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# TEXAS REGISTER

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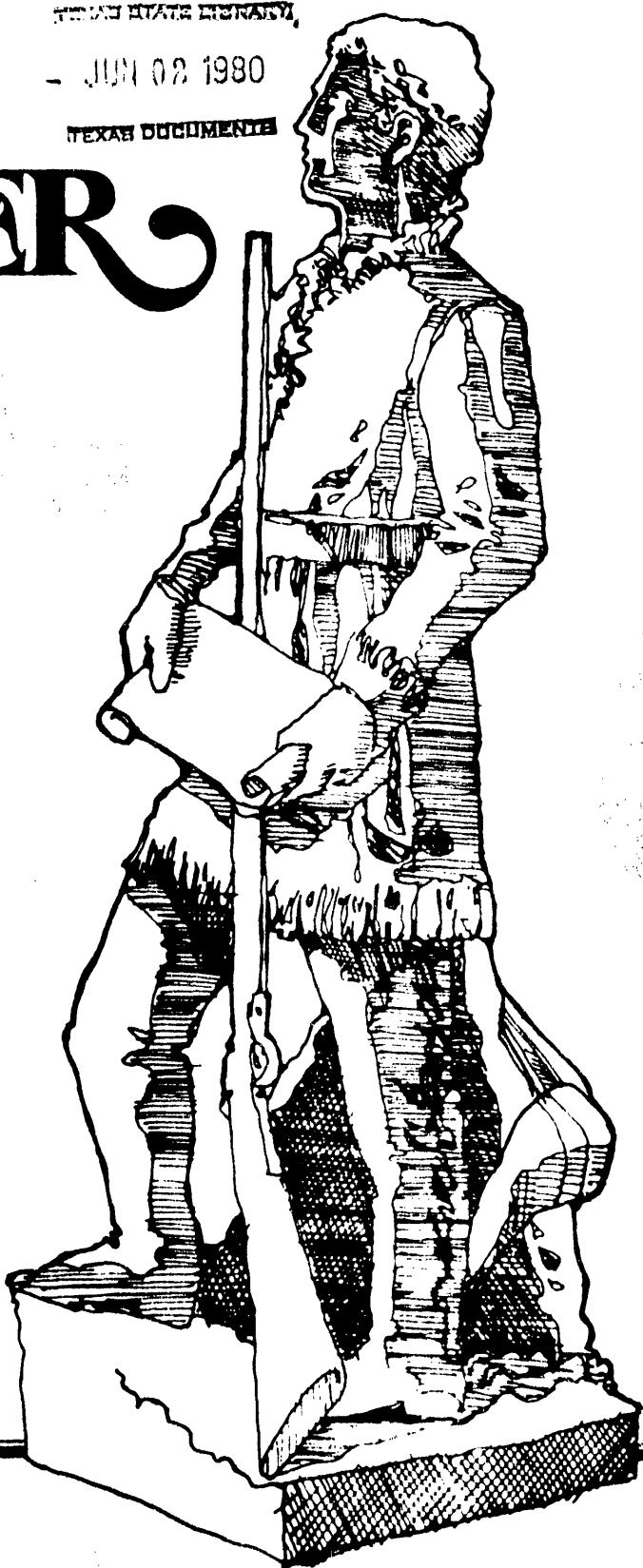
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The *Texas Register* is currently in the process of converting to the numbering system found in the *Texas Administrative Code* (TAC). To aid the reader in this conversion, both the 10-digit *Register* number and the new TAC number will be listed for agencies whose rules have been published in the TAC. Emergency, proposed, and adopted rules sections of the *Register* are divided into two classifications: codified and noncodified. Codified rules appear in title number order. Non-codified rules appear in alphabetical order as they have in the past. An "Index of TAC Titles Affected" appears at the end of this issue.

Titles 1, 4, 7, 10, 13, 31, 34, 37, and 43 only of the TAC have now been published. Documents classified in the *Texas Register* to titles not yet published and certain documents affecting titles of the code have been accepted in the non-TAC format and may be renumbered or revised, or both, when initially codified in the TAC.

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

1 is the title (agencies grouped together by subject title which are arranged alphabetically)  
TAC is the *Texas Administrative Code*  
§27.15 is the section number (27 represents the chapter number and 15 represents the individual rule within the chapter)

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Latest Texas Code Reporter  
(Master Transmittal Sheet): No. 1, Oct. 79

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**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 2404 of Volume 4 is cited as follows: 4 TexReg 2404.

*Cover illustration represents Elisabet Ney's statue of Stephen F. Austin, which stands in the foyer of the State Capitol.*

# TEXAS REGISTER

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*George W. Strake, Jr.*  
Secretary of State

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An agency may adopt a proposed rule no earlier than 30 days after publication in the *Register*, except where a federal statute or regulation requires implementation of a rule on shorter notice.

Upon request, an agency shall provide a statement of the reasons for and against adoption of a rule. Any interested person may request this statement from the agency before adoption or within 30 days afterward. The statement shall include the principal reasons for overruling objections to the agency's decision.

This section now contains two classifications: codified and noncodified. Agencies whose rules have been published in the *Texas Administrative Code* will appear under the heading "Codified." These rules will list the new TAC number, which will be followed immediately by the *Texas Register* 10-digit number. Agencies whose rules have not been published in the TAC will appear under the heading "Noncodified." The rules under the heading "Codified" will appear first, immediately followed by rules under the heading "Non-codified."

Symbology—Changes to existing material are indicated in **bold italics**. [Brackets] indicate deletion of existing material.

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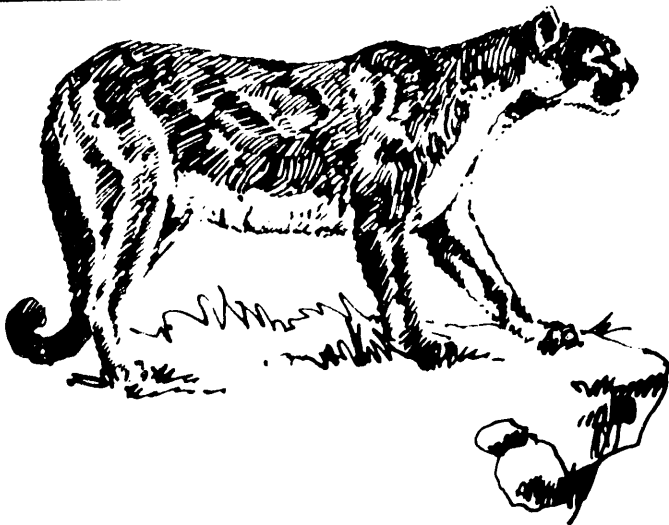
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## CODIFIED

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## TITLE 31. NATURAL RESOURCES AND CONSERVATION

### Part II. Texas Parks and Wildlife Department

#### Chapter 65. Wildlife

#### Subchapter K. Migratory Game Birds

The Texas Parks and Wildlife Commission proposes to amend §65.261 (127.70.16.001), which prescribes a nontoxic (steel)

shot zone in public hunting areas. The commission is responsible for establishing the open seasons, means, methods, and devices for the taking and possession of migratory game birds.

