed 147 months from the date the loan was made.

(f) Motor homes. Loan secured by a first lien interest in a motor home may be made for a term not to exceed 87 months from the date the loan was made.

(g) Property improvement loans. If the proceeds of a loan are to be used exclusively for improvement of real property or for the maintenance, repair, modernization, or equipment of real estate, such loan may be made for repayment during a period not to exceed 147 months from the date the loan was made, provided that the credit union obtains a "materialmen's and mechanics lien" to secure payment of the obligation pursuant to the applicable laws of this state, except loans made under subsection (c) of this rule (concerning government secured loans). Additional insurance (fire and extended coverage) shall be added to the borrower's existing insurance policy to cover such improvements, if such improvements are in excess of \$2,500.

(h) Other secured loans. Credit unions may make loans to members (other than the special type loans set out herein) for periods not exceeding 123 months from the date the loan was made, when adequately secured by a pledge of, or security interest in, personal or real property which will always reasonably secure the unpaid balance of the loan. Loans may be made in an amount not to exceed \$10,000, for a period not to exceed 123 months, on real property without classification as a real estate loan.

(i) Line of credit. The credit committee of a credit union, or, when authorized, its credit manager or loan officer, may approve in advance an extension or line of credit for any member, and loans may be granted to such member within the limits of such extension or line of credit. Where an extension or line of credit has been approved, applications for loans need no further consideration as long as the aggregate obligation does not exceed the limits of such extension of credit or these rules. Any such extension or line of credit shall expire if the member shall become more than 90 days delinquent in his obligation to the credit union.

(j) Open-end loans. Credit unions may extend credit to or for the benefit of its members pursuant to open-end lending systems, provided that terms are not inconsistent with other provisions of these rules.

§97.703. Real Estate Loans. Credit unions with assets of \$500,000 or more may make real estate loans to members secured by a mortgage, deed of trust, or other instruments creating or constituting a first and prior lien on real estate. Additional security may also be taken by the credit union in connection with any such loan if deemed necessary and proper.

(1) Requirement in regard to real estate loan transaction. No credit union shall:

(A) make a real estate loan unless an appraisal by an appraiser or committee of appraisers authorized by the board of directors shall be made in writing and, if the loan is granted, such appraisal shall remain as part of the loan file during the term of the said loan. Reappraisals may be made upon direction of the board of directors and shall be made when requested by the commissioner;

(B) make a real estate loan unless the credit union is furnished with either a written opinion of an attorney or a satisfactory policy of title insurance in the principal amount of the loan issued by a title company authorized to insure titles in this state, insuring that the lien securing such real estate loan is a first and prior lien;

(C) make a real estate loan unless the insurable improvements thereon are insured against loss at least equal to the amount of the appraisal value of the improvements by a fire and extended coverage policy or its equivalent issued by an insurance company authorized to do business in Texas, with the credit union named as loss payee;

(D) fail to record promptly in the proper county records every mortgage, deed of trust, or other instruments creating, constituting, or transferring any liens securing in whole or in part any real estate loan or the credit union's interest therein; or

(E) make a real estate loan other than a real estate interim construction loan unless:

(i) the credit union shall require the member/borrower to pay monthly, in addition to payments of interest and principal, an amount equal to one-twelfth of the estimated annual taxes, assessments, insurance premium, and other charges upon the real estate securing such loan, to be held in an escrow account so as to enable the credit union to pay such charges as they become due from the funds so received. The total of such monthly charges may be increased or decreased as is necessary for the payment of such charges. Every credit union shall keep a record of the amounts retained in each escrow account (and submit an annual statement of the account to the borrower) and shall also keep a record of the status of taxes, assessments, insurance premiums, and other charges on all real estate securing its loans and on all real and personal property owned by it. The credit union may waive the escrow account requirement if an amount equivalent at least to the annual insurance premium and annual taxes is maintained in the share account of the member/borrower for the term of the loan, and the loan is maintained in a current condition at all times, provided, further, that the credit union is furnished "paid-stamped" tax receipts and certification of insurance coverage signed by a qualified officer of the issuing company annually; or

(ii) in lieu of the requirement for establishing escrow accounts for payment of taxes and/or insurance premiums, as required by clause (i) of this subparagraph, a credit union may require monthly payments (in addition to principal and interest payments required in the note) equal to one-twelfth the estimated annual taxes and insurance premium costs. Such additional payments shall be applied to the principal balance each month. The credit union shall then pay the annual taxes and insurance premiums when due and add the costs thereof to the principal amount of the loan on the dates payment is made. The credit union shall retain tax receipts and copies of the remittance (check or check voucher) in each individual loan file.

(2) Maximum real estate terms. Credit union real estate loans are subject to the following additional terms and conditions.

(A) On all real estate loans secured by improved residential property, the maximum loan is 90% of the sales price or appraised value, whichever is less, and shall be repaid, both interest and principal, within a period not exceeding 30 years from the date the loan is made.

(B) On all real estate loans secured by improved nonresidential property, the maximum loan is

80% of the sales price or appraised value, whichever is less, and shall be repaid, both interest and principal, within a period not exceeding 15 years from the date the loan is made unless otherwise approved by the commissioner.

(C) On all real estate loans secured by unimproved property, the maximum loan is 70% of the sales price or appraised value, whichever is less, and shall be repaid, both interest and principal, within a period not exceeding 20 years from the date of the note.

(D) A real estate interim construction loan shall not be granted to a member exceeding 80% of the value of which the property would qualify as security for a real estate loan after completion of construction. Such interim construction loans must be repaid, both as to principal and interest, within a period not exceeding one calendar year from the date of the note. Such loans, if qualified, may be refinanced into a permanent real estate loan on an installment repayment basis. Accrued interest to date shall be paid by the borrower at the time of such refinancing. The requirement of an escrow account as set forth in this chapter is waived on all real estate interim construction loans. Fire and extended coverage insurance shall be required in an amount equal to the amount of the estimated value of the construction upon completion.

(E) Total outstanding balances of all loans secured by real estate mortgages made in accordance with this section shall not exceed 25% of the outstanding shares and deposits of the credit union, unless approval to increase the 25% limit is approved in writing by the commissioner.

(3) Exceptions. Credit unions with assets under \$500,000 may, with written approval of the commissioner, make first mortgage real estate loans under this section. Such written approval may be blanket approved or on an individual loan basis.

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 5, 1983.

TRD-836043 John P. Parsons
Commissioner
Credit Union Department

Earliest possible date of adoption:
September 12, 1983

For further information, please call (512) 837-9236.

Investments

7 TAC §91.801, §91.802

The Credit Union Department proposes new §91.801 and §91.802, concerning investments. These rules are currently contained in Chapter 91; however, they are proposed for renumbering to correspond to the chapter numbers in the Texas Credit Union Act which will be effective on September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rules

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

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

These new rules are proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to the Texas Credit Union Act and, from time to time, amend the same.

§91.801. Investment Limits in Other Financial Institutions. A state-chartered credit union may invest in certificates of deposit and passbook-type accounts issued by an insured state or national bank or issued by an insured building and loan association or an insured savings and loan association, in accordance with the following.

(1) Total investments. Total investments in any one institution shall not exceed 10% of the capital and surplus of the institution issuing the certificate or passbook, or \$100,000, whichever is greater; but, in no case shall this \$100,000 exceed 20% of the issuing company's capital and surplus.

(2) Restrictions. Credit unions of any size with reserves which do not exceed delinquent loans are limited to the insured amount.

§91.802. Loans of Other Credit Unions.

(a) A state-chartered credit union, by board resolution, may purchase loans of a credit union in liquidation, either directly from the credit union, or from the Texas Share Guaranty Credit Union, the National Credit Union Share Insurance Fund, or the Texas Credit Union League Stabilization Fund, if the purchasing credit union meets the following criteria as reflected in the latest report of examination:

- (1) reserves in excess of 5.0% of total loans;
- (2) delinquent loans less than 2.0% of total loans; and
- (3) charged-off loans less than 0.5% of loans granted during the preceding three years.

(b) A credit union that does not meet all three criteria cited in subsection (a) of this section shall obtain authorization in writing from the credit union commissioner prior to any final purchase of loans under this section.

(c) Subsections (a) and (b) of this section do not apply if loans purchased by a credit union are guaranteed by the Texas Share Guaranty Credit Union, the Texas

Credit Union League Stabilization Fund, or the National Credit Union Share Insurance Fund.

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 5, 1983.

TRD-836044 John P. Parsons
 Commissioner
 Credit Union Department

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September 12, 1983

For further information, please call (512) 837-9236.

Reserves and Dividends

7 TAC §91.901, §91.902

The Credit Union Department proposes new §91.901 and §91.902, concerning reserves and dividends. These rules are currently contained in Chapter 91; however, they are proposed for renumbering to correspond with the chapter numbers in the Texas Credit Union Act, which will be effective September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five year period the rules will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rules.

Mr. Parsons also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing the rules as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

These new rules are proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to the Texas Credit Union Act and, from time to time, amend the same.

§91.901. Reserve Requirements. In accordance with the requirements of the Credit Union Act, §9.01, state-chartered credit unions shall set aside a portion of their current net income, prior to the declaration or payment of dividends, at the close of each dividend period, as follows.

(1) Newly organized credit unions. Each credit union that has been in operation for less than five years shall transfer to the regular reserve (or guaranty fund) 10% of the gross income for each dividend period, until the total regular reserve amounts to 3.0% of loans.

(2) Credit unions in operation for four full years or more shall transfer to the regular reserve (or guaranty fund) 5.0% of the gross income for each dividend period, until the total regular reserve amounts to 5.0% of loans.

(3) After the regular reserve fund equals 5.0% of loans, a credit union shall transfer only such sums from gross income to maintain that fund at 5.0% of loans or 5.0% of gross income, whichever is less.

(4) In addition to the regular reserve, special reserves to protect the interests of members may be established by board resolution or by directive of the credit union commissioner, from current income or from undivided earnings. In lieu of establishing a special reserve, the commissioner may direct that all or a portion of the undivided earnings and any other reserve fund be frozen. In either case, such directives must be given in writing and must show cause for such action. (Establishment of an investment reserve, where warranted, shall fall under this section.)

(5) Minimum reserve requirements. No credit union shall declare or pay a dividend unless and until the regular reserve and other reserves combined are sufficient to cover the estimated losses of the credit union, as determined by actual review by the credit union examiners, or by the following formula (whichever is greater).

(A) loans two to five months delinquent—10% of total balances

(B) loans six to 11 months delinquent—40% of total balances.

(C) loans delinquent 12 months or more—90% of total balances.

(6) The Board of Directors may increase the amount to be transferred to the regular reserve and may transfer from undivided earnings to the regular reserve at any time.

(7) Use of reserves.

(A) The reserve fund may be used only as follows:

(i) to charge off uncollectible loans.

(ii) to pay annual reserve deposits to the Texas Share Guaranty Credit Union.

(iii) other distributions as allowed by law and approved by the commissioner.

(B) Special reserves may be used only for the purpose or purposes designated by board resolution. The Board of Directors may return to undivided earnings any special reserves previously committed by the board.

(C) Undivided earnings may be used for any purpose approved by the Board of Directors, including payment of dividends, interest refunds, interest on deposits, and certificates of deposit.

§91.902. Dividend/Restrictions.

(a) After making or accruing for transfers to the reserve fund as required under §91.901 of this title (relating to Reserve Requirements), the Board of Directors may declare a dividend as prescribed in the bylaws and written board policy, except that prior written approval by the commissioner shall be obtained when the credit union is under an administrative sanction as provided for in the Texas Credit Union Act, §5.09.

(b) Qualifications for dividend credit shall be prescribed by written board policy.

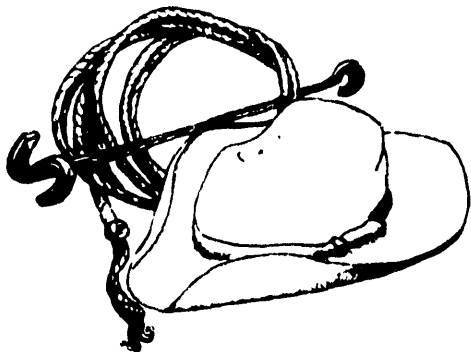
This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on August 5, 1983

TRD 836045 John P. Parsons
Commissioner
Credit Union Department

Earliest possible date of adoption
September 12, 1983

For further information, please call (512) 837-9236



Change in Corporate Status

7 TAC §91.1001

The Credit Union Department proposes new §91.1001, concerning conversion of charter. This rule is currently contained in Chapter 91; however, the rule is proposed for renumbering to correspond with the chapter numbers in the Texas Credit Union Act, which will be effective September 1, 1983.

John P. Parsons, credit union commissioner, has determined that for the first five-year period the rule will be in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Parsons also has determined that for each year of the first five years the rule as proposed is in effect the public benefit anticipated as a result of enforcing the rule as proposed will be the ease in identifying and researching rules which have been adopted that are applicable to certain chapters of the Texas Credit Union Act. There is no anticipated economic cost to individuals who are required to comply with the rule as proposed.

Comments on the proposal may be submitted to Harry L. Elliott, Staff Services Office, 914 East Anderson Lane, Austin, Texas 78752.

This new rule is proposed under Texas Civil Statutes, Article 2461, §11.07, which provide the Credit Union Commission with the authority to promulgate general rules and regulations pursuant to the Texas Credit Union Act and, from time to time, amend the same.

§91.1001. Conversion of Charter.

(a) State to federal.

(1) A credit union organized under the Texas Credit Union Act may convert to a federal credit union upon completion of the following requirements:

(A) The proposition for charter conversion is approved by the Board of Directors.

(B) Preliminary approval of the conversion proposal is granted by the credit union commissioner.

(C) Evidence is furnished to the commissioner, showing that the federal authority (National Credit Union Administration) is agreeable to the conversion proposal.

(D) Evidence is furnished to the commissioner, showing that the Texas Share Guaranty Credit Union has been notified of the conversion proposal, if the credit union is insured by the Texas Share Guaranty Credit Union.

(E) The conversion proposal is approved by a membership vote as follows:

(i) At a regular or special membership meeting—by an affirmative vote of 10% of the membership or a majority of those present, whichever is greater.

(ii) By mail ballot—by an affirmative vote of 10% of the membership or by a majority of those voting, whichever is greater.

(iii) Notice of meeting or mail ballot shall be mailed to all members at least 30 days prior to the meeting or vote tabulation date in the event of mail ballot. Such notice shall contain the primary reason or reasons for the desired conversion, and such notice may not be mailed until the credit union has requested and received preliminary approval of the proposed charter change or merger.

(iv) The commissioner may waive the vote of the membership if he deems such waiver to be in the best interest of the membership.

(F) Final approval of the conversion proposal is granted by the commissioner.

(G) A federal charter is issued to the credit union and evidence is furnished to the commissioner, showing that the credit union has met all conversion requirements of the federal authority.

(2) The effective date of a charter conversion will be the day immediately preceding the date the state charter is canceled.

(b) Federal to state.

(1) A federal credit union may convert to a credit union organized under the Texas Credit Union Act upon completion of the following requirements:

(A) application to the credit union commissioner;

(B) evidence is furnished to the commissioner, showing that the federal authority (National Credit Union Administration) is agreeable to the conversion proposal;

(C) the commissioner is granted authorization to perform an examination of the federal credit union and to collect a fee for the examination at the same rate levied against credit unions chartered under the Texas Credit Union Act. The examination and/or fee may be waived by the commissioner;

(D) preliminary approval of the conversion proposal is granted by the commissioner; and

(E) evidence is furnished to the commissioner showing that the conversion procedure has been completed in a manner satisfactory to the federal authority.

(2) The conversion will become effective upon the date of issuance of a state charter, or a stipulated date within 90 days thereafter.

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 5, 1983.

TRD-836046 John P. Parsons
 Commissioner
 Credit Union Department

Earliest possible date of adoption
September 12, 1983

For further information, please call (512) 837-9236.

TITLE 40. SOCIAL SERVICES AND ASSISTANCE

Part I. Texas Department of Human Resources

Chapter 48. CCAD

The Texas Department of Human Resources proposes amendments to §48.1201 and §48.2916, concerning adult protective services, in its Community Care for Aged and Disabled (CCAD) Program rules. The rules are amended to ensure the department's compliance with the requirements of Senate Bill 861. The bill amends the Human Resources Code to include disabled persons 18-64 years old in its mandate to investigate reports of abuse, neglect, or exploitation. Disabled persons are eligible for the same CCAD services provided to persons 65 years old and older.

Section 48.1201 is amended to add a definition of "disabled person." Section 48.2916 is amended to include disabled persons in all adult protective services priority groups.

David Hawes, programs budget and statistics director, has determined that for the first five-year period the rules will be in effect there will be fiscal implications as a result of enforcing or administering the rules. The estimated additional cost to the state will be \$126,734 in fiscal year 1984, \$130,536 in fiscal year 1985, \$137,062 in fiscal year 1986, \$143,915 in fiscal year 1987, and \$151,111 in fiscal year 1988. There are no fiscal implications for local government.

Mr. Hawes also has determined that for each year of the first five years the rules as proposed are in effect the public benefit anticipated as a result of enforcing

the rules as proposed will be the provision of adult protective services to disabled persons. There is no anticipated economic cost to individuals who are required to comply with the rules as proposed.

Comments on the proposal may be submitted to Susan L. Johnson, Administrator, Policy Development Support Division-388, Texas Department of Human Resources 153-B, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in this Register.

Definitions

40 TAC §48.1201

The amendments are proposed under the Human Resources Code, Title 2, Chapter 22, which authorizes the department to administer public assistance programs.

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

[Crisis intervention—Casework to assess the need for CCAD services and protective services case management with disabled adults 18-64 years old who are alleged to be abused, neglected, or exploited.]