Waterfowl in the course of normal feeding activities ingest spent lead shot. Ingestion of toxic (lead) shot by waterfowl, primarily ducks, can result in death under certain circumstances. In a first effort to reduce the incidence of lead shot ingestion, hunters using 12-gauge shotguns on public hunting areas under control of the Texas Parks and Wildlife Department were prohibited from possessing shotgun shells containing lead shot.

The proposed amendments will prohibit lead shot in all gauges and add two new public hunting areas for waterfowl seasons commencing in 1980. During waterfowl seasons commencing in 1981, shotgun shells containing lead shot will be prohibited in a large area of the upper Gulf coast. The publication of this proposed amendment for the 1981 season allows both sporting goods dealers and hunters approximately 14 months advance notice in order that they may make arrangements to secure shotgun shells containing steel shot.

The department staff (Wildlife Division) has determined that the adoption of the proposed amendments will have no fiscal implications for the state or units of local government.

Comments on the proposed amendments are invited and may be submitted by contacting Bill Brownlee, migratory game bird director, Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, Texas 78744, telephone (512) 475-4873. Comments must be received within 30 days of the publication of the proposed amendments in the *Texas Register*.

The amendments to §65.261 (.001) are proposed under the authority of Chapter 64, Texas Parks and Wildlife Code.

§65.261 (127.70.16.001). *Nontoxic (Steel) Shot Zone.*

(a) During waterfowl seasons commencing in 1980 [1978], no person may possess shotgun shells containing lead shot while hunting, attempting to hunt, or take waterfowl [with a 12-gauge shotgun] on [the] public hunting areas. *During waterfowl seasons commencing in 1981, no person may possess shotgun shells containing lead shot while hunting, attempting to hunt, or take waterfowl within the nontoxic (steel) shot zone, that area lying within boundaries beginning at the Louisiana state line, thence westward along Interstate Highway 10 to the junction with Interstate Highway 45 in Houston, thence southward along Interstate Highway 45 to the junction with State Highway 35, thence southwestward along State Highway 35 to the junction with the Brazos River, thence along the eastern shore of the Brazos River to the shoreline of the Gulf of Mexico, thence seaward to the Three Marine League Limit, thence northeastward along the Three Marine League Limit to the Louisiana state line.*

(b) For the purpose of this section alone, waterfowl are defined as coots, ducks, and geese.

(c) For the purpose of this section alone, public hunting areas are those areas where public hunting is allowed on the J. D. Murphree Wildlife Management Area, [and the] Sea Rim State Park, *Sea Rim National Wildlife Refuge, and McFaddin Marsh National Wildlife Refuge*, both areas lying within Jefferson County].

(d) Penalties for [conviction of] violating this section are **as** provided in Section 62.069 or 64.026, Texas Parks and Wildlife Code, whichever is applicable.

Issued in Austin, Texas, on May 21, 1980.

Doc. No 803912      Maurine Ray  
Administrative Assistant  
Texas Parks and Wildlife Department

Proposed Date of Adoption July 4, 1980  
For further information, please call (512) 475-4873.

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## NONCODIFIED

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### Texas Education Agency Foundation School Program Salary Schedule 226.41.05

The Texas Education Agency proposes to amend Rule 226.41.05.010, concerning the state minimum salary schedule under the Foundation School Program. The proposed change concerns position descriptions and required preparation and education for pay grades 1 through 3, educational aides and educational secretaries. Present material is being deleted and reference is made instead to Rules 226.62.25.010-100, Paraprofessional Certification. Required preparation for all grade 1-3 positions includes a high school diploma or GED certificate plus certification as a paraprofessional.

The subsection headings "policy" and "administrative procedure" are being deleted from the rule, and the subsections have been renumbered. Subsection (b)(7) is also deleted. Local district responsibility to establish job descriptions for all positions in pay grades 1-3 is addressed in Chapter .62.25. In subsection (f), the word "grandperson" is being changed to "grandfather."

The Texas Education Agency does not anticipate the proposed amendment to Rule .010 will have state or local fiscal implications.

Public comment on the proposed amendment to Rule .010 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for Policies and Services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701.

All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

This amendment is proposed under the authority of Section 16.056(h), Texas Education Code.

#### .010. Minimum Salary Schedule.

(a) Policy.

(1) The allocation of Foundation School Program funds for salaries shall be based on the minimum salary schedule as required by law.

(a)(2) The position descriptions, required certification, and education standards for positions in the public education compensation plan are as follows:

(1) Pay grade: 1

Number months paid: 10, 11\*, 12\*

Class title: Educational Aide I

Description of positions assigned to class title:

**as specified in Rules 226.62.25.010-100, Paraprofessional Certification.** [Performs assigned routine tasks under direction and supervision of certified personnel as specified in TEA Bulletin 768, adopted 1976.]

Required preparation and education:

High school diploma or **GED certificate** [certificate of equivalence], certified [by standards of position].

(2) Pay grade: 1

Number months paid: 10, 11\*, 12\*

Class title: Educational Secretary I

Description of positions assigned to class title:

**as specified in Rules 226.62.25.010-100, Paraprofessional Certification.** [Performs assigned routine clerical tasks under direction and supervision of professional personnel as specified in TEA Bulletin 768, adopted 1976].

Required preparation and education:

High school diploma or **GED certificate** [certificate of equivalence], certified [by standards of position].

(3) Pay grade: 2

Number months paid: 10, 11\*, 12\*

Class title: Educational Aide II

Description of positions assigned to class title:

**as specified in Rules 226.62.25.010-100, Paraprofessional Certification.** [Performs assigned tasks under general supervision of certified personnel as specified in TEA Bulletin 768, adopted 1976].

Required preparation and education:

High school diploma or **GED certificate** [certificate of equivalence], certified [by standards of position].

(4) Pay grade: 2

Number months paid: 10, 11\*, 12\*

Class title: Educational Secretary II

Description of positions assigned to class title:

**as specified in Rules 226.62.25.010-100, Paraprofessional Certification.** [Performs assigned clerical or secretarial tasks under general supervision of professional personnel as specified in TEA Bulletin 768, adopted 1976].

Required preparation and education:

High school diploma or **GED certificate** [certificate of equivalence], certified [by standards of position].

(5) Pay grade: 3

Number months paid: 10, 11\*, 12\*

Class title: Educational Aide III

Description of positions assigned to class title:

**as specified in Rules 226.62.25.010-100, Paraprofessional Certification.** [Performs and assumes task responsibilities under general guidance of certified personnel as specified in TEA Bulletin 768, adopted 1976].

Required preparation and education:

High school diploma or **GED certificate** [certificate of equivalence], certified [by standards of position].

(6) Pay grade: 3

Number months paid: 10, 11\*, 12\*

Class title: Educational Secretary III

Description of positions assigned to class title:

*as specified in Rules 226.62.25.010-.100, Paraprofessional Certification.* [Performs and assumes secretarial task responsibilities under general guidance of professional personnel as specified in TEA Bulletin 768, adopted 1976].

Required preparation and education:

High school diploma or *GED certificate* [certificate of equivalence], certified [by standards of position].

(7) Pay grade: 4

Number months paid: 10

Class title: Teacher Trainee I

Description of positions assigned to class title:

Emergency permit Teacher without degree. Teaches students under frequent supervisory check by principal, grade-level or department head.

Required preparation and education:

Normally no less than three years college.

(8) Pay grade: 5

Number months paid: 10

Class title: Teacher Trainee II

Description of positions assigned to class title:

Emergency permit. Teacher with college degree but deficiencies in education preparation in professional or academic background. Teaches students under frequent supervisory check by principal, grade-level or department head.

Required preparation and education:

College degree but certain educational deficiencies.

(9) Pay grade: 5

Number months paid: 10

Class title: Certified Nondegree Teacher

Description of positions assigned to class title:

Teaches at grade level or in teaching field for which prepared under general supervision only.

Required preparation and education:

Fully certified as teacher, but no college degree.

(10) Pay grade: 7

Number of months paid: 10

Class title: Nurse

Description of positions assigned to class title:

School nurse

Required preparation and education:

R.N. with or without bachelor's degree.

(11) Pay grade: 7

Number of months paid: 10

Class title: Teacher

Description of positions assigned to class title:

Teaches at grade level or in teaching field for which prepared, under general supervision

Required preparation and education:

Bachelor's degree, no deficiency in professional education or in teaching field. Fully certified.

(12) Pay grade: 7

Number of months paid: 10, 11, 12

Class title: Vocational Teacher

Description of positions assigned to class title:

Teaches in approved vocational program, under general supervision.

Required preparation and education:

Bachelor's degree and/or certified in field.

(13) Pay grade: 7

Number of months paid: 10, 11\*, 12\*

Class title: Special Education Teacher

Description of positions assigned to class title:

Teaches in approved special education program, under general supervision.

Required preparation and education:

Bachelor's degree and certified in field.

(14) Pay grade: 7

Number months paid: 10, 11\*, 12\*

Class title: Special Education Related Service Personnel

Description of positions assigned to class title:

Provides special education related services which are not instructional in nature.

Required preparation and education:

Bachelor's degree in specialty and state or national licensure or appropriate certification.

(15) Pay grade: 7

Number of months paid: 10

Class title: Librarian I

Description of positions assigned to class title:

Supervises school library/learning resources center or functions as one of several librarians or learning resource specialists on a major campus.

Required preparation and education:

Bachelor's degree; certified.

(16) Pay grade: 7

Number of months paid: 10

Class title: Visiting Teacher I

Description of positions assigned to class title:

Works on personal, educational, family, and community problems with children, parents, school personnel, and community agencies, under general supervision.

Required preparation and education:

Bachelor's degree; certified.

(17) Pay grade: 7

Number of months paid: 10

Class title: Guidance Associate

Description of positions assigned to class title:

Works under one-to-one supervision of fully certified counselor.

Required preparation and education:

Bachelor's degree; certified.

(18) Pay grade: 8

Number of months paid: 10

Class title: Teacher

Description of positions assigned to class title:

Teaches at grade level or in teaching field for which prepared, under general supervision.

Required preparation and education:

Master's degree; fully certified.

(19) Pay grade: 8

Number of months paid: 10

Class title: Nurse

Description of positions assigned to class title:

School nurse

Required preparation and education:

R.N. and master's degree.

(20) Pay grade: 8

Number of months paid: 10, 11, 12

**Class title:** Vocational Teacher  
**Description of positions assigned to class title:**  
 Teaches in approved vocational program, under general supervision.

**Required preparation and education:**  
 Master's degree; certified.

(21) Pay grade: 8

Number of months paid: 10, 11\*, 12\*

**Class title:** Special Education Teacher

**Description of positions assigned to class title:**  
 Teaches in approved special education program, under general supervision.

**Required preparation and education:**  
 Master's degree; certified.

(22) Pay grade: 8

Number of months paid: 10, 11\*, 12\*

**Class title:** Special Education Related Service Personnel

**Description of positions assigned to class title:**  
 Provides special education related services which are not instructional in nature.

**Required preparation and education:**  
 Master's degree and state or national licensure or appropriate certification.

(23) Pay grade: 8

Number of months paid: 10

**Class title:** Librarian II

**Description of positions assigned to class title:**  
 Supervises school library/learning resource center or functions as one of several librarians/learning resource specialists on a major campus.

**Required preparation and education:**  
 Master's degree; fully certified.

(24) Pay grade: 8

Number of months paid: 10

**Class title:** Physician

**Description of positions assigned to class title:**  
 Serves as school physician.

**Required preparation and education:**  
 M.D. degree or D.O. degree, licensed by the State of Texas.

(25) Pay grade: 9

Number of months paid: 10

**Class title:** Special Duty Teacher

**Description of positions assigned to class title:**  
 Teaches regular load at grade level or in teaching field for which prepared, under general supervision, and performs special duty as sponsor of major student program; directs after-hour recreation or "lighted library;" serves as team leader in team teaching; directs band or major music group; or serves as coach.

**Required preparation and education:**  
 Fully certified as teacher and special training for special duty assignment and holder of master's degree.

(26) Pay grade: 9

Number of months paid: 10

**Class title:** Teacher, Bachelor of Laws or Doctor of Jurisprudence

**Description of positions assigned to class title:**  
 Teaches at grade level or in teaching field for which prepared, under general supervision.

**Required preparation and education:**  
 Bachelor of Laws or Doctor of Jurisprudence; fully certified.

(27) Pay grade: 9

Number of months paid: 10

**Class title:** Teacher, Doctor's degree

**Description of positions assigned to class title:**  
 Teaches at grade level or in teaching field for which prepared, under general supervision.