Disabled person—A person who, because of physical or mental impairment, lacks the capacity to perform essential activities of daily living. Activities of daily living include personal and health care, mobility, communication, and management of money and property.

Investigation—Contacts with the [an] elderly or disabled alleged victim [person] or collateral source after receipt of a report to determine the validity of an allegation of abuse, neglect, or exploitation. (This contact does not require the consent of the client or his caretaker.)

Involuntary protective services—Arrangement for the emergency removal of a [an elderly] person from life-threatening situations if directed by court order, as authorized by the Human Resources Code, Chapter 48.

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 5, 1983.

TRD-836012 Marlin W. Johnston
 Commissioner
 Texas Department of Human
 Resources

Earliest possible date of adoption
September 12, 1983

For further information, please call (512) 441-3355,
ext. 2037.

Eligibility

40 TAC §48.2916

The amendments are proposed under the Human Resources Code, Title 2, Chapter 22, which authorizes the department to administer public assistance programs.

§48.2916. Protective Services Priorities Clients receive protective services according to the following priorities:

(1) **Priority One—Reports of elderly or disabled persons [65 years old or older] who are alleged to be in serious physical harm or immediate danger of death from abuse or neglect,**

(2) **Priority Two— Reports of elderly or disabled persons [65 years old or older] who are alleged to be suffering from harm or danger less serious than in priority one reports;**

(3) **Priority Three—Reports of elderly or disabled persons [65 years old or older] who are alleged to be exploited. If the exploitation results in physical or mental abuse of the person, a higher priority is assigned to the report. [; and]**

[(4) Priority Four—Reports of persons 18-64 years old who are alleged to be abused, neglected, or exploited]

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 5, 1983

TRD 836013

Marlin W. Johnston
Commissioner
Texas Department of Human
Resources

Earliest possible date of adoption.

September 12, 1983

For further information, please call (512) 441-3355,
ext. 2037.

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 generally 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. Notice of the withdrawal will appear in the next regularly scheduled issue of the *Register*. The effective date of the automatic withdrawal will appear immediately following the published notice.

No further action may be taken on a proposal which has been automatically withdrawn. However, this does not preclude a new proposal of an identical or similar rule following normal rulemaking procedures.

TITLE 7. BANKING AND SECURITIES

Part VI. Credit Union Department Chapter 91. Credit Union Regulations Chartering, Operations, Mergers, Liquidations

7 TAC §91.203

The Credit Union Department has withdrawn from consideration for permanent adoption proposed new §91.203, concerning credit union regulations. The text of the new rule as proposed appeared in the July 26, 1983, issue of the *Texas Register* (8 *TexReg* 2792).

Issued in Austin, Texas, on August 5, 1983

TRD-836047 Harry L. Elliott
Staff Services Officer
Credit Union Department

Filed August 5, 1983

For further information, please call (512) 837-9236.

7 TAC §91.204

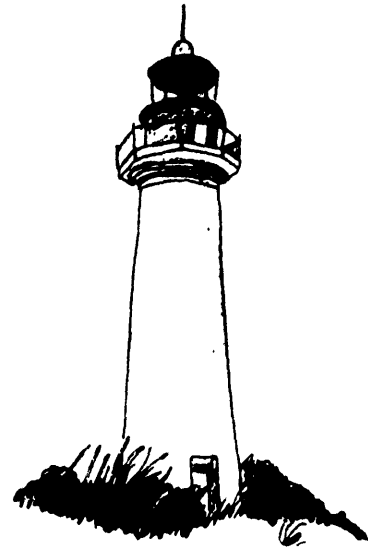
The Credit Union Department has withdrawn from consideration for permanent adoption new §91.204, concerning credit union regulations. The text of the new rule as proposed appeared in the July 26, 1983, issue of the *Texas Register* (8 *TexReg* 2793).

Issued in Austin, Texas, on August 5, 1983

TRD-836048 Harry L. Elliott
Staff Services Officer
Credit Union Department

Filed: August 5, 1983

For further information, please call (512) 837-9236.



TITLE 16. ECONOMIC REGULATION

Part I. Railroad Commission of Texas

Chapter 5. Transportation Division Subchapter P. Commercial Zones

16 TAC §5.294

Pursuant to Texas Civil Statutes, Article 6252-13a, §5(b), and 1 TAC §91.24(b), the proposed amendments to §5.294 submitted by the Railroad Commission of Texas have been automatically withdrawn, effective August 5, 1983. The amendments as proposed appeared in the February 4, 1983, issue of the *Texas Register* (8 *TexReg* 356).

TRD-836051

Filed August 5, 1983

Subchapter U. General and Special Rules of Practice and Procedure

16 TAC §5.411

Pursuant to Texas Civil Statutes, Article 6252-13a, §5(b), and 1 TAC §91.24(b), the proposed amendments to §5.411 submitted by the Railroad Commission of Texas have been automatically withdrawn, effective August 5, 1983. The amendments as proposed appeared in the February 4, 1983, issue of the *Texas Register* (8 TexReg 357.)

TRD-836050
Filed: August 5, 1983

Part II. Public Utility Commission of Texas

Chapter 23. Substantive Rules Special Rules

16 TAC §23.58

Pursuant to Texas Civil Statutes, Article 6252-13a, §5(b), and 1 TAC §91.24(b), the proposed amendments to §23.58 submitted by the Public Utility Commission have been automatically withdrawn, effective August 5, 1983. The amendments as proposed appeared in the February 4, 1983, issue of the *Texas Register* (8 TexReg 371).

TRD 836049
Filed: August 5, 1983

TITLE 28. INSURANCE Part I. State Board of Insurance

(Editor's note: Because the State Board of Insurance's rules have not yet been published in the Texas Administrative Code (TAC), they do not have designated TAC numbers. For the time being, the rules will continue to be published under their Texas Register num-

bers. However, the rules will be published under the agency's correct TAC title and part.)

Powers and Duties

Examination and Corporate Custodian and Tax

059.01.15.201, .206, .207, .209, .214,
.216-220

The State Board of Insurance has withdrawn from consideration for permanent adoption proposed amendments to Rules 059.01.15.201, .206, .207, .209, .214, and .216-220, concerning powers and duties. The text of the amended sections as proposed appeared in the February 4, 1983, issue of the *Texas Register* (8 TexReg 372).

Issued in Austin, Texas, on August 3, 1983.

TRD 835986 James W. Norman
Chief Clerk
State Board of Insurance

Filed: August 4, 1983
For further information, please call (512) 475-2950.

Life, Health, and Accident Insurance Order of Benefit Determination for Insured Dependent Children in a Coordination of Benefits Provision

059.03.48.001, .002

The State Board of Insurance has withdrawn from consideration for permanent adoption proposed new Rules 059.03.48.001 and .002, concerning life, health, and accident insurance. The text of the new rules as proposed appeared in the February 4, 1983, issue of the *Texas Register* (8 TexReg 381).

Issued in Austin, Texas, on August 3, 1983.

TRD-835987 James Norman
Chief Clerk
State Board of Insurance

Filed: August 4, 1983
For further information, please call (512) 475-2950.

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.

The document, as published in the *Register*, must indicate whether the rule is adopted with or without changes to the proposal. The notice must also include paragraphs which: explain the legal justification for the rule; how the rule will function; contain comments received on the proposal; list parties submitting comments for and against the rule; explain why the agency disagreed with suggested changes; and contain the agency's interpretation of the statute under which the rule was adopted.

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. The text of the rule, as appropriate, will be published only if final action is taken with alterations to the proposal. The certification information, following the submission, contains the effective date of the final action, the proposal's publication date, and a telephone number to call for further information.

**TITLE 16. ECONOMIC
REGULATION
Part I. Railroad Commission of
Texas
Chapter 9. Liquefied Petroleum Gas
Division
Subchapter B. Basic Rules
16 TAC §9.58, §9.59**

The Railroad Commission of Texas adopts amendments to §9.58 and §9.59, without changes to the proposed text published in the March 11, 1983, issue of the *Texas Register* (8 TexReg 818).

The amendments are necessary to avoid infringing on the right of citizens of other states to travel freely among the several states.

The amendments permit persons operating liquefied petroleum gas (LP-gas) powered vehicles registered in states other than Texas to travel within Texas and refuel their vehicles, even though the LP-gas motor fuel systems do not comply with all technical requirements imposed by Texas statutes and regulations. Such systems must, however, be in safe operating condition.

No comments were received regarding adoption of the amendments.

The amendments are adopted under the Texas Natural Resources Code, §113.051, which authorizes the commission to promulgate and adopt rules for the LP-

gas industry which protect the health, welfare, and safety of the general public.

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 1, 1983.

TRD-835954

Mack Wallace, Chairman
Jim Nugent, Commissioner
Railroad Commission of Texas

Effective date: August 24, 1983

Proposal publication date: March 11, 1983

For further information, please call (512) 445-1186.



**TITLE 22. EXAMINING BOARDS
Part XXVII. Board of Tax Assessor
Examiners
Chapter 621. Administration
22 TAC §621.1**

The Board of Tax Assessor Examiners adopts amendments to §621.1, with changes to the proposed text

published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2184).

The rule enables the Board of Tax Assessor Examiners to implement changes in the act upon which the rule is based. The change at paragraph (a)(12) specifically assigns board members responsibility for administering certification examinations, since this responsibility was legislative intent in the original registration and certification act. The addition of subsection (d) provides right of appeal on administrative decisions concerning registrant classification.

The rule will improve administration and accountability in conduct of a statewide professional registration and certification program.

Two commentors suggested that the rule show a right of appeal for registrants objecting to a classification decision of the executive director. The change was incorporated by the board. Those speaking against the rule were C. R. Johnson and Charles Shufelt.

The amendments are adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

§621.1. Powers and Duties

(a) The following powers and duties, authorized by statute to be bestowed upon and performed by the Board of Tax Professional Examiners, are hereby delegated to the executive director of the Board of Tax Professional Examiners:

- (1)-(3) (No change.)
 - (4) make records of all proceedings available to the public;
 - (5) maintain roster of registrants;
 - (6) accept or deny applications and register and classify and reclassify applicants accepted;
 - (7) mail notices to all registrants, regarding renewal;
 - (8) establish reinstatement procedure for non-payment of renewal fee;
 - (9) establish enforcement procedures for violations of applicable laws and rules;
 - (10) design and determine the content of application forms;
 - (11) initiate proceedings to ensure compliance with law and these rules;
 - (12) examine registrants with testing instruments approved by the board, except that a board member or members shall administer the certification examinations; and
 - (13) issue certificates to persons certified by the board.
- (b) (No change.)
- (c) Should this agency be without an executive director at any time, then the powers and duties listed in subsection (a) of this section shall be performed by the chairperson of the Board of Tax Professional Examiners.

(d) Decisions of the executive director which affect a registrant's status may be appealed, in writing, to the board.

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 July 30, 1983:

TRD-835988 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

**Chapter 623. Registration and
Certification**

22 TAC §§623.1-623.5

The Board of Tax Assessor Examiners adopts the repeal of §§623.1-623.5, without changes to the proposal published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2184).

The Board of Tax Assessor Examiners adopts the repeal so that new registration and professional certification procedures which are fully consistent with the Property Taxation Professional Certification Act of the 68th Legislature can be adopted.

The repeal of these rules will enable the board to adopt new rules for the education and certification of property tax officials in the specialized fields in which they are employed, and periodic recertification to ensure maintenance of professional skills and knowledge of current property tax laws and rules.

No comments were received regarding adoption of the repeal.

The repeal is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective September 1, 1983.

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 July 30, 1983:

TRD-835989 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

22 TAC §§623.1-623.18

The Board of Tax Assessor Examiners adopts new §§623.2-623.5, 623.7, 623.12, and 623.15, with changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2184). Sections 623.1, 623.6, 623.8-623.11, and 623.16-623.18 are adopted without changes and will not be republished.

This chapter states specific registration and certification procedures to implement a new act. A change in §623.2(4) permits constructive credit for high school graduation requirement; §623.2(5) adds "or tax office;" §623.3(3) and §623.3(3)(B) insert language concerning positions of responsibility; §623.4 continues those temporarily unemployed in registrant status; §623.5(b) permits retention of certification titles; §623.7(b) permits flexibility in course selection; §623.12(b)(3) and §623.12(f), concerning recertification examinations, were deleted; §623.15(e)(3) corrects a typing error from "second" to "third;" §623.15(f) deletes reference to recertification examinations; and §623.15(j) excepts certification examinations.

This chapter will increase efficiency of professionals due to separate, comprehensive education and testing programs in each major property tax field.

The comments received related to changes that were eventually made and requests to delay implementation of provisions of the Act and the rules to permit study and concurrence by registrants, which the board rejected.

No one spoke in favor of the rules. Those speaking against specific provisions of the rules were C. R. Johnson, Ernest R. Richardson, J. W. Walls, P. C. Kelly, Elroy Satterlee, Don Gilmore, Charles Shufelt, Sherwood Blair, Ray M. Cornett, Don Caldwell, and Richard Owings.

The board agreed and incorporated some comments; however, it could not delay the effective date of the new Act. Because the present or old rules are in conflict with the new Act, it also did not delay adoption of the rules.

This new chapter is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

§623.2. Eligibility to Register. To be registered, an applicant must be:

- (1) at least 18 years of age;
- (2) a resident of the State of Texas;
- (3) a person of good moral character;
- (4) a graduate of an accredited high school or holder of high school graduation equivalency or constructive education credit, as determined by the board; and
- (5) actively engaged in appraisal, assessing/collecting, or collecting for an appraisal district, tax office,

or private firm working for an appraisal district or tax office.

§623.3. Persons Required to Register. Persons required to register or permitted to register shall be those required by law to register. Those required to register are:

(1) all chief appraisers, appraisal supervisors and assistants, property tax appraisers, appraisal engineers, and other persons with authority to render judgment on, recommend, or certify appraised values to an appraisal review board;

(2) all persons engaged in appraisals of real or personal property for ad valorem tax purposes for an appraisal district. This includes consultants or representatives of private firms which provide appraisal services to appraisal districts under contract;

(3) the tax assessor/collector or collector, or other person designated by the governing body of the taxing unit, that is responsible for either assessment functions or collection functions, or both, and other persons in assessment or collections positions of responsibility as determined by the chief administrator of the unit's tax office.

(A) Each political subdivision of the state (county, city, school district, special district) which levies a property tax or is empowered to levy a property tax shall have at least one individual (normally the assessor/collector) who shall be required to register. If a taxing unit designates another official as the one primarily responsible for performing functions described in Texas Property Tax Code, Title I, Chapter 26, then the chief administrator of the taxing unit (county judge, mayor, superintendent, director, or other) shall notify the board of the position and the name of the substituted official, and that individual shall register.

(B) The chief administrator of the tax office shall determine which additional persons in the office are responsible to exercise supervisory judgment and to ensure the use of proper methods and compliance with state law in regard to either assessment functions (Texas Property Tax Code, Title I, Chapter 26) or collections functions (Texas Property Tax Code, Title I, Chapters 31 and 33). Persons in these categories, in addition to the chief administrator of the tax office, shall register with the board.

(C) If a political subdivision which is empowered to levy a property tax has no official performing appraisal functions by virtue of establishment of appraisal districts, and no official performing either assessment or collections functions because both types of functions are performed by another governmental unit(s), then no person in that political subdivision will be required to register. However, the chief administrator of that political subdivision shall provide the board with a copy of the contract(s) which indicate that the political subdivision has no official who is responsible for assessing or collections functions.

§623.4. Persons Permitted to Register. No person shall be permitted to register who is not required to register. There shall be no registration categories involving associates, nonparticipating, etc. Registrants must be actively engaged in appraising, assessing/collecting, or collecting only for an appraisal district or taxing unit in the

state. Any person temporarily unemployed shall not be denied the right to register on the effective registration date.

§623.5. Use of Titles.

(a) Titles assigned to persons in classifications established by board rules are assigned for purposes of administering the law. The final or certification titles assigned are:

- (1) Registered Professional Appraiser (RPA);
- (2) Registered Texas Assessor/Collector (RTA);
- (3) Registered Texas Collector (RTC).

(b) Persons who lose eligibility to register shall not be assigned a title and shall not use any title which has been previously assigned by the board; except that a person who has been certified RPA, RTA, or RTC and who has retired from the property tax profession under an official retirement plan or arrangement may use the title "RPA (ret)," "RTA (ret)," or "RTC (ret)" in any manner in which titles, degrees, certifications, etc. are normally used. Retirees shall not use one of these titles in connection with post-retirement employment which involves actual or potential conflict of interest between duties involved in that employment and the duties of persons active in the property tax profession. Additionally, persons certified as Registered Professional Assessor (RPA) under the Assessors Registration and Professional Certification Act of 1977, and in the field of assessment/collections or collections on September 1, 1983, shall retain the certification title of Registered Professional Appraiser (RPA) as a title of record under the Property Taxation Professional Certification Act of 1983 and may use the title in any manner in which titles, degrees, certifications, etc., are normally used.

(c) Former registrants may cite the classifications assigned to them when they were registered for any legitimate purpose.

§623.7. Field of Work.

(a) Each applicant shall be classified into and certified in either the field of appraisal, assessment/collections, or collections only based on duties and responsibilities in an appraisal district or tax office. A registrant who has duties and responsibilities in more than one field shall be classified into and certified in each of those fields.

(b) A registrant may complete course work in any field, and it will be made a matter of record and credited toward reclassification requirements should the registrant change fields or become engaged in an additional field.

§623.12. Recertification.

(a) Certification as a Registered Texas Collector (RTC), for persons engaged in collections only, and not in assessing or property tax appraising, is continued so long as the registrant works in property tax collections (only) and renews registration with the board annually.