**Required preparation and education:**  
 Doctor's degree; fully certified.

(28) Pay grade: 10

Number of months paid: 10

**Class title:** Visiting Teacher II

**Description of positions assigned to class title:**  
 Works on personal, educational, family, and community problems with children, parents, school personnel, and community agencies.

**Required preparation and education:**  
 Master's degree; certified.

(29) Pay grade: 10

Number of months paid: 10, 11\*, 12\*

**Class title:** Counselor I, School Psychologist, Associate School Psychologist

**Description of positions assigned to class title:**  
 Provides guidance and counseling services to students.

**Required preparation and education:**  
 Fully certified.

(30) Pay grade: 10

Number of months paid: 10, 11\*, 12\*

**Class title:** Education Diagnostician

**Description of positions assigned to class title:**  
 Provides educational diagnostic services and individual educational plan development.

**Required preparation and education:**  
 Fully certified.

(31) Pay grade: 10

Number of months paid: 10, 11\*, 12\*

**Class title:** Supervisor I

**Description of positions assigned to class title:**  
 Provides consultant services to teachers in a grade level or adjacent grades or in a teaching field or group of related fields.

**Required preparation and education:**  
 Fully certified.\*\*

(32) Pay grade: 10

Number of months paid: 10, 11\*, 12\*

**Class title:** Vocational Job Placement Coordinator

**Description of positions assigned to class title:**  
 Responsible for student job placement and employability skills.

**Required preparation and education:**  
 Master's degree, vocational counselor's certificate, three years' teaching/wage earning experience.

(33) Pay grade: 10

Number of months paid: 10

**Class title:** Part-Time Principal

**Description of positions assigned to class title:**  
 Serves as part-time principal on campus with 11 or fewer teachers.

Required preparation and education:  
Certified as administrator.

(34) Pay grade: 10  
Number of months paid: 10  
Class title: Administrative Officer I  
Description of positions assigned to class title:  
Serves as principal functional assistant to superintendent or higher grade administrative officer.  
Required preparation and education:  
College degree; major or minor in assignment.

(35) Pay grade: 10  
Number of months paid: 10  
Class title: Instructional Officer/Administrative Officer I  
Description of positions assigned to class title:  
Serves under the superintendent or higher grade instructional/administrative officer as key specialist for major instructional program.  
Required preparation and education:  
Fully certified\*\* administrator or supervisor.

(36) Pay grade: 11  
Number of months paid: 10  
Class title: Assistant Principal  
Description of positions assigned to class title:  
Serves as assistant principal on campus with 20 or more teachers.  
Required preparation and education:  
Certified as administrator or (assistant principal, 1972 prog.).

(37) Pay grade: 11  
Number of months paid: 10  
Class title: Administrative Officer II  
Description of positions assigned to class title:  
Serves as assistant to superintendent or higher grade administrative officer.  
Required preparation and education:  
Same as Administrative Officer I plus experience in function.

(38) Pay grade: 11  
Number of months paid: 10  
Class title: Instructional/Administrative Officer II  
Description of positions assigned to class title:  
Serves under the superintendent or higher grade instructional/administrative officer as key specialist for major instructional program.  
Required preparation and education:  
Fully certified\*\* as administrator or supervisor.

(39) Pay grade: 12  
Number of months paid: 11  
Class title: Principal  
Description of positions assigned to class title:  
Serves as full-time principal on campus with 19 or fewer teachers.  
Required preparation and education:  
Fully certified as administrator.

(40) Pay grade: 12  
Number of months paid: 10  
Class title: Instructional Officer/Administrative Officer III  
Description of positions assigned to class title:  
Serves under the superintendent or higher grade instructional/administrative officer as key specialist for major instructional program.

Required preparation and education:  
Fully certified\*\* as administrator or supervisor.

(41) Pay grade: 12  
Number of months paid: 10  
Class title: Administrative Officer III  
Description of positions assigned to class title:  
Directs major administrative activity, under supervision of superintendent or higher grade administrative officer.  
Required preparation and education:  
Same as Administrative Officer I plus minimum two years' related experience.

(42) Pay grade: 13  
Number of months paid: 11  
Class title: Principal  
Description of positions assigned to class title:  
Serves as full-time principal on campus with 20-49 teachers.  
Required preparation and education:  
Fully certified as administrator.

(43) Pay grade: 13  
Number of months paid: 11  
Class title: Instructional Officer IV/Administrative Officer  
Description of positions assigned to class title:  
Serves under superintendent or higher grade instructional/administrative officer as key specialist for major instructional program.  
Required preparation and education:  
Fully certified\*\* as administrator or supervisor.

(44) Pay grade: 13  
Number of months paid: 12  
Class title: Administrative Officer IV  
Description of positions assigned to class title:  
Serves assistant to superintendent or higher grade administrative officer.  
Required preparation and education:  
Same as Administrative Officer I plus three years experience in function.

(45) Pay grade: 14  
Number of months paid: 11  
Class title: Principal  
Description of positions assigned to class title:  
Serves as full-time principal on campus with 50-99 teachers.  
Required preparation and education:  
Fully certified as administrator.

(46) Pay grade: 14  
Number of months paid: 12  
Class title: Principal  
Description of positions assigned to class title:  
Serves as full-time principal on campus with 100 or more teachers.  
Required preparation and education:  
Fully certified as administrator.

(47) Pay grade: 14  
Number of months paid: 12  
Class title: Superintendent  
Description of positions assigned to class title:  
Serves as superintendent of system of 400 ADA or less.  
Required preparation and education:  
Fully certified as administrator.



**(48)** Pay grade: 14  
 Number of months paid: 12  
 Class title: Instructional/Administrative Officer V  
 Description of positions assigned to class title:  
 Serves under the superintendent or higher grade instructional officer to direct major instructional function.  
 Required preparation and education:  
 Fully certified\*\* as administrator or supervisor.

**(49)** Pay grade: 14  
 Number of months paid: 12  
 Class title: Administrative Officer V  
 Description of positions assigned to class title:  
 Serves under superintendent or higher grade administrative officer in administrative capacity in personnel, business, accounting, planning, research, etc.  
 Required preparation and education:  
 Same as Administrative Officer I plus five years' related experience.

**(50)** Pay grade: 15  
 Number of months paid: 12  
 Class title: Superintendent  
 Description of positions assigned to class title:  
 Serves as superintendent in system of 401-3,000 ADA.  
 Required preparation and education:  
 Fully certified as superintendent.

**(51)** Pay grade: 15  
 Number of months paid: 12  
 Class title: Instructional/Administrative Officer VI  
 Description of positions assigned to class title:  
 Serves under superintendent or higher grade instructional administrative officer as high level director for major program.  
 Required preparation and education:  
 Fully certified as administrator or supervisor.

**(52)** Pay grade: 15  
 Number of months paid: 12  
 Class title: Administrative Officer VI  
 Description of positions assigned to class title:  
 Serves under superintendent or higher grade administrative officer in administrative capacity in personnel, business, accounting, planning, research, etc.  
 Required preparation and education:  
 Same as Administrative Officer I plus five years' related experience.

**(53)** Pay grade: 16  
 Number of months paid: 12  
 Class title: Superintendent  
 Description of positions assigned to class title:  
 Serves as superintendent in system of 3,001-12,500.  
 Required preparation and education:  
 Fully certified as superintendent.

**(54)** Pay grade: 16  
 Number of months paid: 12  
 Class title: Instructional/Administrative Officer VII  
 Description of positions assigned to class title:  
 Serves under superintendent or higher grade instructional/administrative officer coordinating group of major functions.  
 Required preparation and education:  
 Fully certified\*\* as administrator or supervisor.

**(55)** Pay grade: 16  
 Number of months paid: 12  
 Class title: Administrative Officer VII  
 Description of positions assigned to class title:  
 Serves under superintendent or higher grade administrative officer in administrative capacity coordinating group of major functions in personnel, business, accounting, planning, research, etc.  
 Required preparation and education:  
 Same as Administrative Officer I plus five years' related experience.

**(56)** Pay grade: 17  
 Number of months paid: 12  
 Class title: Superintendent  
 Description of positions assigned to class title:  
 Serves as superintendent in system of 12,501-50,000 ADA.  
 Required preparation and education:  
 Fully certified as superintendent.

**(57)** Pay grade: 17  
 Number of months paid: 12  
 Class title: Instructional/Administrative Officer VIII  
 Description of positions assigned to class title:  
 Serves as coordinator of instructional functions under the supervision of the superintendent.  
 Required preparation and education:  
 Fully certified\*\* as administrator or supervisor.

**(58)** Pay grade: 17  
 Number of months paid: 12  
 Class title: Administrative Officer VIII  
 Description of positions assigned to class title:  
 Serves under the superintendent in administrative capacity coordinating group of major functions in personnel, business, accounting, planning, research, etc.  
 Required preparation and education:  
 Same as Administrative Officer I plus seven years' related experience.

**(59)** Pay grade: 18  
 Number of months paid: 12  
 Class title: Superintendent  
 Description of positions assigned to class title:  
 Serves as superintendent in system of more than 50,000 ADA.  
 Required preparation and education:  
 Fully certified as superintendent.

\*Special education and vocational education as approved.  
 \*\*Special education—fully certified with special education endorsement or certificate; vocational education—certified as vocational supervisor.

[(b) Administrative procedure.]  
 (b) A current salary schedule, with regulations approved by the State Board of Education, is published by the Texas Education Agency in the State of Texas Annual Public Education Compensation Plan.

(c) This document shall show the positions, pay grades, titles, and number of annual contract months authorized by law for each position under the Texas Public Education Compensation Plan as well as new positions or months of service which have been added by the commissioner of education, with the approval of the State Board of Education.

(d) All personnel assigned to *positions on the minimum salary schedule* [pay grades four and above] must be certified according to the certification requirement and/or standards for each position as established by the central education agency. For the 1977-78 school year the same requirements established by law for the the 1976-77 school year will apply to personnel assigned to positions in pay grades four and above. Any new requirements and standards for these positions will become effective with the 1978-79 school year.

(e) The job classification "administrative officer" is to be used only for those positions not requiring certification. Noncertified administrative officers are to be assigned functions which do not involve supervising or controlling curriculum or professional personnel whose assignments require certification. Personnel assignments such as tax assessors, business managers, directors of transportation, maintenance and grounds, personnel, are considered to be strictly administrative.

(f) Those personnel assigned to positions in 1975-76 under the *grandfather* ["grand-person"] clause will continue to be safeguarded except for those personnel who were assigned to position deleted from or modified by Senate Bill 1 (65th Session). Those administrative officers placed in pay grade 10 in 1975-76 may be moved to higher pay grades designated for administrative officers without losing their safeguarded status under the *grandfather* [grand-person] clause. All newly assigned personnel must meet the current requirements for the positions they hold.

(g) Personnel continuing in the same job assignment who have been reclassified into a higher pay grade by law shall move into that pay grade on that step occupied by persons with equivalent years of experience which is acceptable for salary increment purposes. [Districts have the authority to establish local job requirements and standards for pay grades 1, 2, and 3. Complete job descriptions should be designed and written for all positions falling into these pay grades.]

(h) The only position currently authorized for a "part-time" principal is in pay grade 10 on campuses with 11 or fewer classroom teachers. Full-time principals (11 months) may be assigned to all campuses. An assistant principal (pay grade 11, 10 months) may be assigned only to a campus of 20 or more teachers to assist a full-time principal who has been assigned to the same campus. Persons who were serving as "part-time" principals in 1970-71 and have continued in that assignment on the same campus since that time may continue as "part-time" principals on a 10-month basis on any campus regardless of size. All persons who were first assigned after 1970-71 as "part-time" principals on campuses with more than 11 teachers and who wish to continue to serve as full-time principals must hold an administrator's certificate or must have been granted a temporary administrator certificate (Rule **226.62.20.090** [226.62.03.020(d),(h), and (c)]).

Doc. No. 803929

## Public Education Finance—Personnel

### Personnel Accounting for State Funding Purposes 226.45.01

The Texas Education Agency proposes to adopt new Rules 226.45.01.020, .030, .040, .050, .060, .070, .080, .090, .100, .110, .120, .130, .140, .150, and .160 concerning personnel ac-

counting for state funding purposes. The proposed new rules represent primarily a recodification and reorganization of existing material. Material from Texas Education Agency Bulletin 753, Certification, Allocations, and Records, has also been included.

One substantive change in agency practice concerning personnel accounting is proposed. The change is found in Rule .030(5), professional personnel, and .040(4), paraprofessional personnel. It would provide a year's credit for salary increment purposes for persons employed in Texas public schools or education service centers "for at least 85 equivalent days of full-time employment (days employed for 100% of the day plus days employed for at least 50% of the day divided by two) or for at least 175 days for at least 50% of the day during the school term." The agency has always allowed total full-time experience to be added to part-time experience toward meeting the 175 days of part-time experience. But the agency has not allowed multiples of part-time experience to be counted toward meeting the required 85 days of full-time experience. The agency has received a petition for the amendment of Texas Education Agency rules to allow full-time equivalent experience to be counted. Under the proposed rule, credit for full-time equivalent experience would be given only for service in Texas public schools or education service centers, where we have well-defined criteria for what counts as "part-time" service.