(b) Certification as a Registered Professional Appraiser (RPA) or as a Registered Texas Assessor/Collector (RTA) must be renewed on the fifth anniversary date of certification and on each fifth anniversary of renewal so long as the registrant is employed under conditions which require registration with the board. To renew certification as an RPA or an RTA, the registrant must:

- (1) be active in the field of appraising or assessing/collecting and renew registration with the board for

a period of five years (or periods totaling five years) from the date of certification or the date of the last renewal; and

(2) be awarded not less than 40 continuing education units (CEUs) during the five-year period. One CEU shall be one class hour in an approved and examined education course which is within or related to a field of property taxation. For unexamined courses, workshops, seminars, institutes, conferences, conventions involving work sessions, property tax-related board and committee work for the government or private associations, publication of property tax-related books or articles, teaching property tax education courses, or other property tax activities of an educational nature, the board shall assign a number of CEUs to be awarded and advise registrants who report participation in such activities of the number of points awarded.

(c) A registrant who has been accepted or programmed for retirement shall not be subject to recertification requirements within 18 months of the projected retirement date.

(d) Registrants seeking recertification shall file with the board evidence of course completions, attendance at educational activities, publication, participation, teaching, or other activity for which they feel they should be granted CEU credits. The board shall advise registrants who submit such evidence of the number of CEUs awarded or of reasons for not awarding CEUs. In so far as possible, the board shall advise registrants and registrants should inquire of the board concerning the number of CEUs to be awarded for particular events before these events occur.

(e) All evidence of completion or attendance must be in the form of a certificate pertaining to the individual registrant. Rosters or lists will not be accepted by the board.

§623.15. Certification and Recertification: General.

(a) The award or crediting of Continuing Education Units (CEUs) shall be at the discretion of the board or the executive director acting for the board and shall not be subject to appeals of registrants or other parties.

(b) The evaluation of completed examinations or of any papers, demonstration appraisals, projects, or any instrument used by the board to classify or certify registrants is the prerogative of the board or the executive director acting for the board and shall not be subject to appeals of registrants or other parties.

(c) For the purposes of awarding CEUs, the board shall approve only those education courses which have been approved by the State Property Tax Board. Additionally, if a course approved by the State Property Tax Board does not meet the standards desired by the Board of Tax Professional Examiners, then the executive director may disapprove that course for the purposes of awarding CEUs and shall report that disapproval and the reasons therefore to the board.

(d) Continuing education units awarded for unexamined courses, workshops, seminars, and similar educational activities shall be as determined by the executive director under general guidance from the board as expressed in board policies and administrative procedures.

(e) The board may require that an individual pass specified courses prior to re-examination. Re-examination

of registrants shall be permitted as listed in paragraphs (1)-(4) of this subsection.

(1) Required examinations on texts. A registrant who fails an examination the first time must be re-examined within 90 days of the date of the examination. A registrant who fails the second time shall have the registration canceled for six months and may apply for registration at the end of that period as a new applicant.

(2) Class III examination (appraisal) or Class III examination (assessment/collections). A registrant who fails the first time must be re-examined within 90 days of the date of examination. A registrant who fails the second time shall have the registration canceled for six months and may apply for registration at the end of that period and, if accepted for registration, classified as a Class II registrant.

(3) Class III examination (collections). This is a certification examination for the collections (only) field. A registrant who fails the first time must be re-examined within 90 days of the date of the examination. A registrant who fails the second time shall be examined upon the registrant's request in writing, accompanied by a plan of study, not more than 60 days after the date of the second examination. A registrant who fails the third time or who fails to request the third examination shall have the registration canceled for six months and may apply for registration at the end of that period and if accepted for registration, classified as a Class II registrant.

(4) Class IV examination (appraisal), Class IV examination (assessment/collections) and special certification examinations. These are certification examinations. A registrant who fails the first time shall submit a plan of study to the board within 30 days following the date of the examination and be re-examined within six months of the date of the examination. A registrant who fails the second time shall again submit a plan of study to the board within 30 days following the date of the second examination and be re-examined within six months of the second examination. A registrant who fails a Class IV examination the third time shall have the registration canceled for six months and may apply for registration at the end of that period and, if accepted for registration, classified as a Class III registrant and assigned special requirements by the board for being reclassified to Class IV, which requirements shall exceed and not duplicate the standard requirements for Class IV designation. A registrant who fails a special certification examination the third time may repeat the program beginning three years from the date of the third failure.

(f) All examinations shall be closed book and shall be completed without reference to any material other than the material included in the examination document itself. The use of any other written material, or verbal communication with any party, as an aid in answering the examination questions (as determined by the proctor of the examination) shall be grounds for dismissal from the examination and cancellation of registration.

(g) Each registrant who sits for an examination administered by the board, after completing the examination shall be afforded the opportunity of comparing an answer key with his or her examination paper in such a manner as to preclude the transposition of answers in the key to the examination paper.

(h) Under no circumstances shall a registrant be certified or reclassified until all requirements expressed in these rules and in written board policy for certification or reclassification have been met.

(i) The board file of examinations shall be maintained by the executive director in the board offices. The executive director shall maintain a system of accounting for numbered copies of each examination so that numbered and master copies may be accounted for at all times. The only parties authorized access to examinations shall be proctors and students in the examination process, board members for review and approval purposes, the executive director, and those persons directly assisting the executive director in preparing or revising examinations.

(j) All examinations, except certification examinations, shall be proctored by the executive director or a member of the board staff designated by the board chairperson.

(k) A person who has been certified or similarly recognized as competent to practice in property taxation by another state of the United States may request certification from the board. The board shall, upon application for registration, evaluate the applicant's qualifications and determine his or her classification, except that no applicant in this category shall be certified as a Registered Professional Appraiser or a Registered Texas Assessor/Collector unless he or she is administered and passes an examination on Texas tax law and the Class IV (appraisal) or Class IV (assessment/collections) examination, as appropriate, and completes at least one year of experience in property taxation in Texas. The executive director shall assist such registrants in developing plans of study to be followed in preparation for the appropriate examination.

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 July 30, 1983

TRD-835990

Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983

Proposal publication date: June 24, 1983

For further information, please call (512) 837-9800.

Chapter 625. Standards of Professional Practice

22 TAC §625.1

The Board of Tax Assessor Examiners adopts an amendment to §625.1, without changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2191).

The amendment makes terminology and classifications of registrants consistent with the provisions of the new Property Taxation Professional Certification Act of the 68th Legislature. The rule will assure high and uniform standards of professional practice for persons in the property tax profession.

No comments were received regarding adoption of the amendment.

The amendment is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

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 July 30, 1983.

TRD-835991 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

Chapter 627. Assessor's Code of Ethics

22 TAC §627.1

The Board of Tax Assessor Examiners adopts the repeal of §627.1, without changes to the proposal published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2191).

The Board of Tax Assessor Examiners adopts this repeal so that a new code of ethics which is fully consistent with the Property Taxation Professional Certification Act of the 68th Legislature may be adopted. The repeal of this rule will enable the board to adopt a new rule to more clearly express the ethical principles to be followed by persons appraising property for property tax purposes or assessing or collecting property taxes.

No comments were received regarding adoption of the repeal.

The repeal is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective September 1, 1983.

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 July 30, 1983.

TRD-835992 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

Chapter 627. Code of Ethics

22 TAC §627.1

The Board of Tax Assessor Examiners adopts new §627.1, without changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2191).

The rule provides a code of ethics for all property tax professionals engaged in appraisal, assessment, or tax collections. The rule will set standards, known to both practitioners and the public, for ethical conduct.

No comments were received regarding adoption of the new section.

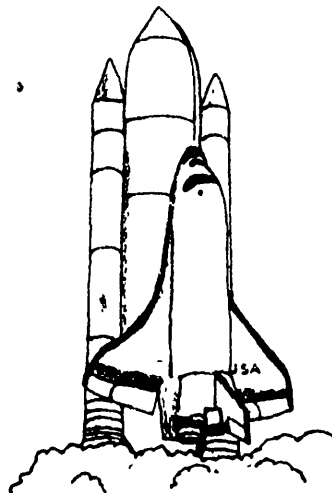
The new section is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on or after September 1, 1983.

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 July 30, 1983.

TRD-835993 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.



Chapter 629. Penalties, Sanctions, and Hearings

22 TAC §§629.1-629.7, 629.10-629.14, 629.16-629.18

The Board of Tax Assessor Examiners adopts amendments to §§629.1-629.7, 629.10, 629.11, 629.13,

629.14, and 629.16 and new §629.18, without changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2193) Amendments to §629.12 and new §629.17 are adopted with changes to the proposed text published in the same issue. The sections adopted without changes will not be republished.

This chapter makes board procedures regarding complaints and hearings consistent with all other applicable state and federal law. A change from the proposal occurs in §629.12(a), where "registrant" replaces "applicant or license holder." Another change occurs in §627.17, where a line was inadvertently left out of the proposed rule as published in the *Texas Register*. The missing line "borne by the complaining party. Costs of copies of the transcript shall be" should appear after the line "The cost of the original transcript shall be." This chapter will guide board actions from receipt to final disposition of complaints against registrants.

No comments were received regarding adoption of the amendments and new sections.

The amendments and new sections are adopted under Texas Civil Statutes, Article 7244(b), as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

§629.12. Notice and Hearing.

(a) Notice of hearing for suspension or revocation of registration may be served personally by the board or its authorized representative or sent by certified mail addressed to the registrant at his last known address.

(b) In the event that notice cannot be effected by either of these methods after due diligence, the board may prescribe any reasonable method of notice calculated to inform a person of average intelligence and prudence in the conduct of his affairs.

(c) The board shall publish notice of a hearing in a newspaper of general circulation in the area in which the registrant is or was most recently employed.

(d) The board may, upon motion formally adopted, convene a preliminary informal hearing, with each party of interest to a complaint in actual attendance, for the purpose of investigation, clarification, or mediation of any complaint filed with the board.

(e) The board may seek counsel or guidance from the attorney general of Texas or from any other source to research, investigate, prosecute, or proceed in any lawful manner to expedite the handling of a complaint in the interest of justice.

§629.17. Hearing Record. Each hearing shall be recorded by an official court reporter, unless all parties to the hearing agree in writing that a transcript will not be necessary, then the board shall record the proceedings by tape recording. The cost of the original transcript shall be borne by the complaining party. Costs of copies of the transcript shall be provided to and paid by the party requesting copies. The original transcript shall be de-

livered to the executive director or hearing examiner not more than 15 days after the close of the hearing.

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 July 30, 1983

TRD-835994 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

Chapter 631. Administrative Procedures

22 TAC §631.1

The Board of Tax Assessor Examiners adopts the repeal of §631.1, without changes to the proposal published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2196).

The rule, concerning administration of the professional registration program, is being repealed because it addresses the same matters as, and is consolidated with, amended §621.2, which is being adopted simultaneously. The repeal will enable the board to amend rules and consolidate all administrative matters to ensure greater clarity of rules.

No comments were received regarding adoption of the repeal.

The repeal is adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

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 July 30, 1983.

TRD-835995 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

Chapter 631. Effect of Change

22 TAC §§631.1-631.3

The Board of Tax Assessor Examiners adopts new §§631.1-631.3, without changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2196).

The rules provide procedures for transition from requirements of the old act and rules to the requirements of the new act and rules. The rules will enable registrants to continue certification programs without loss of earned credits or loss of time.

No comments were received regarding adoption of the new sections.

The new sections are adopted under Texas Civil Statutes, Article 7244b, as amended by the Property Taxation Professional Certification Act of the 68th Legislature, which provide the Board of Tax Assessor Examiners with the authority to adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983.

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 July 30, 1983.

TRD-835996 Sam H. Smith
Executive Director
Board of Tax Assessor
Examiners

Effective date: September 1, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 837-9800.

**TITLE 31. NATURAL RESOURCES
AND CONSERVATION**
**Part II. Texas Parks and Wildlife
Department**
Chapter 53. Finance
Commercial Fishing Boat Numbers
31 TAC §53.41, §53.42

The Texas Parks and Wildlife Commission adopts amendments to §53.41, without changes, and to §53.42, with changes to the proposed text published in the June 24, 1983, issue of the *Texas Register* (8 TexReg 2199). The text of the section adopted without changes will not be republished.

The change to the proposal is in §53.42(b), due to the inadvertent omission of substituting the word "number" for the word "decal."

With the passage of legislation by the 67th Legislature as amended by Senate Bill 1023, 68th Legislature, a commercial fishing boat number is required on all boats used to catch or assist in catching fish, oysters, or other edible aquatic life, except shrimp and menhaden, from the tidal water for pay or for sale, barter, or exchange. These amendments are adopted to replace the current decal required for commercial fishing boats with a metal plate, and to change the location where the commercial fishing boat number is displayed, so that it is not adjacent to the Texas boat registration number.

The Texas Parks and Wildlife Department will issue corresponding commercial fishing boat numbers on metal plates at the same time commercial fishing boat licenses are issued to license applicants.

No comments were received regarding adoption of the amendments.

The amendments are adopted under the authority of the Texas Parks and Wildlife Code, Chapter 47, Subchapter A, which authorizes the Texas Parks and Wildlife Commission to promulgate and adopt rules concerning the issuance and use of commercial fishing boat numbers.

§53.42. Use of Number.

(a) The metal plate bearing the license number and issued by the department shall be permanently attached and displayed on each side of the boat. The metal plate shall be clearly visible at all times. The metal plate shall be placed abaft the beam, and no part of the plate shall be less than 18 inches forward of the transom. The top edge of the plate shall not be less than four inches nor more than six inches below the gunwale (gunnel).

(b) In the event the boat is lost, destroyed, or no longer used as a commercial fishing boat, the licensee may obtain a replacement number for the replacement boat by submitting an application for same.

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 3, 1983.

TRD-835956 Maurine Ray
Administrative Assistant
Texas Parks and Wildlife
Department

Effective date: August 24, 1983
Proposal publication date: June 24, 1983
For further information, please call (512) 479-4818.

**Part X. Texas Water Development
Board**
**Chapter 359. Water Quality
Management**
**Lake Travis and Lake Austin Water
Quality**

31 TAC §§359.1-359.5

The Texas Water Development Board adopts new §§359.1, 359.3, and 359.4, with changes to the proposed text published in the June 10, 1983, issue of the *Texas Register* (8 TexReg 1984). Section 359.2 and §359.5 are adopted without changes and will not be republished.

Lake Austin and Lake Travis have very clear, high quality water and are extensively used for recreational purposes and domestic raw water supply. Over the

past several years, the discharge of pollutants into the lakes has been significantly restricted. These rules are proposed as a first step to protect the quality of water until a study can be conducted to develop an acceptable model for evaluating the impacts of treated wastewater discharges into these lakes.

The rules provide for a limited no-discharge policy to be implemented on Lake Travis between Mansfield and Max Starcke Dams, and Lake Austin between Tom Miller and Mansfield Dams, including tributaries within 10 stream miles of the pool levels of the respective lakes. Discharges within the 10 stream mile area require secondary treatment and must be discharged to on-channel ponds or storage ponds for land disposal. At a distance greater than 10 miles, the department would evaluate any discharge on a case-by-case basis to determine whether an alternative to the no-discharge rule will be consistent with protecting water quality in the lakes. An existing permitted facility would retain its permit and could apply for renewal of the permit with the same terms and conditions, unless the facility becomes noncompliant or expansion of the treatment facility is needed.

The majority of oral and written comments strongly supported adoption of the rules. Those urging adoption of the rules as proposed included Mark White, governor of Texas; Jim Mattox, attorney general of Texas; Representatives Gonzalo Barrientos, Bob Barton, Wilhelmina Delco, Gerald Hill, and Terral Smith, and Senator Lloyd Doggett of the Texas Legislature; Ron Mullen, mayor of Austin, Mike Renfro, Travis County judge; Jimmy Snell, Travis County commissioner, Precinct 1; Bob Honts, Travis County commissioner, Precinct 2, John Milloy, Travis County commissioner, Precinct 3; Richard Moya, Travis County commissioner, Precinct 4; John McAllen Scanlan; John W. Brandenberger, president, Travis County Water Control and Improvement District-Point Venture; Dr. Davis L. Ford, Ph.D., P.E., division vice-president of Engineering Science, and John Dee Vaughns, president, Hudson Bend Lions Club. Other individuals while strongly supporting adoption of the proposed rules as a significant step in the right direction, requested that the water quality areas be increased to encompass a larger area. These individuals included Dr. L. Taylor Ollman, president of the Protect Lake Travis Association; Jay Frank Powell, president of the Lake Austin Hill County Association and the Windy Cove Neighborhood Association; Millie Douglas, president of the WE Care Austin; Brooks Kasson, co-president, South River City Citizens; Robert W. Glover, president, Comanche Trail Community Association; Toni Falbo; and Alfred Stanley, vice-chairman, Sierra Club Austin Regional Group. In response to these individuals, the department feels that the Lake Travis and Lake Austin water quality areas as currently defined establish an area for the no-discharge policy of sufficient size to adequately protect the quality of water in Lake Travis and Lake Austin for the interim during which further studies are conducted. The department will continue to evaluate facilities outside the Lake Travis and Lake Austin

water quality areas, but within the respective watersheds, on a case-by-case basis, with a presumption in favor of retention of effluent in on-channel and off-channel storage ponds. Those facilities outside the respective water quality areas, but within the respective water sheds, would be required to demonstrate to the satisfaction of the department that treatment practices will consistently protect and maintain the existing water quality of Lake Travis and Lake Austin, before any alternatives to the basic policy would be allowed.

Several individuals expressed opposition to the proposed rules. These individuals included Robert H. Lloyd of Booth, Lloyd and Simmons, representing Travis County Municipal Utility District 1. Mr. Lloyd based his opposition on several points, including his claim that these rules will impose additional costs on development of the area, leading to an increased reliance on septic tank systems, and that this will adversely impact the quality of water in Lake Travis and Lake Austin; that the evidence of harm associated with current discharges is insufficient to warrant a no-discharge policy; and that the term "existing permit" under proposed §359.4(a) should be defined to include renewal of a permit without substantive changes in the permit.

While recognizing that the financial impact is not necessarily a governing factor, Paul W. Phy, on behalf of the board of directors of Lakeway Municipal Utility District 1, also expressed opposition based, in part, upon his feeling that the department had assumed there would be no adverse financial impact. Also like Mr. Lloyd, Mr. Phy felt that no rules should be adopted until more evidence is obtained documenting an adverse impact on water quality. Nancy Oliver of Nancy Oliver and Associates Real Estate, and Herbert P. Morris, Jr., joined Messrs. Lloyd and Phy in suggesting that there is no evidence that present safeguards are inadequate. Carl W. Riehn, executive director of North Texas Municipal Water District, Wylie, opposed adoption of the proposed rules based on his perception that a no-discharge policy would have an adverse impact on downstream reuse of treated effluent. Mr. Riehn noted that downstream reuse of treated wastewater is a valuable commodity in other areas of the state and expressed concern that the no-discharge policy for Lake Travis and Lake Austin would provide a precedent for no-discharge policies in other areas of the state, adversely affecting secondary water users in these areas.

While not writing in opposition to the no-discharge policy of the proposed rules, Robert Wilson of McGinnis, Lochridge, and Kilgore, requested that proposed §359.4(a) be changed by adding the words "and could apply for renewal of the permit unless the facility becomes noncompliant or expansion of treatment capacity is needed." Mr. Wilson suggested this would clarify the renewal privileges intended for existing facilities under the proposed rules. The department agrees with Mr. Wilson, and his proposed modification to §359.4(a) has been incorporated with one further change noted later, as a nonsubstantive change

clarifying the intent of the rules. This change also addresses Mr. Lloyd's suggested modification to the proposed rules.

Finally, while supporting adoption of the rules, the Lower Colorado River Authority requested deletion of the phrase "normal conservation" from the definitions of "Lake Austin water quality area" and "Lake Travis water quality area." The department agrees with this recommendation as a nonsubstantive change clarifying the definitions.

The department does not agree with Mr. Lloyd's suggestion that the costs of compliance will encourage the use of septic tanks, and that the increased use of septic tanks will have an adverse impact on the quality of water. The department has concluded that the costs associated with the installation and use of a septic tank system for each lot in a development will be greater than the costs of land disposal of effluent, especially when considered with the costs saved by irrigation. The availability in the area of large tracts of land devoted to recreational uses will provide a basis for extensive irrigation.

In response to the comments by Messrs. Lloyd, Phy, and Morris and Ms. Oliver that additional studies should be performed before the rules are adopted, the department feels that interim measures to maintain existing water quality should be implemented now. Sufficient evidence exists to justify the limited no-discharge policy as an interim measure. Additional evidence will be obtained as a result of technical studies to be performed by the department over the next two to three years.

Mr. Riehn's concerns about a possible adverse impact on downstream secondary water users were not directed to the situation involving Lake Travis and Lake Austin, except insofar as such rules may set a precedent for other areas. The department will evaluate any proposed no-discharge policy on a case-by-case basis. There has been nothing to suggest that Mr. Riehn's concerns militate against adoption of the rules proposed for the Lake Travis and Lake Austin watersheds.

Finally, the department has made several non-substantive changes. Proposed §359.3(1) now provides: "For purposes of this rule and calculation, effluent does not include any amounts of stormwater runoff, but only the amount of wastewater discharge from the plant." This change is made to clarify the intent of the rule. Also, proposed §359.4(a) now provides that existing facilities may "apply for renewal of the permit unless the facility becomes substantially noncompliant or expansion of the treatment facility is included in the application for renewal." Both changes, substituting "substantially noncompliant" for "noncompliant" and "expansion of the treatment facility is included in the application for renewal" for "expansion of treatment capacity is needed," clarify the intent of the proposed rules.

These new rules are adopted under the Texas Water Code, §5.131, which provides the board with the power to make any rules necessary for the Texas De-

partment of Water Resources to carry out the powers and duties enumerated in the Texas Water Code, and §26.011, which directs the department to establish the level of quality to be maintained and control the quality of water in the state and to adopt reasonable rules regarding waste discharges.

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

Lake Austin water quality area—Those portions of the Lake Austin watershed within 10 stream miles of the pool level of Lake Austin (492.8 feet, mean sea level).

Lake Austin watershed—Lake Austin and its tributaries located between Tom Miller Dam and Mansfield Dam.

Lake Travis water quality area—Those portions of the Lake Travis watershed within 10 stream miles of the pool elevation of Lake Travis (681 feet, mean sea level).

Lake Travis watershed—Lake Travis and its tributaries located between Mansfield Dam and Max Starcke Dam, but only that part of the Pedernales River and its tributaries within 15 stream miles of the pool elevation of Lake Travis.

§359.3. Wastewater Disposal. Any proposed sewage treatment facility in the Lake Austin or Lake Travis water quality area will be required to provide secondary treatment in accordance with one of the following options.

(1) The treatment facility will provide treatment as specified in Effluent Sets 2 and A in §327.4 of this title (relating to Effluent Standards for Domestic Wastewater Treatment Plants), prior to discharge into on-channel ponds. Such ponds will be designed, constructed, and operated to meet standards established on a case-by-case basis that will assure that any overflows of treated effluent only occur when the volume of effluent to stormwater in the pond is less than or equal to 1:10. For purposes of this rule and calculation, effluent does not include any amounts of stormwater runoff, but only the amount of wastewater discharge from the plant. Standards will include, but are not limited to, a minimum pond size requirement based on hydrological studies of the drainage area of the pond and allowable irrigation rates as determined in accordance with §325.30(c) of this title (relating to Land Disposal of Sewage Effluent-Irrigation); or

(2) The treatment facility will provide secondary treatment as specified in §§327.1-327.4 of this title (relating to Domestic Wastewater Treatment Plants), prior to discharge into storage ponds for land disposal. Storage ponds and land disposal practices will be designed, constructed, and operated in accordance with §325.30(c) of this title (relating to Land Disposal of Sewage Effluent-Irrigation).

§359.4. Existing Facilities in Water Quality Areas.

(a) Any currently permitted treatment facility in the Lake Austin or Lake Travis water quality areas may continue operation in accordance with the terms and conditions of the existing permit and could apply for renewal of the permit unless the facility becomes substantially non-compliant or expansion of the treatment facility is included in the application for renewal.

(b) Any modification of a facility described in subsection (a) of this section which requires a permit amendment and which results in additional treatment capacity will also require treatment as described in §359.3 of this title (relating to Wastewater Disposal) for the total wastewater flow of the permitted facility.

(c) Any permitted facility not meeting its permit limitations because of overloading of sewage will be subject to amendment as described in §341.225 of this title (relating to Amendment) in order to impose permit limitations consistent with §359.3 of this title (relating to Wastewater Disposal).

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 8, 1983

TRD-836056

Susan Plettman
General Counsel
Texas Department of Water
Resources

Effective date, August 28, 1983

Proposal publication date June 10, 1983

For further information, please call (512) 475-7845.

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. Although some notices may be received too late for publication before the meeting is held, all those filed are published in the *Register*. Notices concerning state agencies, colleges, and universities must contain the date, time, and location of the meeting, and an agenda or agenda summary. Published notices concerning county agencies include only the date, time, and location of the meeting. These notices are published alphabetically under the heading "Regional Agencies" according to the date on which they are filed.

Any of the governmental entities named above must have notice of an emergency meeting, or 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. However, notices of emergency additions or revisions to a regional agency's agenda will not be published since the original agenda for the agency was not published.

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. These notices may contain more detailed agendas than space allows to be published in the *Register*.

Open Meetings

Texas Commission for the Deaf

Friday and Saturday, August 19 and 20, 1983, 7:30 p.m. and 8 a.m., respectively. The Texas Commission for the Deaf will meet at the Holiday Inn, 2045 Sudney Baker Street, Kerrville. Items on the agenda include approval of previous meeting minutes, service contracts, and the fiscal year 1984 operating budget; reports concerning a camp for deaf/blind youth, the Board for Evaluation of Interpreters, and director, staff, and chairman's reports. The board also will meet in executive session to consider personnel matters.

Contact: Fred R. Tammen, 510 South Congress Avenue, Austin, Texas 78704, (512) 475-2492.

Filed: August 8, 1983, 10:18 a.m.
TRD-836074

Texas State Board of Dental Examiners

Thursday, August 25, 1983, 2:30 p.m. The Texas State Board of Dental Examiners will meet in the board hearing room, University of Texas Health Science Center, San Antonio. According to the agenda summary,

the board will conduct final action on advertising rules to be repealed; discuss rules under review by the U.S. Department of Justice; an IV sedation continuing education course; a request to conduct a sealant course; a request from a dentist to retake the board exam; the Baylor IV sedation course; a waiver of co-insurance payments by dentists; the Houston Foundation of Dentistry for the Handicapped; anesthesia applications; and approval of honorary retired dentists and hygienists. If all agenda items are not completed on August 25, 1983, the board will meet at 5 p.m. on August 26, 1983.

Contact: William S. Nail, P.O. Box 13165, Austin, Texas 78711, (512) 475-2443.

Filed: August 8, 1983, 10:26 a.m.
TRD-836063

Texas Department of Corrections

Thursday, August 11, 1983, 8 a.m. The Board of the Texas Department of Corrections met in emergency session in Room 100B, Reagan Building, 101 West 15th

Street, Austin. According to the agenda, the board considered a site acquisition. The board also met in executive session. The emergency status was necessary because the matter involved real estate, and time was of the essence.

Contact: W. J. Estelle, Jr., P.O. Box 99, Huntsville, Texas 77340, (409) 295-6371, ext. 160

Filed: August 9, 1983, 9:37 a.m.
TRD-836097

Interagency Council on Early Childhood Intervention

Thursday, August 18, 1983, 9:30 a.m. The Interagency Council on Early Childhood Intervention will meet in Room T-803, Texas Department of Health, 1100 West 49th Street, Austin. According to the agenda, the council will meet in executive session to interview applicants for an administrator position.

Contact: Louise Iscoe, 1100 West 49th Street, Austin, Texas, (512) 458-7342.

Filed: August 9, 1983, 9:29 a.m.
TRD-836094

Texas Employment Commission

Tuesday, August 16, 1983, 9 a.m. The Texas Employment Commission (TEC) will meet in Room 644, TEC Building, 15th Street and Congress Avenue, Austin. According to the agenda summary, the commission will consider and act on higher level appeals in unemployment compensation cases and set the date of the next meeting.

Contact: Courtenay Browning, TEC Building, Room 608, Austin, Texas, (512) 397-4415

Filed: August 8, 1983, 3:30 p.m.
TRD-836088

Texas Department of Health

Saturday, August 13, 1983, 10 a.m. The Dental Advisory Committee of the Texas Department of Health will meet in Room G-107, 1100 West 49th Street, Austin. According to the agenda, the committee will approve the previous meeting minutes; hear updates on Senate Bill 203 and House Bill 1238 and reports on communication with the Texas Board of Health and the sunset review, and consider a resolution to the Texas Dental Association, the cost-effectiveness study of dental programs, and future goals of the committee. The committee also will meet in executive session.

Contact: Carlos Lozano, D.D.S., 1100 West 49th Street, Austin, Texas, (512) 458-7323.

Filed: August 4, 1983, 2:30 p.m.
TRD-836002

Texas Health Facilities Commission

Friday, August 19, 1983, 9:30 a.m. The Texas Health Facilities Commission will meet in Suite 305, Jefferson Building, 1600 West 38th Street, Austin. According to the agenda summary, the commission will consider the following applications.

Certificate of Need

Blalock Nursing Home-Northwest,
Houston

AN83-0427-414

University of Texas System Cancer
Center, Houston

AH83-0208-102

St. Elizabeth Hospital, Beaumont

AH83-0121-050

Memorial Northwest Hospital, Houston.
AH83-0429-440

Baylor University Medical Center, Dallas
AH83-0330-236

Hendrick Medical Center, Abilene
AH83-0318-178

University of Texas Medical Branch at
Galveston, Galveston
AH83-0415-350

Motion for Rehearing Reconsideration

Sierra Medical Center

The Family Hospital of El Paso, Inc.
Ysleta General Hospital, Inc.

South El Paso Hospital, Inc., El Paso
AH82-0730-034

Contact: John R. Neel, P.O. Box 50049,
Austin, Texas 78763

Filed: August 8, 1983, 9:51 a.m.
TRD-836061

Industrial Accident Board

Friday, August 19, 1983, 9 a.m. The Industrial Accident Board will meet in Room 255, second floor, Bevington A. Reed Building, 200 East Riverside Drive, Austin. According to the agenda, the board will consider proposed amendments to existing board rules on Chapters 1-13 and proposals of new rules.

Contact: Inez Foster, 200 East Riverside
Drive, First Floor, Austin, Texas 78704,
(512) 475-3126.

Filed: August 5, 1983, 9:24 a.m.
TRD-836006

State Board of Insurance

Tuesday, August 16, 1983, 1:30 p.m. The Commissioner's Hearing Section of the State Board of Insurance will meet in Room 342, 1110 San Jacinto Street, Austin. According to the agenda, the section will conduct a public hearing in Docket 7324—application for approval of the articles of agreement of American Indemnity Lloyds, Galveston, to engage in the business of property and casualty insurance

Contact: John Brady, 1110 San Jacinto
Street, Austin, Texas 78786, (512) 475-2287.

Filed: August 8, 1983, 11:30 a.m.
TRD-836078

Tuesday, August 16, 1983, 2 p.m. The State Board of Insurance will meet in Room 414, 1110 San Jacinto Street, Austin. Items on the agenda include the National Council on Compensation Insurance filing of revised Retrospective Rating Table M—Table of

Insurance Charges, and reconsideration of a National Council on Compensation Insurance petition for amendment to the retrospective rating premium adjustment verification procedure.

Addition to the above agenda:

Revision of Table M—Texas Retrospective Rating Plan D for general liability, glass, and theft filed by the Insurance Services Office.

Contact: Pat Wagner, 1110 San Jacinto
Street, Austin, Texas 78786, (512) 475-2950.

Filed: August 8, 1983, 10:19 a.m.
TRD-836071, 836072

Wednesday, August 17, 1983, 9 a.m. The State Board of Insurance will meet in Room 414, 1110 San Jacinto Street, Austin. Items on the agenda include a medical professional liability filing by the Insurance Corporation of America.

Contact: Pat Wagner, 1110 San Jacinto
Street, Austin, Texas 78786, (512) 475-2950.

Filed: August 8, 1983, 10:28 a.m.
TRD-836073

Thursday, August 18, 1983, 9 a.m. The Commissioner's Hearing Section of the State Board of Insurance will meet in Room 353, 1110 San Jacinto Street, Austin. According to the agenda, the section will conduct a public hearing in Docket 7258—reversal of an acquisition of control stock in Corporation of the Great Southwest, Houston.

Contact: J. C. Thomas, 1110 San Jacinto
Street, Austin, Texas 78786, (512) 475-4353.

Filed: August 8, 1983, 11:30 a.m.
TRD-836079

The Commissioner's Hearing Section of the State Board of Insurance will conduct public hearings in Room 342, 1110 San Jacinto Street, Austin. Days, times, and dockets follow.

Thursday, August 18, 1983, 9 a.m. Docket 7321—application of A. Alan Senior, Ferrell Riley, Louis A. Harris, and J. L. Petty, all of Houston, for approval to acquire control of Dexter Lloyds Insurance Company, Dallas.

Contact: John Brady, 1110 San Jacinto
Street, Austin, Texas 78786, (512) 475-2287.

Filed: August 8, 1983, 11:31 a.m.
TRD-836080

Friday, August 19, 1983, 9 a.m. Docket 7316—reinsurance agreement whereby Capitol Mutual Life Insurance Company,

Edinburg, will be reinsured by Insurance Company of Texas, Richardson.

Contact: John Brady, 1110 San Jacinto Street, Austin, Texas 78786, (512) 475-2287.

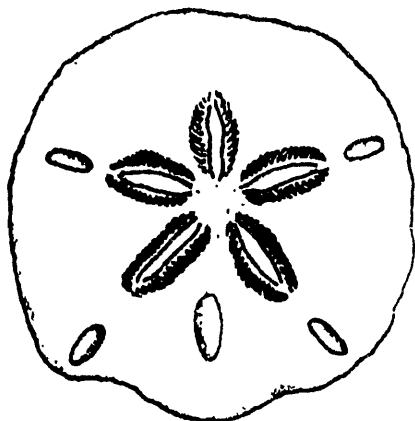
Filed: August 8, 1983, 11:31 a.m.
TRD-836081

(Editor's note: Further information on the following public hearing scheduled by the State Board of Insurance may be found in the In Addition section of this issue.)

Tuesday, August 23, 1983, 9 a.m. The State Board of Insurance will meet in the hearing room, DeWitt Greer Building, 11th and Brazos Streets, Austin. According to the agenda summary, the board will consider proposed amendments to the Texas personal auto policy and personal auto coverage rule and forms, a proposed transfer of agricultural equipment dealers insurance from the Texas Insurance Code, Chapter 5, Subchapter A, concerning motor vehicle insurance, to the Texas Insurance Code, Chapter 5, Subchapter C, Article 5.53, concerning inland marine insurance, and private passenger automobile insurance rate adjustments.