The proposal to give credit for full-time equivalent experience will have fiscal implications for state funds. However, the agency has no firm data on the number of individuals who would qualify for credit based on the new combination of full and part-time experience. The agency assumes their number will be minimal and that the fiscal implications of the rule will be minimal as well. The agency estimates the cost to the state to be approximately \$10,000 per year for the next five years. None of the other proposed rules have fiscal implications for state or local funds.

Public comment on the proposed adoption of new Rules .020-.160 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for Policies and Services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701. All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

These rules are proposed under the authority of Section 16.005, Texas Education Code.

#### .020. Definitions.

(a) Professional personnel are personnel employed by a local education agency in pay grades four and above.

(b) Paraprofessional personnel are educational aides and educational secretaries in pay grades one, two, or three.

(c) Employed. The contractual arrangement under which the staff member serves the school system whereby responsibility for an activity or group of activities is assigned to the staff member.

(d) Percentage of employment per day means the percentage of the school day a person is employed.

(e) Full-time equivalency (teaching staff). The amount of employed time required of a staff member to perform a less than full-time assignment divided by the amount of time required in performing a corresponding full-time assignment. Full-time equivalency of assignment usually is expressed as a decimal fraction to the nearest tenth.

(f) Authorized leave is the time a teacher is entitled to be absent from duty based on individual school district policies. These policies may go beyond leave authorized under Sections 13.904 and 13.905, Texas Education Code.

(g) Service record is the form approved by the Texas Education Agency to record teacher's and aide's annual experience increments and sick leave data for professional personnel.

(h) Scholastic year shall commence on September 1 of each year and end on August 31 thereafter.

(i) School term is that period of time a school district is scheduled to be in operation including in-service training and classroom instruction. The period begins with the first day of scheduled in-service training as indicated in the school calendar and ends with the beginning of the subsequent school term.

(j) Contractual year is that period a person is employed under contract with a school district during the period July 1 through the following June 30.

**.030. Years of Service for Salary Increment Purposes for Professional Personnel.** The minimum employment required for a year of experience for purposes of state funding is as follows:

(1) Prior to the 1972-73 school year, employment on a full-time basis for at least 4-1/2 months (90 days of instruction, three six-week periods or one full semester during the scholastic school year).

(2) During the 1972-73 and 1973-74 school years only, employment on a full-time basis for at least 4-1/2 months (90 days of instruction and in-service training) in any one scholastic school year.

(3) Beginning with the 1974-75 school year, employment for 100% of the day for at least 90 days of the school term with any entity allowed in Rule .060; or employment in a Texas public school district or Texas education service center for at least 50% of the day for 180 days or more during the school term. Where the school term was less than 180 days prior to the 1969-70 school year, a minimum of 175 days is acceptable for 50% or more of the day employed provided the service constituted two full semesters or six six-week periods.

(4) For the 1977-78 school year, employment for 100% of the day for at least 85 days of the school term with any entity allowed in Rule .060; or employment in a Texas public school district or Texas education service center for at least 50% of the day for 175 days or more during the school term.

(5) Beginning with the 1978-79 school year, employment for 100% of the day for at least 85 days of the school term with any entity allowed in Rule .060; or employment with a Texas public school district or education service center for at least 85 equivalent days of full-time employment (days employed for 100% of the day plus days employed for at least 50% of the day divided by two) or for at least 175 days for at least 50% of the day during the school term.

**.040. Years of Service for Salary Increment Purposes for Paraprofessional Personnel.** The requirements for determining a year of experience for purposes of state funding are as follows:

(1) Beginning with the 1970-71 school year employment as required for professional personnel employed on a full-time basis with any public school (grades K-12) in any of the 50 states of the United States, with a Texas education service center, and with any school (grades K-12) operated by the United States Government outside the continental limits of the United States.

(2) Beginning with the 1975-76 school year, full-time employment as required during the 1970-71 school year and part-time employment in Texas public school districts and Texas education service centers for at least 180 days during the school term.

(3) For the 1977-78 school year, employment for 100% of the day for at least 85 days of the school term with any public school (grades K-12) in any of the 50 states of the United States, with a Texas education service center, Texas Education Agency, and any school (grades K-12) operated by the U.S. Government inside or outside the continental limits of the United States. Also employment with a Texas public school district or Texas education service center for at least 50% of the day for 175 days or more during the school term.

(4) Beginning with 1978-79 school year, employment for 100% of the day for at least 85 days of the school term with any public school (grades K-12) in any of the 50 states of the United States, with a Texas Education Service Center, Texas Education Agency, and any school (grades K-12) operated by the U.S. Government inside or outside the continental limits of the United States. Employment with a Texas public school district or Education Service Center for at least 85 equivalent days of full-time employment (days employed for 100% of the day plus days employed for at least 50% of the day divided by two) or for at least 175 days for at least 50% of the day during the school term.

**.050. General Rules for Documenting Years of Experience for Professional and Paraprofessional Personnel.**

(a) No more than one year of experience may be acquired in any one school term.

(b) All acceptable experience must be recorded on a service record.

(c) For service in the extended day migrant school program prior to the 1970-71 school year, multiply the number of days with the migrant school program by a factor of 1.37 to determine the number of days employment for increment purposes. For the 1970-71 school year and thereafter, a factor of 1.31 should be used to determine the number of days employment for increment purposes.

**.060. Types of Entities from Which Professional Experience Is Acceptable.**

(a) Public elementary and secondary schools operated and located within any of the 50 states of the United States of America, or within the boundaries of any of its territorial possessions.

(1) Personnel employed in a Texas public school must have met the certification or educational requirements for the job assigned. Only service as a professional employee may be counted for salary increment purposes for professional personnel.

(2) Acceptable part-time service defined in Rules .030(a)(3-5) and .040(a)(3-4), is recognized for salary incre-

ment purposes only if such service was in a Texas public school at the secondary or elementary (grades K-12) levels of education or in a Texas education service center.

(b) Service with the military forces of the United States of America may be counted for salary increment purposes if the following conditions are met:

(1) The person was employed full-time in a professional capacity by a school or other institution in which service is recognized for salary increment purposes, within 12 months of entry into active duty.

(2) Evidence (DD Form 214 or other official discharge papers) is filed with the teacher service record showing:

(A) that military service was in the capacity of an enlisted man or woman and/or commissioned officer;

(B) that release or separation from active duty was under honorable conditions; and

(C) inclusive dates of entry and release from active duty.