Contact: Pat Wagner, 1110 San Jacinto Street, Austin, Texas, (512) 475-2950.

Filed: August 5, 1983, 10:53 a.m.
TRD-836015



Lamar University

Saturday, August 13, 1983, 8:15 a.m. The Board of Regents of Lamar University will meet in Room 108, Setzer Student Center, main campus, Beaumont. According to the agenda summary, the board will consider approval of the John E. Gray Institute 1983-1984 budget, bids recommended for site development at the president's new

home, recommendations on seating and construction materials and a company for inspection services for the Montagne Activity Center, and approval of bids for renovations to the Lucas Engineering and Liberal Arts Buildings. The board also will meet in executive session.

Contact: Andrew J. Johnson, P.O. Box 10014, Beaumont, Texas, (409) 838-8403.

Filed: August 5, 1983, 10:30 a.m.
TRD-836014

Texas State Board of Medical Examiners

The Texas State Board of Medical Examiners will meet at 1101 Camino La Costa, Austin. Days, times, and agendas follow.

Wednesday, August 24, 1983, 10 a.m. The Standing Delegation Orders Committee will discuss miscellaneous items, correspondence, standing orders, and rules as provided by law. The committee also will meet in executive session under authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §5.06(e)(1) and §4.05(d), and Attorney General Opinion H-484, 1974.

Wednesday-Sunday, August 24-28, 1983, 1 p.m. Wednesday and 8 a.m. daily Thursday-Sunday. The board will conduct public hearings on possible Medical Practice Act violations and proposed rules, consider licensure requests; committee meetings and reports; discuss rules as provided by law, acceptance of board orders; budget approvals; probationary interviews, interviews, and other related business. The board also will meet in executive session under authority of Texas Civil Statutes, Article 6252-17, as related to Article 4495b, §5.06(e)(1) and §4.05(d), and Attorney General Opinion H-484, 1974.

Contact: Jean Davis, P.O. Box 13562, Austin, Texas, (512) 452-1078.

Filed: August 9, 1983, 9:27 a.m.
TRD-836095, 836096

Texas Merit System Council

Thursday, August 18, 1983, 9 a.m. The Texas Merit System Council will meet at 507 Brown Building, Austin. Items on the agenda include signing an order adopting §161.25 of the Regulation, recommendations on Appeals 0282 and 0982; approval of budget

adjustments for fiscal years 1983-1985, and scheduling the upcoming appeal hearing. The council also will meet in executive session to consider personnel matters.

Contact: F. Kemp Dixon, P.O. Box 13566, Austin, Texas 78711, (512) 477-9665.

Filed: August 8, 1983, 10:20 a.m.
TRD-836065

Texas Board of Licensure for Nursing Home Administrators

Wednesday, August 17, 1983, 2 p.m. The Texas Board of Licensure for Nursing Home Administrators will meet at 3407 IH 35 North, Austin. According to the agenda summary, the board will approve the agenda and the May 24, 1983, minutes; hear state agency, committee, executive director, and chair reports; personal appearances; and election of officers.

Contact: Dottie Hicks, 3407 IH 35 North, Austin, Texas, (512) 479-0922.

Filed: August 8, 1983, 10:25 a.m.
TRD-836064

Texas State Board of Pharmacy

Tuesday, August 16, 1983, 1 p.m. The Texas State Board of Pharmacy will meet at the Hilton Inn, 6000 Middle Fiskville Road, Austin. Items on the agenda include internship programs of the Texas colleges of pharmacy, the Texas Southern University pharmacy doctorate program; rules discussion and board action on Chapter 303, §§283.8, 291.15, and 307.1, old and new business concerning a report on the fiscal year 1983 audit, a report and board action on board member per diem and travel, the state comptroller's proposal and board action on proposal of deposit of board funds, a report on the evaluation of the University of Texas at Austin College of Pharmacy conducted by the American Council on Pharmaceutical Education June 20, 1983; and discussion regarding the reselling of medications dispensed in sealed unit-dose containers which have been returned to a pharmacy from a nursing home. The board also will meet in executive session to discuss personnel matters and litigation.

Contact: Priscilla Jarvis, 211 East Seventh Street, Suite 1121, Austin, Texas 78701, (512) 478-9827.

Filed: August 8, 1983, 10:19 a.m.
TRD-836066

Texas Register

Texas Department of Public Safety

Thursday, August 18, 1983, 9 a.m. The State Emergency Management Council of the Division of Emergency Management of the Texas Department of Public Safety will meet in the auditorium, Homer Garrison, Jr., Law Enforcement Academy, 5805 North Lamar Boulevard, Austin. According to the agenda, the council will review the state and federal emergency plans in special situations, the hurricane emergency plans, and council procedures.

Contact: Robert A. Halverson, 5805 North Lamar, Austin, Texas, (512) 465-2138.

Filed: August 8, 1983, 3 p.m.
TRD-836087

Public Utility Commission of Texas

Wednesday, August 10, 1983, 10 a.m. The Public Utility Commission of Texas met in emergency session in Suite 450N, 7800 Shoal Creek Boulevard, Austin. According to the agenda, the commission considered the appeal of the interim order ruling on discovery disputes signed July 21, 1983, in Docket 5200—application of Texas Electric Service Company for a rate increase. The emergency status was necessary because the discovery matter was in a pending rate case with statutory deadlines.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 3:46 p.m.
TRD-836089

Friday, August 12, 1983, 10 a.m. The Hearings Division of the Public Utility Commission of Texas revised the agenda of a meeting to be held in Suite 450N, 7800 Shoal Creek Boulevard, Austin. According to the revised agenda, the division will conduct a prehearing in Docket 5249—complaint of Mrs. David Hazelrigg against Upshur-Rural Electric Cooperative, Inc.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 4, 1983, 2:43 p.m.
TRD-835998

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

Monday, August 15, 1983, 9 a.m. A prehearing in Docket 5292—application of Bel-falls Electric Cooperative, Inc., for authority to change rates.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 4, 1983, 2:35 p.m.
TRD-835999

Wednesday, August 17, 1983, 1:30 p.m. A prehearing in Docket 5191—application of Eddy Water Supply Company to sell its water system to the City of Bruceville Eddy.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 9, 1983, 9:28 a.m.
TRD-836098

Thursday, August 18, 1983, 1:30 p.m. A second prehearing conference in Docket 5256—application of Dallas Power and Light Company for a rate increase.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 10:23 a.m.
TRD-836067

Friday, August 19, 1983, 10:30 a.m. A prehearing conference in Docket 4694—application of Frazier Development Corporation for a certificate of convenience and necessity within Denton County and Docket 5289—inquiry into the legality of water rates charged and service rendered by Frazier Development Corporation

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 4, 1983, 2:29 p.m.
TRD-836000

Thursday, August 25, 1983, 10 a.m. A prehearing conference in Docket 5267—inquiry into the service rendered by View-Caps Water Supply Corporation.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 9:03 a.m.
TRD-836054

Tuesday, September 6, 1983, 10 a.m. A rescheduled hearing on the merits in Docket 5204—application of West Texas Utilities Company for authority to change rates. The

hearing was originally scheduled for August 22, 1983, as published at 8 TexReg 2614.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 4, 1983, 2:31 p.m.
TRD-836001

Monday, September 12, 1983, 1:30 p.m. An informal hearing in Docket 5276—inquiry into the water rates of Forestlake Estates of Longview, Inc.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 10:25 a.m.
TRD-836068

Addition to the above agenda:

A hearing in Docket 5275—application of Water Company for a 43(g) rate increase.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100

Filed: August 9, 1983, 9 28 a.m.
TRD 836099

Friday, September 23, 1983, 10 a.m. A rescheduled prehearing conference in Docket 5259—petition to recertificate the City of Garland. The prehearing was originally scheduled for September 7, 1983, as published at 8 TexReg 2947.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100

Filed: August 9, 1983, 9:29 a.m.
TRD-836100

Friday, September 30, 1983, 1:30 p.m. A third prehearing conference in Docket 5256—application of Dallas Power and Light Company for a rate increase.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 10:23 a.m.
TRD-836069

Monday, October 3, 1983, 9 a.m. A hearing on the merits in Docket 5256—application of Dallas Power and Light Company for a rate increase.

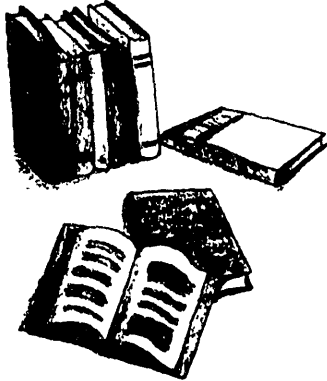
Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 8, 1983, 10:22 a.m.
TRD-836070

Tuesday, November 1, 1983, 10 a.m. A hearing on the merits in Docket 5120—complaint of Texas Interconnect Association, Inc., and Rolm Corporation of Texas against Southwestern Bell Telephone Company.

Contact: Rhonda Colbert Ryan, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: August 9, 1983, 9:28 a.m.
TRD-836101



Railroad Commission of Texas

Monday, August 8, 1983, 9 a.m. The Oil and Gas Division of the Railroad Commission of Texas made an emergency addition to the agenda of a meeting held in the first floor auditorium, 1124 IH 35 South, Austin. The addition concerned Docket 3-80,472—proper plugging of Martin Oil and Gas Co., Orsak Lease, Well 1, Caldwell (Austin Chalk) Field, Burleson County; Docket 92921—Hrubetz Oil Company, Rule 37 exception, Rumbaugh "67" Lease, Well 6, Wildcat and Hrubetz (Tannehill) Field, Taylor County; and Docket 8-97940—Lawrence, C. F. and Associates, Inc., exception to SWR 69, McMurtry Lease, Lehn-Apco (1600) Field, Pecos County. The emergency status was necessary because the items were noticed for the meeting of August 1, 1983, and were passed.

Contact: Susan Cory, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1285.

Filed: August 5, 1983, 1:02 p.m.
TRD-8356017

Monday, August 15, 1983, 9 a.m. Divisions of the Railroad Commission of Texas will meet at 1124 IH 35 South, Austin. Divisions, meeting rooms, and agendas follow.

The Administrative Services Division will meet in the first floor auditorium to consider and act on the division director's

report on administration, budget, procedures, and personnel matters.

Contact: Roger Dillon, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1211.

Filed: August 5, 1983, 12:59 p.m.
TRD-836018

The Automatic Data Processing Division will meet in the first floor auditorium to consider and act on the division director's report on division administration, budget, procedures, equipment acquisitions, personnel matters, and interagency contracts with the Texas State Board of Registration for Professional Engineers, the Texas State Property Tax Board, and the University of Texas System administration, university lands' accounting office.

Contact: Bob Kmetz, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1204.

Filed: August 5, 1983, 1:04 p.m.
TRD-836019

The Flight Division will meet in Room 107 to consider and act on the division director's report on division administration, budget, procedures, and personnel matters.

Contact: Ken Fossler, 1124 IH 35 South, Austin, Texas 78704, (512) 445-1103.

Filed: August 5, 1983, 1:02 p.m.
TRD-836020

The Gas Utilities Division will meet in Room 107 to consider Dockets 4148, 4149, 4150, 4151, 4143, and the director's report.

Contact: Lucia Sturdevant, P.O. Drawer 12967, Austin, Texas 78711, (512) 475-0461.

Filed: August 5, 1983, 1 p.m.
TRD-836021

The Office of Information Services will meet in the first floor auditorium to consider and act on the division director's report on division administration, budget, procedures, and personnel matters.

Contact: Brian W. Schaible, P.O. Drawer 12967, Austin, Texas 78711.

Filed: August 5, 1983, 1:03 p.m.
TRD-836022

The LP-Gas Division will meet in the first floor auditorium to consider and act on the division director's report on division administration, budget, procedures, and personnel matters.

Contact: Hugh F. Keepers, P.O. Drawer 12967, Austin, Texas 78711.

Filed: August 5, 1983, 1:01 p.m.
TRD-836023

The Oil and Gas Division will meet in the first floor auditorium to consider various matters falling within the Railroad Commission's oil and gas regulatory jurisdiction.

Contact: Jan Burris, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1307.

Filed: August 5, 1983, 1:02 p.m.
TRD-836024

Addition to the above 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: Madalyn J. Girvin, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1273.

Filed: August 5, 1983, 1:03 p.m.
TRD-836025

The Personnel Division will meet in the first floor auditorium to consider and act on the division director's report on division administration, budget, procedures, and personnel matters.

Contact: Herman L. Wilkins, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1120.

Filed: August 5, 1983, 1:04 p.m.
TRD-836026

The Office of the Special Counsel will meet in the third floor conference room to consider and act on the division director's report relating to pending litigation; state and federal legislation; budget, administrative, and personnel matters, and the recommendation of the commission that the Travis Peak Formation be designated as a tight sands formation in Texas, Docket 5-76,659, pending before the Federal Energy Regulatory Commission.

Contact: Walter Earl Lile, 1124 IH 35 South, Austin, Texas 78704, (512) 445-1186.

Filed: August 5, 1983, 1:01 p.m.
TRD-836027

The Surface Mining and Reclamation Division will meet in the first floor auditorium to consider and act on the division director's report on division administration, budget, procedures, and personnel matters.

Contact: J. Randel (Jerry) Hill, 105 West Riverside Drive, Austin, Texas, (512) 475-8751.

Filed: August 5, 1983, 1 p.m.
TRD-836028

The Transportation Division will meet in the first floor auditorium, Room 107, to consider various matters falling within the

Texas Register

commission's transportation regulatory jurisdiction.

Contact: Sandy Yates, 1124 IH 35 South, Austin, Texas 78704, (512) 445-1330.

Filed: August 5, 1983, 12:59 p.m.
TRD-836030

Addition to the above agenda:

Officials of the City of Conroe will meet with the commission concerning a train monitoring system in Conroe.

Contact: Mike Calhoun, 1124 IH 35 South, Austin, Texas 78704, (512) 445-1350.

Filed: August 5, 1983, 1 p.m.
TRD-836029

Tuesday, August 16, 1983, 10 a.m. The Office of the Special Counsel of the Railroad Commission of Texas will meet in the third floor conference room, 1124 IH 35 South, Austin. According to the agenda, the commission will meet with the members and subcommittee chairmen of the commission's Advisory Committee on Gas Proration and Ratable Take and consider their report.

Contact: Walter Earl Lilie, P.O. Drawer 12967, Austin, Texas 78711, (512) 445-1186.

Filed: August 5, 1983, 1:01 p.m.
TRD-836031

School Land Board

Tuesday, August 16, 1983, 10 a.m. The School Land Board will meet in Room 831, General Land Office, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. Items on the agenda include approval of the previous meeting minutes; pooling applications and agreement amendments; applications for lease suspensions, to lease vacant land for oil and gas, for coastal public lands, and easement; cabin permit transfer, permit rebuilding, and rate reduction requests; and discussion of changes in statutes, effective September 1, 1983; and a status report on the Baker's Port, Inc., Project.

Contact: Linda K. Fisher, 1700 North Congress Avenue, Room 835, Austin, (512) 475-4307.

Filed: August 8, 1983, 4:29 p.m.
TRD-836090

Texas State Technical Institute

Friday, August 12, 1983, 10 a.m. The Policy Committee for Human Resources of the

Board of Regents of the Texas State Technical Institute will meet in the conference room, Executive Offices Building, Waco. According to the agenda, the committee will review recommendations for awarding a contract for group insurance coverage.

Contact: Theodore A. Talbot, Texas State Technical Institute, Waco, Texas 76705, (817) 799-3611, ext. 3909.

Filed: August 9, 1983, 9:30 a.m.
TRD-836093

Thursday, August 18, 1983, 6:30 p.m. The Texas State Technical Institute Board of Regents and the Development Foundation will meet in joint session in the Tampico Room, Hobby Airport Hilton, Houston. Items on the agenda include a discussion of matters of mutual interest, a review of the foundation's personnel; and other business.

Contact: Theodore A. Talbot, Texas State Technical Institute, Waco, Texas 76705, (817) 799-3611, ext. 3909.

Filed: August 9, 1983, 9:30 a.m.
TRD-836062

Texas State University System

Thursday, August 18, 1983. Committees of the Texas State University System Board of Regents will meet in the second floor conference room, Administration Building, Sul Ross State University, Alpine. Times, committees, and agendas follow.

3 p.m. The Building Committee will review construction projects and documents for the four universities in the system.

4 p.m. The Curriculum Committee will review curriculum needs and requests for the four universities in the system.

4:30 p.m. The Finance Committee will review financial matters for the system office and the four universities in the system.

Contact: Lamar Urbanovsky, Sam Houston Building, Room 505, 201 East 14th Street, Austin, Texas 78701, (512) 475-3876.

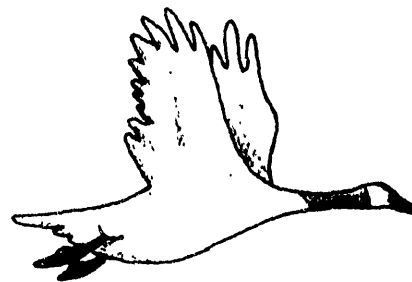
Filed: August 5, 1983, 9:37 a.m.
TRD-836007-836009

Thursday and Friday, August 18 and 19, 1983, 5 p.m. and 9 a.m., respectively. The Texas State University System Board of Regents will meet in the second floor conference room, Administration Building, Sul Ross State University, Alpine. According to the agenda summary, the board will review

matters of the board and the four universities in the system.

Contact: Lamar Urbanovsky, Sam Houston Building, Room 505, 201 East 14th Street, Austin, Texas 78701, (512) 475-3876.

Filed: August 5, 1983, 9:36 a.m.
TRD-836010



University of Texas System

Thursday and Friday, August 11 and 12, 1983, 10:30 a.m. and 9 a.m., respectively.

The Board of Regents and standing committees of the University of Texas System will meet in the regent's meeting room, ninth floor, Ashbel Smith Hall, 201 West Seventh Street, Austin. Items on the agenda summary include a resolution approving the Texas Equal Educational Opportunity Plan, sale of University of Texas at Austin building revenue bonds; buildings and grounds matters, including authorizations for projects, approval of preliminary plans, and award of contracts; the chancellor's docket (index submitted by system administration); operating budgets; insurance contracts; amendments to rules and regulations; fee increases; appointments to endowed academic positions; affiliation agreements; appointments to development boards and advisory councils; land and investment matters; acceptance of gifts, bequests, and estates; establishment of endowed positions and funds; leases; sale of real estate; pending litigation; personnel matters; and land acquisition and negotiated contracts.

Contact: Arthur H. Dilly, P.O. Box N, Austin, Texas 78712, (512) 471-1265.

Filed: August 5, 1983, 1:43 p.m.
TRD-836032

Board for Lease of University Lands

Friday, August 12, 1983, 1:30 p.m. The Board for Lease of University Lands will

meet in the board of regents' meeting room, ninth floor, Ashbel Smith Hall, 201 West Seventh, Austin. Items on the agenda summary include approval of the minutes; a proposed development and operation agreement; three proposed gas pooling agreements; a recommendation to dissolve unit Agreement 127; and a discussion of the Sunset Commission review process and a lease sale.

Contact: Maxine R. Dean, 210 West Sixth Street, Austin, Texas 78701, (512) 471-5781.

Filed: August 4, 1983, 11:14 a.m.
TRD-835980

Veterans' Land Board

Monday, August 15, 1983, 4:30 p.m. The Veterans' Land Board of the General Land Office will meet in Room 831, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. Items on the agenda include approval of the August 2, 1983, minutes and consideration of bids for group credit life insurance.

Contact: Richard Keahey, Room 738, Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas, (512) 475-3766.

Filed: August 5, 1983, 5:11 p.m.
TRD-836053

Texas Water Commission

The Texas Water Commission will meet in Room 118, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. Dates, times, and agendas follow.

Monday, August 15, 1983, 10 a.m. According to the agenda summary, the commission will consider applications for waterworks and sewer systems unlimited tax and revenue bonds, a change in plans, a release from escrow, use of surplus funds, water quality applications for new permits, amendments and renewals, applications for water use permits and amendments, a date of payment for watermaster, voluntary abandonment of permits, revision of construction plans, and filing and setting of hearing dates.

Contact: Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 475-4514.

Filed: August 4, 1983, 11:13 a.m.
TRD-835981

Tuesday, August 23, 1983, 2 p.m. According to the agenda summary, the commission will consider an application by Lumberton Municipal Utility District for proposed water quality Permit 11709-02, authorizing discharge of 400,000 gallons per day of treated domestic wastewater from a plant located on the northeast bank of Boggy Creek in Hardin County. The effluent is to be discharged into Boggy Creek, thence to Pine Island Bayou in Segment 0607 of the Nueces River Basin.

Contact: Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 475-4514.

Filed: August 4, 1983, 3:15 p.m.
TRD-836003

Tuesday, August 30, 1983, 9:30 a.m. The commission will conduct hearings on the following applications.

Application TA-4689 of Allen Keller Company for a permit to divert and use 15 acre-feet of water for a one-year period from the Colorado River, Colorado River Basin, for industrial (highway construction) purposes in McCulloch County.

Application TA-4688 of E. E. Hood & Sons, Inc., for a permit to divert and use 10 acre-feet of water for a two-year period from a private reservoir, tributary of Palo Alto Creek, tributary of Atascosa River, tributary of Nueces River, Nueces River Basin, for industrial (highway construction) purposes in Atascosa County.

Contact: Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 475-4514.

Filed: August 4, 1983, 11:13 a.m.
TRD-835982, 835983

Wednesday, September 21, 1983, 10 a.m. The Texas Water Commission will meet in Room 124A, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda summary, the commission will conduct hearings on the following applications.

Application of the W. T. Waggoner Estate seeking to amend and combine Permits 976 and 1124 to increase the authorized capacity of Santa Rosa Lake from 7,000 acre-feet to 9,556 acre-feet, to store water in said lake for municipal, domestic, livestock, irrigation and mining uses, to change the authorized location of Santa Rosa Lake Dam on Beaver Creek, to maintain an existing 60 acre-foot off-channel reservoir and impound therein water diverted from Beaver Creek for municipal, domestic, and fire-fighting purposes in Wilbarger County. Beaver Creek is a tributary of Wichita

River, tributary of Red River, Red River Basin.

Application 1872A of the W. T. Waggoner Estate seeking an amendment to Permit 1739 to authorize the maintenance of and impoundment of water for irrigation purposes in a 60 acre-foot capacity reservoir on Beaver Creek, tributary of Wichita River, tributary of Red River, Red River Basin, to change the location of an authorized diversion point and to authorize two new diversion points in Wilbarger County.

Contact: Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, (512) 475-4514.

Filed: August 4, 1983, 11:14 a.m.
TRD-835984, 835985

Regional Agencies Meetings Filed August 4

The Angelina and Neches River Authority, Board of Directors, met at the Crown Colony Country Club, 900 Crown Colony Drive, Lufkin, on August 9, 1983, at 11 a.m. Information may be obtained from Angela Quillin, P.O. Box 387, Lufkin, Texas 75901, (409) 632-7795.

The Concho Valley Council of Governments, Executive Committee, met at 5002 Knickerbocker Road, San Angelo, on August 10, 1983, at 7 p.m. Information may be obtained from Robert R. Weaver, P.O. Box 60050, San Angelo, Texas 76906, (915) 944-9666

The Region V Education Service Center, Board of Directors, met at the Silsbee Independent School District Administration Building, Silsbee, on August 11, 1983, at 1:30 p.m. Information may be obtained from Fred J. Waddell, 2295 Delaware Street, Beaumont, Texas 77703, (409) 835-5212.

The Region X Education Service Center, Board of Directors, met at the Prestonwood Country Club, 15909 Preston Road, Dallas, on August 11, 1983, at 1 p.m. Information may be obtained from H. W. Goodgion, 400 East Spring Valley Road, Richardson, Texas 75081, (214) 231-6301

The Edwards County Appraisal District, Appraisal Review Board, will meet at the new county office building, north of the County Courthouse, Rocksprings, on August 16, 1983, at 8:30 a.m. Information may be obtained from Jack Weldon, P.O. Box 378, Rocksprings, Texas 78880, (512) 683-2337.

The Central Appraisal District of Erath County, Board of Directors, met at 1191 South Loop, Stephenville, on August 10, 1983, at 10 a.m. Information may be obtained from James Bachus, 1191 South Loop, Stephenville, Texas 76401, (817) 965-5434.

The Central Appraisal District of Erath County, Appraisal Review Board, met at 1191 South Loop, Stephenville, on August 11, 1983, at 7 p.m. Information may be obtained from Trecia Perales, 1191 South Loop, Stephenville, Texas 76401, (817) 965-5434.

The Jones County Appraisal District, Board of Directors, will meet at 1137 East Court Plaza, Anson, on August 18, 1983, at 9 a.m. Information may be obtained from John Steele, P.O. Box 348, Anson, Texas 79501, (915) 823-2422.

The Palo Pinto Appraisal District, Board of Review, met in the County Courtroom, Palo Pinto, on August 10, 1983, at 9 a.m. The Appraisal Board and the Board of Directors also met at the same location, on August 11, 1983, at 1:30 p.m. and 3 p.m., respectively. Information may be obtained from John R. Winters, 100 Southeast Fifth Street, Mineral Wells, Texas 76067, (817) 659-3651, ext. 209.

TRD-835979

Meetings Filed August 5

The Ellis County Tax Appraisal District met at 406 Sycamore Street, Waxahachie, on August 11, 1983, at 7 p.m. Information may be obtained from Gray Chamberlain, P.O. Box 878, Waxahachie, Texas 75165, (214) 937-3552.

The Gonzales County Appraisal District, Board of Directors, met in Suite 201, Gonzales Bank Building, 508 St. Louis Street, Gonzales, on August 11, 1983, at 8:30 a.m. Information may be obtained from Nancy Seitz, P.O. Box 867, Gonzales, Texas 78629, (512) 672-2879

The Hays County Central Appraisal District, Board of Directors, met in emergency session at the Administration Building, Hays Consolidated Independent School District, Kyle, on August 8, 1983, at 2 p.m. The board also met in emergency session at the same location on the same day at 3 p.m. Information may be obtained from Donna Mangham, Courthouse Annex, Third Floor, San Marcos, Texas 78666.

The Kendall County Appraisal District, Board of Review, met at the Boerne Professional Building, 207 East San Antonio Street, Boerne, on August 10, 1983, at 2 p.m. Information may be obtained from Sue R. Wiedenfeld, P.O. Box 788, Boerne, Texas 78006, (512) 249-8012.

The Central Appraisal District of Rockwall County, Board of Directors, met at 106 North San Jacinto, Rockwall, on August 9, 1983, at 7:30 p.m. Information may be obtained from Eugene "Bo" Daffin, 106 North San Jacinto, Rockwall, Texas 75087, (214) 722-2034.

The South Plains Association of Governments, Board of Directors, met at 3424 Avenue H, Lubbock, on August 9, 1983, at 10 a.m. Information may be obtained from Jerry D. Castevens, P.O. Box 2787, Lubbock, Texas 79408, (806) 762-8721.

The Upshur County Appraisal District, Board of Directors, met at the appraisal district office, Warren and Trinity Streets, Gilmer, on August 8, 1983, at 7 p.m. Information may be obtained from Louise Stracener, P.O. Box 31, Gilmer, Texas 75644, (214) 843-3041

The Wise County Appraisal District, Board of Directors, met at 206 South State, Decatur, on August 11, 1983, at 9:30 a.m. Information may be obtained from Angela Caraway, P.O. Box 509, Decatur, Texas 76234, (817) 627-3081.

TRD-836011

Meetings Filed August 8

The Central Counties Center for Mental Health and Mental Retardation Services, Board of Trustees, will meet at 302 South 22nd Street, Temple, on August 18, 1983, at 7:45 p.m. Information may be obtained from Steven B. Schnee, P.O. Box 518, Temple, Texas 76503, (817) 778-4841.

The Region I Education Service Center, Board of Directors, will meet at 1900 West Schunior, Edinburg, on August 16, 1983, at 6 p.m. Information may be obtained from Lauro R. Guerra, 1900 West Schunior, Edinburg, Texas 78539, (512) 383-5611.

The Region III Education Service Center, Board of Directors, will meet at Totah's Restaurant, Houston Highway, Victoria, on August 15, 1983, at 11:30 a.m. Information may be obtained from Dennis Grizzle, 1905 Leary Lane, Victoria, Texas 77901, (512) 573-0731.

The Region VIII Education Service Center, Board of Directors, will meet at 100 North Riddle Street, Mount Pleasant, on August 24, 1983, at 5:30 p.m. Information may be obtained from Scott Ferguson, 100 North Riddle Street, Mount Pleasant, Texas 75455, (214) 572-6676.

The Fannin County Single Appraisal District, Board of Directors, met in emergency session in the Peeler Building, 401 North Main Street, Bonham, on August 9, 1983, at 7 p.m. Information may be obtained from M. L. Brent, Peeler Building, 401 North Main Street, Bonham, Texas 75418.

The Houston-Galveston Area Council, Board of Directors, will meet in the large conference room, 3701 West Alabama, Houston, on August 16, 1983, at 9:30 a.m. Information may be obtained from Charlene McCarthy, 3701 West Alabama, Houston, Texas, (713) 627-3200, ext. 335.

The Jack County Appraisal District, Board of Directors, will meet at the district office, Los Creek Office Building, 258 South Main, Jacksboro, on August 18, 1983, at 7 p.m. Information may be obtained from Doris G. Ray, 258 South Main, Jacksboro, Texas 76056, (817) 567-6301.

The Lower Neches Valley Authority, Board of Directors, will meet at 7850 Eastex Freeway, Beaumont, on August 16, 1983, at 10:30 a.m. Information may be obtained from J. D. Nixon, P.O. Drawer 3464, Beaumont, Texas, (409) 892-4011.

The Nolan County Central Appraisal District, Board of Directors, met in emergency session in Suite 305B, Nolan County Courthouse, Sweetwater, on August 10, 1983, at 1:30 p.m. Information may be obtained from Patricia Davis, P.O. Box 1256, Sweetwater, Texas 79556, (915) 235-8421.

The Nortex Regional Planning Commission, Executive Committee, will meet at McBride Seafood & Steak, 5400 Seymour Highway, Wichita Falls, on August 18, 1983, at noon. Information may be obtained from Edwin B. Daniel, 2101 Kemp Boulevard, Wichita Falls, Texas 76309, (817) 322-5281.

The North Texas Municipal Water District, Board of Directors, will meet in the administrative offices, 505 East Brown Street, Wylie, on August 25, 1983, at 4 p.m. Information may be obtained from Carl W.

Riehn, 505 East Brown Street, Wylie, Texas, (214) 442-5405.

The Parmer County Tax Appraisal District, Board of Review, met in emergency session at 305 Third Street, Bovina, on August 9, 1983, at 8:30 p.m. Information may be obtained from Ronald E. Procter, P.O. Box 56, Bovina, Texas 79009, (806) 238-1405.

The San Antonio River Authority, Board of Directors, will meet in the conference room, Goliad State Historical Park, Refugio Highway, Goliad, on August 17, 1983, at 2 p.m. Information may be obtained from Fred N. Pfeiffer, P.O. Box 9284, San Antonio, Texas 78204, (512) 227-1373.

The Tarrant Appraisal District, Appraisal Review Board, met in emergency session in Suite 300, 1701 River Run, Fort Worth, on August 11, 1983, at 8:30 a.m. Information may be obtained from Linda Freeman, 1701 River Run, Suite 300, Fort Worth, Texas 76107, (817) 332-3151.

The Upshur County Appraisal District, Appraisal Review Board, will meet at the

district office, Warren and Trinity Streets, Gilmer, on August 18, 1983, at 9 a.m. Information may be obtained from Louise Stracener, P.O. Box 31, Gilmer, Texas 75644, (214) 843-3041.

TRD-836055

Meetings Filed August 9

The Bastrop County Appraisal District, Board of Directors, will meet in the conference room, Bastrop County Courthouse, 805 Pine Street, Bastrop, on August 19, 1983, at 2 p.m. Information may be obtained from Roy Humble, 805 Pine Street, Bastrop, Texas 78602, (512) 321-4316.

The Coryell County Appraisal District, Appraisal Review Board, met in emergency session at 105 North Seventh, Gatesville, on August 10, 1983, at 9 a.m. Information may be obtained from Darrell Lisenbe, P.O. Box 142, Gatesville, Texas 76528, (817) 865-6593.

The Region XII Education Service Center and the Joint Committee of the Region XII Education Service Center, Board of Direc-

tors, will meet at 401 Franklin Avenue, Waco, on August 18, 1983, at 2 p.m. Information may be obtained from Dr. Jack M. Ross, P.O. Box 1249, Waco, Texas 76703, (817) 756-7494.

The Guadalupe-Blanco River Authority, Board of Directors, will meet at 933 East Court Street, Seguin, on August 17 and 18, 1983, at 10 a.m. daily. Information may be obtained from John H. Specht, P.O. Box 271, Seguin, Texas 78155, (512) 379-5822.

The Trinity River Authority of Texas, Utility Services Committee, will meet at the Lake Livingston Dam and Reservoir, FM Road 1988, Livingston, on August 16, 1983, at 10 a.m. Information may be obtained from Geri Elliott, P.O. Box 60, Arlington, Texas 76010, (817) 467-4343.

The West Central Texas Council of Governments, Board of Directors, will meet at 1025 East North 10th Street at Judge Ely Boulevard, Abilene, on August 16, 1983, at 2:30 p.m. Information may be obtained from James K. Compton, P.O. Box 3195, Abilene, Texas 79604, (915) 672-8544.

TRD-836102

In Addition

The *Register* is required by statute to publish applications to purchase control of state banks (filed by the banking commissioner); notices of rate ceilings (filed by the consumer credit commissioner); changes in interest rate and applications to install remote service units (filed by Texas Savings and Loan commissioner); and consultant proposal requests and awards (filed by state agencies, regional councils of government, and the Texas State Library and Archives Commission).

In order to aid agencies in communicating information quickly and effectively, other information of general interest to the public is published as space allows. This often includes applications for construction permits (filed by the Texas Air Control Board); applications for amendment, declaratory ruling, and notices of intent (filed by the Texas Health Facilities Commission); applications for waste disposal permits (filed by the Texas Water Commission); and notices of public hearing.

Texas Air Control Board Applications for Construction Permits

The Texas Air Control Board gives notice of applications for construction permits received during the period of July 25-29, 1983.

Information relative to the applications listed, including projected emissions and the opportunity to comment or to request a hearing, may be obtained by contacting the office of the executive director at the central office of the Texas Air Control Board, 6330 Highway 290 East, Austin, Texas 78723.

A copy of all material submitted by the applicants is available for public inspection at the central office of the Texas Air Control Board at the address previously stated, and at the regional office for the air quality control region within which the proposed facility will be located.

Listed are the name of the applicants and the city in which the facility is located; type of facility; location of the facility (if available); permit number; and type of application—new source or modification.