(3) The person claiming military service was on active duty during the periods September 1, 1940, through August 31, 1947, or September 1, 1950, through August 31, 1954, or for other periods if:

(A) the military service was a result of involuntary induction into active duty; or

(B) the military service was a result of voluntary entry into active duty for the first time for the individual, and such initial period of voluntary military service claimed as years of service for teacher salary increments does not exceed four years.

(4) For purposes of determining the total eligibility of military experience, a year shall be construed as beginning on September 1 and ending the following August 31. During this period, 4-1/2 calendar months of service must be acquired to be entitled to one year of experience. Only one year of experience may be earned during any 12-month period (September 1 through August 31).

(c) Public colleges or universities in the United States of America or its territorial possessions as a full-time professional employee, if the institution was accredited by a recognized state or regional accrediting agency. All college experience must be recorded on the teacher service record, and a supporting letter or form similar to the one illustrated below must be attached. It is the responsibility of the employing school district to secure verification of college or university experience.



(d) Private schools, parochial schools, and private college or university service in the United States of America, its territorial possessions, or in foreign countries is recognized for salary increment purposes if:

(1) service was as a full-time professional employee, and in the case of colleges or universities, is verified as such

in the same manner or on the same type of form as illustrated previously herein for domestic colleges and universities; and

(2) the school or institution was accredited by a recognized state or regional accrediting agency in the United States. It is the responsibility of the employing school district to have evidence of accreditation status of such private schools or institutions. An example of a form that may be used for verification of accreditation status is shown below.

NAME OF INSTITUTION \_\_\_\_\_

NAME OF TEACHER \_\_\_\_\_

WE FIND IT NECESSARY TO VERIFY THE STATUS OF THE ABOVE NAMED INSTITUTION FOR THE SCHOOL YEAR(S) \_\_\_\_\_. THE TEACHER NAMED ABOVE HAS INDICATED EMPLOYMENT WITH THIS INSTITUTION DURING THE YEAR(S) SHOWN, AND THE INFORMATION REQUESTED BELOW IS NEEDED TO DETERMINE WHETHER THE EXPERIENCE ACCRUED MAY BE COUNTED UNDER OUR CURRENT TEACHER SALARY LAW. TO ASSIST US IN OUR EVALUATION, WE REQUEST THAT YOU ANSWER THE FOLLOWING QUESTIONS:

1. WAS THE INSTITUTION DURING THE YEAR(S) INDICATED ABOVE OPERATED BY OR UNDER THE JURISDICTION OF A GOVERNMENTAL UNIT IN THE STATE OR COUNTRY IN WHICH IT WAS LOCATED?

\_\_\_\_\_  
(YES OR NO)

IF YES, THE NAME OF THE GOVERNMENTAL UNIT WAS \_\_\_\_\_

2. WAS THE INSTITUTION DURING THE YEAR(S) INDICATED ABOVE ACCREDITED OR APPROVED BY A UNITED STATES REGIONAL ACCREDITING AGENCY OR BY THE STATE OR NATIONAL GOVERNMENT IN WHICH THE INSTITUTION WAS LOCATED?

\_\_\_\_\_  
(YES OR NO)

IF YES, THE NAME OF THE ACCREDITING OR APPROVAL AGENCY OR GOVERNMENTAL UNIT WAS \_\_\_\_\_, AND THE EFFECTIVE DATE OF SUCH ACCREDITATION OR APPROVAL WAS \_\_\_\_\_.

WE WILL APPRECIATE YOUR COOPERATION IN COMPLETING THIS FORM AND RETURNING IT AT YOUR EARLIEST CONVENIENCE.

\_\_\_\_\_  
SIGNATURE OF PERSON COMPLETING FORM

\_\_\_\_\_  
TITLE

(3) In states or territories where departments of education approve or license nonpublic elementary and secondary schools based on the same standards required for the state or territorial public schools, terminology such as "approved" or "licensed" is construed to be synonymous with the term "accredited." In states that have no provisions for accrediting, licensing, or approving nonpublic elementary schools, service in such schools is acceptable if the teacher was certified at the time by the state in which the school is located.

(e) Nonpublic special education school service may be counted for salary increment purposes if:

(1) the contracted school or institution was approved to operate as such by the Texas Education Agency; and

(2) the person was employed full-time in a special education professional capacity and was appropriately certified with a special education area of specialization by the State of Texas.

(f) Foreign public school and public college or university service may be counted for salary increment purposes if:

(1) the person was employed full-time in a professional capacity; and

(2) the public school, public college, or public university was accredited or approved by a recognized agency of the foreign country and/or by a recognized accrediting agency of the United States of America. Verification of nonpublic school accrediting status as previously illustrated herein must be secured and attached to the service record. If the service was at a college or university, verification of full-time faculty status must likewise be attached to the teacher service record. Verification of accreditation status and full-time faculty status is the responsibility of the employing school district.

(g) Veteran's vocational school service as a full-time instructor or coordinator is allowable if:

(1) service was during the period of July 1, 1946, through June 30, 1955, and under the jurisdiction of the Texas Education Agency (this service can be verified by the Division of Audits, Texas Education Agency); or

(2) service was at a veteran's vocational school operated by a Texas county board of school trustees subsequent to June 30, 1955, under the jurisdiction of the Veterans Administration.

(h) Texas Education Agency service performed full-time as a member of the professional or paraprofessional staff is allowed. Professional and paraprofessional staff are defined as personnel assigned to positions in the administrative, clerical, or instructional areas equivalent to those positions described in Rule .010. Teacher service records (TEA-126) must be signed by the commissioner of education, a deputy commissioner of education, or the director of Personnel Administration and Staff Development.

(i) Service in overseas schools for United States dependents in a full-time professional or paraprofessional capacity is allowable. These schools are operated by the United States government for military dependents and dependents of personnel assigned to an embassy, consulate, etc., and such schools need not be accredited by a United States regional accrediting agency. In many instances schools are identified by means of an APO number which may be shown on the service record. If information is needed concerning the service of a teacher in an overseas dependents school that has closed, contact General Service Administration, National Personnel

Records Center, (Civilian Personnel Records), 111 Winnebago Street, St. Louis, Missouri 63118.

(j) Service in Texas regional education service centers is allowable if the service was rendered in a professional or paraprofessional capacity as an employee of the education service center. Personnel employed in cooperatives under the Foundation School Program must meet requirements pertaining to certification and/or assignments of professional personnel in Texas public schools. All other personnel will be allowed service increments according to policies applying to personnel employed in the Texas Education Agency.