Big Three Industries, La Porte; oxygen, nitrogen, and argon production; 11400 Bay Area Boulevard; 9346; new source

Powers Systems Engineering, Inc., Channelview; cogeneration projects; (location not available); 9241A; modification

Concrete Recycling Corporation, Houston; crushed recycled concrete; 7505 Liberty Road; 8959B; modification

Texas Olefins Company, Baytown; petrochemicals; 4604 West Baker Road; 9348; new source

Issued in Austin, Texas, on August 2, 1983.

TRD-835997 Ramon Dasch
Director of Hearings
Texas Air Control Board

Filed: August 4, 1983
For further information, please call (512) 451-5711,
ext. 354.

Comptroller of Public Accounts Decision 11,964

For copies of the following opinion, contact Bob Bullock, Comptroller of Public Accounts, Attention: Administrative Law Judges, 111 East 17th Street, Austin, Texas 78774. Copies will be furnished without charge and edited to comply with confidentiality statutes.

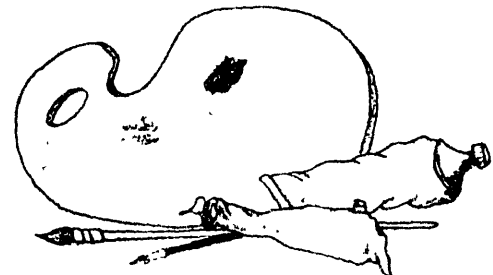
Summary of Decision. A taxpayer contended that items purchased and subsequently donated by it to a tax exempt entity are exempt from sales tax. The comptroller held that the purchases were exempt under Texas Tax Code, §151.155(b), notwithstanding the taxpayer's failure to give an exemption certificate to the seller at time of sale, so long as the item was donated to a tax exempt entity named in §151.155(b) and no intervening beneficial use was made of the item

Issued in Austin, Texas, on August 4, 1983.

TRD-836033 Bob Bullock
Comptroller of Public Accounts

Filed: August 5, 1983

For further information, please call (512) 475-1938.



Office of Consumer Credit Commissioner Rate Ceilings

The consumer credit commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in Texas Civil Statutes, Title 79,

Articles 1.04, 1.05, 1.11, and 15.02, as amended (Texas Civil Statutes, Articles 5069-1.04, 1.05, 1.11, and 15.02).

Type of Rate Ceilings Effective Period (Dates are Inclusive)	Consumer ⁽³⁾ Agricultural/Commercial ⁽⁴⁾ thru \$250,000	Commercial ⁽⁴⁾ over \$250,000
Indicated (Weekly) Rate—Article 1.04(a)(1) 8/15/83-8/31/83	19.50%	19.50%
Monthly Rate—Article 1.04(c) ⁽¹⁾ 8/01/83-8/31/83	18.56%	18.56%
Standard Quarterly Rate—Article 1.04(a)(2) 7/01/83-9/30/83	18.00%	18.00%
Retail Credit Card Quarterly Rate—Article 1.11 ⁽³⁾ 7/01/83-9/30/83	18.00%	N/A
Lender Credit Card Quarterly Rate—Article 15.02(d) ⁽³⁾ 7/01/83-9/30/83	16.69%	N/A
Standard Annual Rate—Article 1.04(a)(2) ⁽²⁾ 7/01/83-9/30/83	18.00%	18.00%
Retail Credit Card Annual Rate—Article 1.11 ⁽³⁾ 7/01/83-9/30/83	18.00%	N/A
Annual Rate Applicable to Pre-July 1, 1983, Retail Credit Card and Lender Credit Card Balances with Annual Implementation Dates from 7/01/83-9/30/83	18.31%	N/A
Judgment Rate—Article 1.05	Becomes effective 9/01/83	

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

Issued in Austin, Texas, on August 8, 1983.

TRD-836059 Sam Kelly
Consumer Credit Commissioner

Filed: August 8, 1983
For further information, please call (512) 475-2111.

Texas Energy and Natural Resources Advisory Council Consultant Contract Award

In compliance with Texas Civil Statutes, Article 6252-11c, the Texas Energy and Natural Resources Advisory Council hereby furnishes this consultant contract award. The consultant proposal request appeared at 8 TexReg 1091. A description of the study is as follows.

Project 82-L-10-2 covers geophysical logging of water test wells drilled as a part of hydrologic testing at sites HTS 3, HTS-5, and HTS-6 in Panola and Cherokee Counties in the Sabine Uplift Wilcox region. This forms a part of the ongoing Project 80-L-7-9c for the evaluation of deep lignite resources (deeper than 200 feet) by establishing their hydrologic setting and characteristics of their chemical and physical properties.

The contractor is Century Geophysical Corporation, 6650 East Apache, Tulsa, Oklahoma 74115. The total value of the contract is \$15,000. The beginning date of the contract is July 1, 1983, and the ending date of the contract is August 31, 1983.

The report required of the contractor shall include, but not be limited to, field prints of all logs run (six copies each), daily time sheets, and transcribed nine-track digital tape (per contract) containing all the logs run for each hole.

Issued in Austin, Texas, on July 28, 1983.

TRD-835977 M. Lee Wilson
Director
Technology Development Division
Texas Energy and Natural Resources Advisory Council

Filed: August 4, 1983
For further information, please call (512) 475-0414.

Texas Department of Health Corrections of Errors

A proposal by the Texas Department of Health contained an error as published in the July 29, 1983, issue of the *Texas Register* (8 TexReg 2857). The preamble to amendments to 25 TAC §§325.381, 325.387, 325.388, and 325.390 should have indicated the economic implication for individuals will be a savings of \$250 for each applicant for a Class A letter of competency.

An adoption by the Texas Department of Health contained an error as submitted in the July 26, 1983, issue of the *Texas Register* (8 TexReg 2807). The effective date for the amendments to 25 TAC §§37.52, 37.54-37.56, 37.58, and 37.59 should be October 1, 1983.

An adoption by the Texas Department of Health contained an error in 25 TAC §325.136 as submitted in the July 1, 1983, issue of the *Texas Register* (8 TexReg 2384). Beginning at paragraph (b)(8)(B), the correct wording is as follows.

(B) Those containers for which triple-rinsing is not feasible or practical (paper bags, etc.) may be disposed of provided either of the disposal procedures listed in clauses (i) and (ii) of this subparagraph is followed:

(i) the waste is placed in the active disposal area and covered with at least three feet of municipal solid waste; or

(ii) the waste is placed in a specially designated area and covered with at least two feet of compacted soil.

Subparagraph (C) remains the same, and paragraph (9) should be deleted.

Licensing Actions for Radioactive Materials

During the period July 15-July 22, 1983, the Texas Department of Health took actions with regard to licenses for the possession and use of radioactive materials as listed in the following table. The subheading labeled "Location" indicates the city in which the radioactive material may be possessed and/or used. The location listing "Throughout Texas" indicates that the radioactive material may be used on a temporary basis at job sites throughout the state.

NEW LICENSES ISSUED:

Location	Name	License #	City	Amend-ment #	Date of Action
Bedford	Northwest Community Hospital	05-3455	Bedford	0	07/20/83
Throughout Texas	Daniel Industries, Inc.	11-3456	Houston	0	07/19/83

AMENDMENTS TO EXISTING LICENSES ISSUED:

Location	Name	License #	City	Amend-ment #	Date of Action
Bruni	Uranium Resources, Inc.	08-2704	Bruni	8	07/20/83
Bruni	Mobil Oil Corporation	08-2436	Denver, CO	16	07/22/83
Bruni	Wyoming Mineral Corporation	08-2517	Bruni	15	07/22/83
Dallas	Dallas Southwest Osteopathic Medical Center	05-202	Dallas	21	07/15/83
El Paso	Chevron U.S.A., Inc.	03-2669	El Paso	3	07/20/83
Falls City	Conoco, Inc.	09-1634	Falls City	26	07/22/83
Fort Worth	Pengo Industries, Inc.	05-2644	Fort Worth	15	07/20/83
Freer	Mobil Oil Corporation	08-2485	Denver, CO	12	07/22/83
Grand Prairie	Poly-America, Inc.	05-3001	Grand Prairie	4	07/22/83
Harlingen	Valley Baptist Medical Center	08-154	Harlingen	15	07/21/83
Hastings	Field Allen Engineering and Testing, Inc.	11-2863	Friendswood	1	07/20/83
Hebbronville	Conoco, Inc.	08-2923	Hebbronville	4	07/22/83
Hobson	Everest Minerals Corporation	09-2663	Corpus Christi	7	07/22/83
Houston	Imco Services	11-2761	Houston	1	07/20/83
Houston	Exxon Production Research Company	11-205	Houston	19	07/20/83
Katy	Katy Community Hospital	11-3052	Katy	5	07/19/83

Pasadena	Pasadena Chemical Corporation	11-2422	Pasadena	4	07/22/83
Pawnee	Mobil Oil Corporation	08-2600	Denver, CO	9	07/22/83
Richardson	Rockwell International	05-2508	Richardson	3	07/20/83
San Antonio	Jones Orthopedic Supply Company	09-3414	San Antonio	1	07/20/83
Texas City	Danforth Memorial Hospital	11-2805	Texas City	6	07/19/83
Three Rivers	Wyoming Mineral Corporation	08-2538	Three Rivers	13	07/22/83
Throughout Texas	Numed, Inc.	05-2129	Denton	26	07/20/83
Throughout Texas	Petroleum Perforators, Inc.	08-1314	Edinburg	8	07/20/83
Throughout Texas	Mustang Electrical Services, Inc.	07-815	Longview	13	07/20/83
Throughout Texas	Radiation Safety Services	11-2842	Friendswood	3	07/20/83
Throughout Texas	GRMC	11-1940	Houston	6	07/20/83
Throughout Texas	Raba Kistner Consultants, Inc.	09-1571	San Antonio	15	07/20/83
Throughout Texas	IRCO Petroleum Services, Inc.	11-2975	Houston	8	07/20/83
Throughout Texas	Halliburton Services	07-1835	Tyler	15	07/20/83
Throughout Texas	Midwest Inspection Services, Inc.	01-3120	Perryton	6	07/22/83
Throughout Texas	Daniel Industries, Inc.	11-3077	Houston	1	07/22/83
Throughout Texas	Meyer-Lytton-Allen, Inc.	06-1820	Austin	14	07/15/83

RENEWALS OF EXISTING LICENSES ISSUED:

Location	Name	License #	City	Amend-ment #	Date of Action
Amarillo	H. Fred Johnson, M.D.	01-1332	Amarillo	7	07/19/83
Austin	Doyle Leslie, M.D.	06-1320	Austin	7	07/20/83
Longview	Longview Regional Hospital	07-2882	Longview	3	07/19/83
Throughout Texas	James F. Nunnally	05-1142	Dallas	8	07/15/83
Throughout Texas	Mississippi Ray Service, Inc.	11-3246	Baytown	8	07/22/83
Throughout Texas	Four Seasons Industrial X-Ray Service	08-2855	Beeville	3	07/22/83
Waller	Progressive Metals	11-2831	Houston	6	07/22/83

TERMINATIONS OF LICENSES ISSUED:

Location	Name	License #	City	Amend-ment #	Date of Action
Burleson	NI. Basin Surveys	05-2798	Houston	6	07/20/83
Conroe	Drs. Davis, Graulich, and Kopinski	11-1907	Conroe	9	07/20/83
Throughout Texas	Sivad Offshore Services, Inc.	11-3070	Houston	2	07/15/83

In issuing new licenses and amending and renewing existing licenses, the Texas Department of Health, Bureau of Radiation Control, has determined that the applicants are qualified by reason of training and experience to use the material in question for the purposes requested in accordance with Texas Regulations for Control of Radia-

tion in such a manner as to minimize danger to public health and safety or property and the environment. The applicants' proposed equipment, facilities, and procedures are adequate to minimize danger to public health and safety or property and the environment. The issuance of the license(s) will not be inimical to the health and safety of the public or the environment. The applicants satisfy any applicable special requirements in the Texas Regulations for Control of Radiation.

This notice affords the opportunity for a hearing on written request of a licensee, applicant, or "person affected" within 30 days of the date of publication of this notice. A "person affected" is defined as a person who is a resident of a county, or a county adjacent to the county, in which the radioactive materials are or will be located, including any person who is doing business or who has a legal interest in land in the county or adjacent county, and any local government in the county; and who can demonstrate that he has suffered or will suffer actual injury or economic damage due to emissions of radiation. A licensee, applicant, or "person affected" may request a hearing by writing David K. Lacker, Chief, Bureau of Radiation Control (Director, Texas Radiation Control Program), 1100 West 49th Street, Austin, Texas 78756.

Any request for a hearing must contain the name and address of the person who considers himself affected by agency action, identify the subject license, specify the reasons why the person considers himself affected, and state the relief sought. If the person is represented by an agent, the name and address of the agent must be stated.

Copies of these documents and supporting materials are available for inspection and copying at the office of the Bureau of Radiation Control, Texas Department of Health, 1212 East Anderson Lane, Austin, from 8 a.m. to 5 p.m. Monday through Friday, except holidays.

Issued in Austin, Texas, on August 3, 1983

TRD-835970 Robert A. MacLean, M.D.
Deputy Commissioner
Professional Services
Texas Department of Health

Filed: August 4, 1983

For further information, please call (512) 458-7236.

Texas Historical Commission Consultant Proposal Request

In accordance with Texas Civil Statutes, Article 6252-11c, the Texas Historical Commission (THC) is requesting proposals for consulting services.

Description. The Texas Historical Commission plans to contract with a consultant to edit National Register Department publications and nominations to the National Register of Historic Places, and to do basic archeological, historical, and foreign-language research for same.

Agency Contact. Any firm or individual desiring more information may contact Joe Oppermann, Director, National Register Programs, Texas Historical Commission, P.O. Box 12276, Austin, Texas 78711, (512) 475-3094.

Closing Date. Closing date for receipt of offers is September 5, 1983.

Selection Criteria. The contract award will be based on academic degrees and on demonstrated competence and experience in editing and research. The THC intends to award the contract for the consulting services to the private consultant that previously performed the service unless a better offer is submitted.

Issued in Austin, Texas, on August 8, 1983.

TRD-836057 Curtis Tunnell
Executive Director
Texas Historical Commission

Filed: August 8, 1983

For further information, please call (512) 475-3092.

House Ethics Committee Request for Advisory Opinion 68-1

The House Committee on Ethics chairman has received a written request for an advisory opinion in writing from a member of the house, pursuant to House Resolution 114, Rule 10.

The committee shall provide an opportunity for any interested party to comment on a request for an advisory opinion, pursuant to House Resolution 114, Rule 10, §3.

A notice of any request for an advisory opinion shall be published and distributed to the members of the house, and interested parties are asked to submit their comments, in writing, to Chairman Bill Hollowell, House Ethics Committee, P.O. Box 2910, Austin, Texas 78769-2910, within 10 days from the date of the publication of the notice, pursuant to House Resolution 114, Rule 10, §3(b).

All relevant comments received on a timely basis will be considered pursuant to House Resolution 114, Rule 10, §3(c).

The facts of the question presented are as follows. A member and a vendor of services have offices in the same building. The member acquired and paid for services delivered by the vendor. The vendor decided to go out of business. The member now has acquired the operation of the vendor's business which supplies services to the member.

The question presented from these facts is as follows. If a member of the legislature owns a business, can the business bill the legislature in the member's behalf for services rendered? Does it make any difference if the member was doing business with the vendor prior to the member acquiring the business operation of the vendor?

Provisions of law and legal opinions that may be relevant to a determination of the answer to the question presented include the Texas Constitution, Article III, §18 and §22; Texas Civil Statutes, Article 6252-9b; the General Appropriations Act, 67th Legislature, House Bill 656, Article V, expiring August 31, 1983; the General Appropriations Act, 68th Legislature, Senate Bill 179, Article V,

effective September 1, 1983, for a biennium period; and Texas Attorney General Opinions M-625 (1970) and H-696 (1975).

Issued in Austin, Texas, on August 2, 1983

TRD 836004 Jeannie Glaze
Committee Clerk
House Ethics Committee

Filed: August 4, 1983

For further information, please call (512) 475-5733.

Request for Advisory Opinion 68-2

The House Committee on Ethics chairman has received a written request for an advisory opinion in writing from a member of the house, pursuant to House Resolution 114, Rule 10.

The committee shall provide an opportunity for any interested party to comment on a request for an advisory opinion, pursuant to House Resolution 114, Rule 10, §3.

A notice of any request for an advisory opinion shall be published and distributed to the members of the house, and interested parties are asked to submit their comments, in writing, to Chairman Bill Hollowell, House Ethics Committee, P O Box 2910, Austin, Texas 78769-2910, within 10 days from the date of the publication of the notice, pursuant to House Resolution 114, Rule 10, §3(b).

All relevant comments received on a timely basis will be considered pursuant to House Resolution 114, Rule 10, §3(c).

The question presented is as follows: Is it allowable for a member to rent a property to a private, charitable, non-profit organization if one of the programs the organization conducts is partially funded by the county agency?

Provisions of law and legal opinions that may be relevant to a determination of the answer to the question presented include the Texas Constitution, Article III, §18 and §22; Texas Civil Statutes, Article 6252-9b; the General Appropriations Act, 67th Legislature, House Bill 656, Article V, expiring August 31, 1983; the General Appropriations Act, 68th Legislature, Senate Bill 179, Article V, effective September 1, 1983, for a biennium period; and Texas Attorney General Opinions M-625 (1970) and H-696 (1975).

Issued in Austin, Texas, on August 2, 1983

TRD 836005 Jeannie Glaze
Committee Clerk
House Ethics Committee

Filed: August 4, 1983

For further information, please call (512) 475-5733.

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 incorporation of Afton Life Insurance Company, to be a domestic life insurance company. The home office is proposed to be in Houston.

(2) Application for incorporation of American Universal Lloyds Insurance Company, to be a domestic lloyds insurance company. The home office is proposed to be in Lancaster.

(3) Application for incorporation of ENC ON Insurance Company, to be a domestic fire and casualty insurance company. The home office is proposed to be in Dallas.

(4) Application for incorporation of Essex Lloyds Insurance Underwriters, to be a domestic lloyds insurance company. The home office is proposed to be in Houston.

(5) Application for incorporation of Farley-Quinn Life Insurance Company, to be a domestic life insurance company. The home office is proposed to be in Austin.

(6) Application for incorporation of Farley-Quinn Lloyds Insurance Company, to be a domestic lloyds insurance company. The home office is proposed to be in Austin.

(7) Application for incorporation of General Fidelity Lloyds Insurance Company, to be a domestic lloyds insurance company. The home office is proposed to be in Lancaster.

(8) Application for admission to do business in Texas of Insurance Company of North Carolina, a foreign fire and casualty insurance company. The home office is in Winston-Salem, North Carolina.

(9) Application for incorporation of Lincoln Lloyds Insurance Company, to be a domestic lloyds insurance company. The home office is proposed to be in Lancaster.

(10) Application for admission to do business in Texas of Northwestern National Surety Company, a foreign casualty insurance company. The home office is in Milwaukee, Wisconsin.

(11) Application for a name change by American Diversified Mutual Life Insurance Company, a domestic life insurance company. The home office is in Richardson. The proposed new name is Progressive Mutual Life Insurance Company.

(12) Application for incorporation of Royal Mercantile Lloyds Insurance Company, to be a domestic lloyds insurance company. The home office is proposed to be in Austin.

(13) Application for incorporation of Southwest Casualty Company, Inc., to be a domestic casualty insurance company. The home office is proposed to be in Dallas.

(14) Application for incorporation of Sunbelt Western Insurance Company, to be a domestic fire and casualty insurance company. The home office is proposed to be in Dallas.

(15) Application for incorporation of Sunbelt Western Life Insurance Company, to be a domestic life insurance company. The home office is proposed to be in Dallas.

(16) Application for incorporation of Sunbelt Western Lloyd's, to be a domestic lloyds insurance company. The home office is proposed to be in Dallas.

(17) Application for incorporation of TIB Life Insurance Company, to be a domestic life insurance company. The home office is proposed to be in Carrollton.

(18) Application for incorporation of United Fargo Insurance Company, to be a domestic fire and casualty insurance company. The home office is proposed to be in Dallas.

(19) Application for incorporation of United Surety Fargo Insurance Company, to be a domestic fire and casualty insurance company. The home office is proposed to be in Dallas.

(20) Application for incorporation of Wilderness Life Insurance Company, to be a domestic life insurance company. The home office is proposed to be in Austin.

(21) Application for admission to do business in Texas of Yukon Indemnity Company, a foreign fire and casualty insurance company. The home office is in Oklahoma City, Oklahoma.

(22) Application for incorporation of Universal Surety of America, to be a domestic fire and casualty insurance company. The home office is proposed to be in Houston.

Issued in Austin, Texas, on August 2, 1983

TRD 835978 James W. Norman
Chief Clerk
State Board of Insurance

Filed August 4, 1983

For further information, please call (512) 475-2950

Public Hearing

The State Board of Insurance will hold a hearing on August 23, 1983, at 9 a.m. in the hearing room, DeWitt Greer Building 11th and Brazos Streets, Austin, on the following matters:

Agenda Item 83-1. The Texas Automobile Insurance Service Office has petitioned the State Board of Insurance in accordance with the Texas Insurance Code, Article 5.96, to amend the Texas automobile manual (Rule 059.05.01.005) and standard provisions for automobile policies (June 1, 1981 edition) (Rule 059.05.06.003).

The amendments proposed in the Texas Automobile Insurance Service Office petition are a direct or indirect result of study of the Texas personal auto policy by the Texas Personal Auto Policy Committee. The Texas Personal Auto Committee has been designated by the State Board of Insurance to conduct a continuing review of the Texas personal auto policy, and the committee consists of staff members of the State Board of Insurance, company representatives, and agent representatives. The proposed amendments represent an effort to clarify, to remove possible ambiguities, and to broaden coverage. One proposed amendment does reduce coverage for liability for property damage to nonowned automobiles, proposing a contractual liability limitation. The amendments proposed are as follows:

The endorsement supplement of the Texas automobile manual is proposed to be amended to include the following new mandatory amendatory endorsements:

(1) 568—personal auto policy—amendatory endorsement (liability and coverage for damage to your auto),

(2) 569—personal auto policy—amendatory endorsement (liability), and

(3) 570—personal auto policy—amendatory endorsement (coverage for damage to your auto)

The proposed amendatory endorsements amend the Texas personal auto policy in seven respects.

(1) Part A—Liability Coverage—Exclusions A.3. and A.8

Explanation

Exclusion A.3. When the personal auto policy became effective and replaced the family automobile policy in June of 1981, there was a significant change from the family automobile policy. In the physical damage portion of the policy, coverage was eliminated for the insured while driving a nonowned automobile. At the same time, under the liability portion of the policy the "care, custody, and control" exclusion was modified so that it did not apply to private passenger autos, trailers, pickups, panel trucks, and vans. Therefore, coverage for liability for property damage is afforded when an insured is driving a nonowned vehicle. Because this coverage is unlimited (except for the limit of liability expressed in the declarations) coverage is also provided for contractual liability. The change is proposed in the liability portion of the policy respecting private passenger automobiles, trailers, pickups, panel trucks, and vans to limit the liability for damages to any nonowned vehicle to \$1,000 when liability is due solely to a rental contract.

Exclusion A.8. The personal auto policy form contains an exclusion which provides that there is no coverage for a person using a vehicle when that person does not have a reasonable belief of being entitled to do so. It is proposed to amend this liability coverage exclusion to make it clear that the exclusion does not apply to the insured or to any family member while using the covered auto.

(2) Part B.1—Medical Payments Coverage—definition of "covered person" and Exclusion 7

Explanation. This proposed change would eliminate the qualifying phrase "as a pedestrian" in the definition of "covered person" in the personal auto policy. The elimination of this phrase will make it clear that coverage would be extended to covered persons while not technically pedestrians, such as while on a bicycle. The proposed change in Exclusion 7 is the same as explained under liability Exclusion A.8.

(3) Part B.2—Personal Injury Protection Coverage—definition of "covered person"

Explanation. This proposed change would eliminate the qualifying phrase "as a pedestrian" in the definition of "covered person". The elimination of the phrase will make it clear that coverage would be extended to covered persons while not technically pedestrians, such as while on a bicycle.

(4) Part C—Uninsured/Underinsured Motorists Coverage—Exclusion A.5

Explanation. The proposed changes in uninsured motorist/underinsured motorist coverage Exclusion A.5. is the same and for the same reason as explained under liability Exclusion A.8.

(5) Part D—Coverage for Damage to your Auto Insuring Agreement.

Explanation: This proposed change is to treat a loss resulting from a collision with a bird or animal in the same fashion as breakage of glass. Under the insured's option, the loss can be covered under either the collision coverage or the other than collision coverage. In this fashion, if the insured has only the other than collision coverage, it would be covered since this is an "all risk" coverage. On the other hand, if the insured has collision and specified perils coverage, the loss would be covered under the collision coverage. A third possibility is if the insured has both collision and other than collision coverage, the insured could elect to have the loss covered under the coverage with the lower deductible.

(6) Part I --Duties After An Accident Or Loss --general duties. Number 5.

Explanation: It is proposed to add an additional duty to the insured after an accident or loss to submit to an examination under oath if required by the insurer. This is similar to language that is contained in other policy forms.

(7) Part I --General Provisions --transfer of your interest in this policy. Number 1.

Explanation: The personal auto policy form provides coverage for a surviving spouse but uses the disjunctive "or" before the next subsection having to do with coverage for a legal representative. By eliminating the word "or" there will be no doubt that coverage is available to either or both the surviving spouse and the legal representative.

The three amendatory endorsements are, with respect to the content common between them, identical. The three endorsements are necessary to recognize that some companies write only physical damage policies, other companies write only liability policies, and the remaining companies write combined liability and physical damage policies.

The following endorsements appearing in the endorsement supplement of the Texas Automobile Manual are proposed to be amended:

(1) 528 loss payable clause--modified--to be redesignated 528A.

(2) 529 special loss payable and cancellation endorsement--to be redesignated 529A.

(3) 530 loss payable clause--to be redesignated 530A.

(4) 516 exclusion of named driver and partial rejection of coverages--limited--to be redesignated 516A.

(5) TX-03-15B individual named insured--to be redesignated TX-03-15C.

(6) TX-03-16B individual named insured--to be redesignated TX-03-16C.

(7) TX-08-06A individual named insured--to be redesignated TX-08-06B, and

(8) TX-10-89A additional insured--lessor--to be redesignated TX-10-89B.

The proposed changes in the text of Endorsements 528, 529, 530, and TX-10-89A, are intended to clarify intent with respect to a company's right to deny coverage due to fraudulent acts of the named insured. When these endorsement forms were revised in 1980, following the writing style of the policy form itself, generic terms were used rather than specific terms in specifying limitations

of coverage available to a loss payee. The present language of these endorsements reads as follows:

This insurance covering the interest of the loss payee shall become invalid only because of your fraudulent acts or omissions.

The old forms had a similar provision, but used the specific offenses "conversion, secretion, or embezzlement." Upon reflection and study, the Policy Study Committee believes the generic terms to be overly broad and recommends return to the specific language.

The changes in text proposed for Endorsements TX-03-15B, TX-03-16B, and TX-08-06A are intended to track similar changes in the personal auto policy with respect to the deletion of the "pedestrian" limitation in medical payments coverage (see Explanation Number 2 under Section A of this notice) and to add a \$1,000 limitation for property damage to nonowned autos (see the first in this notice).

The change in text proposed for Endorsement 516 is intended to make it clear that a licensed driver age 18 or over must accompany the excluded driver to prevent the exclusion of coverage from applying. The present endorsement language requires a licensed driver over age 18.

The June 1, 1981, standard policy provisions is proposed to be amended to include the following mandatory amendatory endorsement 568--personal auto policy--amendatory endorsement (liability and coverage for damage to your auto).

This endorsement is the same as Endorsement 568 previously considered, but it includes necessary references or instructions for incorporation in the policy form.

Agenda Item 83-2. John Deere Insurance Company has petitioned the board to transfer the regulation of agricultural equipment dealers insurance from the Texas Insurance Code, Chapter 5, Subchapter A--motor vehicle insurance, to the Texas Insurance Code, Chapter 5, Subchapter C, Article 5.53--inland marine.

The hearing will be held under authority of the Texas Insurance Code, Articles 5.01, 5.02, 5.06, 5.10, and 5.96.

Issued in Austin, Texas, on August 5, 1983

TRD 836016 James W. Norman
Chief Clerk
State Board of Insurance

Filed, August 5, 1983

For further information, please call (512) 475-2950.

Temporary Injunctions

The 299th District Court of Travis County, entered an order on August 5, 1983, with respect to the referenced matter. The order is set out as follows.

In Case 350,735, involving the Hermitage Health and Life Insurance Company vs. the Texas State Board of Insurance, Lyndon L. Olson, Jr., chairman, W. P. Daves, Jr.,

member, and Carole Keeton McClellan, member, in the District Court of Travis County, 299th Judicial Court, on this day came on to be heard in the above-referenced cause the application of plaintiffs for a temporary injunction based on plaintiffs' verified petition. Plaintiffs appeared by and through their attorney, Joseph C. Boggins. Defendants appeared by and through their attorney, Jim Mattox, attorney general of Texas.

It appearing to the court that this cause is an action by plaintiffs for declaratory and injunctive relief against the actions and conduct of defendants in adopting, publishing, and enforcing State Board of Insurance Emergency Rule 059.05.55.003, adopted June 23, 1983, and that the court has jurisdiction over the parties and over the subject matter herein, the court after considering plaintiffs' verified petition and other pleadings on file, and the agreement of the parties, is of the opinion and so finds that all parties have agreed to the entry of this temporary injunction, and counsel for all parties have signed this order, have submitted it to the court for its approval and entry, and have agreed to be bound thereby.

The court further finds that by agreeing to this temporary injunction, the defendants expressly deny any liability and deny all the allegations of plaintiffs' petition.

The court finds that said temporary injunction should be approved and entered in this cause.

It is therefore ordered, adjudged, and decreed by this court that the defendants, the State Board of Insurance composed of Lyndon L. Olson, Jr., chairman, William P. Daves, member, and Carole Keeton McClellan, member, and the commissioner of insurance, Tom Bond, and each of these, and their officers, agents, servants, employees, and attorneys and those persons in active concert or participation with them are hereby enjoined and restrained from further publishing or enforcing the provisions of State Board of Insurance Emergency Rule 059.05.55.003 as respects any person or policy of insurance, and the effect of Emergency Rule 059.05.55.003 is stayed as to all persons and policies of insurance. This order does not extend to and the court makes no determination in this order regarding any administrative proceeding by the State Board of Insurance to make a rule on a nonemergency basis on the subject covered by the State Board of Insurance Emergency Rule 059.05.55.003.

It is further ordered that the defendant cause this temporary injunction to be published in the *Texas Register* forthwith.

This temporary injunction shall remain in effect until final hearing or until further orders of the court in this case.

Signed this fifth day of August, 1983, by Jon N. Wissner, judge presiding.

Issued in Austin, Texas, on August 8, 1983.

TRD-836058 James W. Norman
Chief Clerk
State Board of Insurance

Filed: August 8, 1983

For further information, please call (512) 475-2950.

The 201st District Court of Travis County, Texas, entered an order on August 3, 1983, with respect to the referenced matter. The order is set out as follows.

In Case 350,715, involving Mabe Industries, Inc., et al, v. the State Board of Insurance of Texas and Tom Bond, commissioner of insurance, defendants, in the district court of Travis County, Texas, 201st Judicial District, on this day came on to be heard in the above-referenced cause the application of plaintiffs for a temporary injunction based on plaintiffs' verified first amended petition. Plaintiffs appeared by and through their attorney, Richard A. Shannon. Defendants appeared by and through their attorney, Jim Mattox, attorney general of Texas.

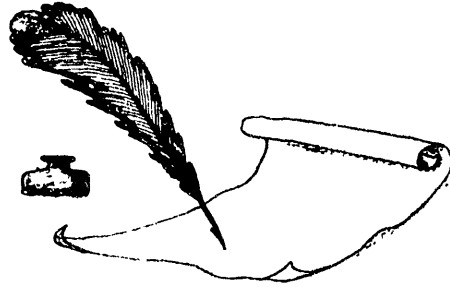
It appears to the court that this cause is an action by plaintiffs for declaratory and injunctive relief against the actions and conduct of defendants in adopting, publishing, and enforcing State Board of Insurance Emergency Rule 059.05.55.003 adopted June 23, 1983, and that the court has jurisdiction over the parties and over the subject matter herein, the court after considering plaintiffs' verified first amended petition and other pleadings on file, and the agreement of the parties, is of the opinion and so finds that all parties have agreed to the entry of this temporary injunction, and counsel for all parties have signed this order, have submitted it to the court for its approval and entry, and have agreed to be bound thereby.

The court further finds that by agreeing to this temporary injunction, the defendants expressly deny any liability and deny all the allegations of plaintiffs' petition.

The court finds that said temporary injunction should be approved and entered in this cause.

It is therefore ordered, adjudged, and decreed by this court that, on plaintiffs' executing and filing with the clerk of this court a good and sufficient bond in the sum of \$100, conditioned that plaintiffs will pay to defendants, subject to the provisions of Texas Rules of Civil Procedure, Rule 684, any and all damages they may sustain if it shall be determined that defendants are wrongfully enjoined and restrained until the final hearing herein, the defendants, the State Board of Insurance composed of Lyndon L. Olson, Jr., chairman, William P. Daves, member, and Carole Keeton McClellan, member, and Commissioner of Insurance Tom Bond, and each of these, and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them are hereby enjoined and restrained from further publishing or enforcing the provisions of State Board of Insurance Emergency Rule 059.05.55.003 as respects any person or policy of insurance, and the effect of Emergency Rule 059.05.55.003 is stayed as to all persons and policies of insurance. This order does not extend to and the court makes no determination in this order regarding any administrative proceeding by the State Board of Insurance to make a rule on a nonemergency basis on the subject covered by the State Board of Insurance Emergency Rule 059.05.55.003.

It is further ordered that the defendant cause this temporary injunction to be published in the *Texas Register* forthwith.



This temporary injunction shall remain in effect until final hearing or until further orders of the court in this case.

Signed this third day of August, 1983, by John N. Wisser, judge presiding.

Issued in Austin, Texas, on August 5, 1983

TRD-836060

James W. Norman
Chief Clerk
State Board of Insurance

Filed: August 8, 1983

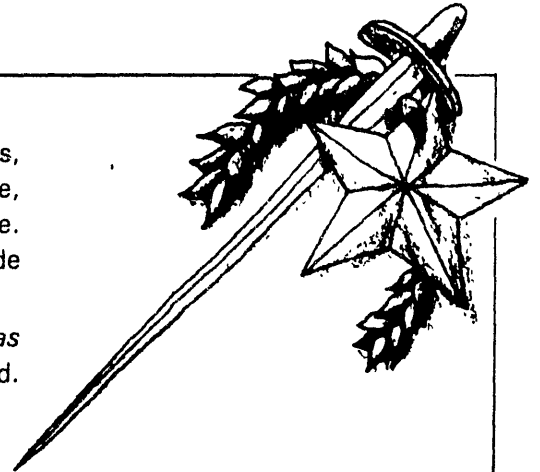
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