(k) Service in the Windham Schools, Texas Department of Corrections, is allowable if:

(1) the service was rendered in a professional or paraprofessional capacity under the Foundation School Program, or through other Texas Education Agency-approved educational programs administered in the Windham Schools; and

(2) a professional person held valid Texas teacher certification at the time of assignment, including a full-time teacher involved in a program of adult education. In general, policies applying to personnel employed in Texas public schools will apply.

(l) Service in schools of the Bureau of Indian Affairs, United States Department of the Interior, in a full-time professional capacity is allowable for Foundation School Program salary increment purposes.

(m) Service in the United States service academies is allowable if the person was a full-time faculty member. Verification of faculty status, as illustrated for other college or university service, must be attached to the teacher service record. The service academies are as follows:

- (1) Air Force Academy, Colorado Springs, Colorado;
- (2) Coast Guard Academy, New London, Connecticut;
- (3) Military Academy, West Point, New York;
- (4) Naval Academy, Annapolis, Maryland, and
- (5) Merchant Marine Academy, Kings Point, New York.

(n) Service with the Job Corps is allowable if the person was employed as a full-time teacher or administrator and held valid Texas teaching credentials at the time of employment.

(o) Reserve Officer Training Corps (ROTC) programs conducted by local school districts, provided the instructor was certified or held an emergency teaching permit and was paid at least the minimum salary for teachers in accordance with the Texas state compensation plan. Such experience may be claimed for Foundation School Program salary increment purposes beginning with the 1975-76 school year. For noncertificated personnel, emergency permits are required in order that such personnel may receive creditable teaching experience for ROTC work should they subsequently decide to become teachers of regular school subjects. Such personnel must also be certificated or on permit in order to qualify for state sick leave program benefits. To obtain the initial ROTC permit, the school district must file a permit request with the Texas Education Agency. Subsequent to the initial issuance, an individual's service record showing the same assignment will suffice for continued permit renewal. As long as the person continues in the ROTC assignment for which the initial permit was issued, no additional paperwork is required to be forwarded to the Texas Education Agency.

(p) Reserve Officer Training Corps (ROTC) programs conducted by accredited colleges or universities, provided that the person was employed or considered as a full-time faculty level instructor, and met the same general provisions required of other full-time faculty members in subsection (d) of this rule. Such experience may be claimed for Foundation School Program salary increment purposes beginning with the 1975-76 school year.

(q) State hospitals under jurisdiction of the Texas Department of Mental Health and Mental Retardation if:

- (1) the teacher was properly certified for the assignment;
- (2) the assignment was in an educational program operated in conjunction with the public school program; and
- (3) the teacher was paid at least the minimum foundation salary rate.

(r) Peace Corps volunteer experience is allowed if the individual was certified to teach in any state of the United States and was assigned to full-time teaching duties with a school system (grades K-12) in a foreign country during the period claimed. Such experience must be documented on a Texas teacher service record (TEA-126) and verified by an official in the National Peace Corps headquarters, Washington, D. C.

(s) Personnel placed on developmental leaves of absence by a Texas public school district. When the professional person was paid at least one-half of the annual minimum foundation salary for at least 175 days during the school term by the school district, the individual is also entitled one year of service for salary purposes as well as state minimum sick leave benefits.

(t) Experience of qualified special education related service personnel not recognized under the Foundation School Program prior to the 1979-80 school year will be acceptable beginning with the 1979-80 school year. Prior experience will not be allowed.

**.070. Professional Experience Not Allowable for Salary Increment Purposes.**

(a) As a general rule, service other than that described in Rule .060 may not be counted for salary increments for Foundation School Program purposes. Types of service which are questionable and normally not acceptable for determining years of salary increment purposes appear below.

(b) Noncertificated service in a professional capacity with:

- (1) a Texas public school;
- (2) the Job Corps;
- (3) Windham Schools, Texas Department of Corrections;
- (4) a Texas regional education service center; or
- (5) a special education contract school approved by the Texas Education Agency may not be counted.

(c) Service with noneducational institutions or agencies of a local, state, or the federal government, including:

- (1) civilian instruction at a military installation;
- (2) Peace Corps volunteer;
- (3) National Youth Corps;
- (4) Civil Service Commission of Texas Merit System Council; and

(5) county or home demonstration agency (agriculture extension service) may not be counted.

(d) Service with an unaccredited or unapproved private school, parochial school, private college or university, or other institution, including:

- (1) a school nursery;
- (2) hospital, clinical, or private practice of a nurse or physician;

(3) professional association (i.e., Texas State Teacher's Association, Texas Association of School Administrators, etc.) may not be counted.

(e) Assignment in a Texas public school for less than 50% of the day or for less than required employment shown in Rules .030 and .040, and part-time service in any Texas public school for which percentage of the day employed and/or the number of days employed are not shown on the service record may not be counted.

(f) Part-time service in any institution other than a Texas public elementary/secondary school and a Texas education service center and other part-time service, such as:

- (1) service with the National Teacher Corps (this excludes nonteam teaching leaders assigned on a full-time basis);
- (2) adult migrant education service;
- (3) teaching under a fellowship with a college or university; and

(4) service as a substitute teacher may not be counted. The term "substitute teacher" for this purpose is defined as a teacher who works on call, does not have a full-time assignment, and generally receives a salary of lesser amount than that paid a regular member of the teaching staff.

(g) Any service in a nonteaching, nonadministrative, or nonteacher aide capacity, including assignments as bus driver, a licensed vocational nurse, or a school custodian or cook may not be counted.

(h) Service in a school as a noncertificated adult education instructor for which no Texas teacher certification is required may not be counted. In most cases teaching in such a capacity is considered as part-time employment outside the normal school day. Exceptions to this are full-time certified teachers employed for 30 or more hours per week as adult education teachers by public schools, the Windham Schools of the Texas Department of Corrections, and in educational programs of state hospitals of the Texas Department of Mental Health and Mental Retardation.

(i) Service as a paraprofessional prior to the 1970-71 school year is not allowable for salary increment purposes under the Foundation School Program.

(j) Service as a professional is not accepted for paraprofessional experience nor is paraprofessional experience accepted for professional experience for salary increment purposes under the Foundation School Program.

(k) Service not properly documented on the teacher service record or in a letter containing all of the data required on the service record may not be counted for salary increments for Foundation School Program purposes. Also, if other documentation required in support of the service is missing (i.e., verification of college faculty status, verification of school accreditation status, military papers, etc.), years for such should not be counted.

(l) Years of career service in the United States armed forces generally are not allowable to be counted as years of service for salary increment purposes. If a person chooses to voluntarily re-enlist in active duty as an alternative to accepting release from active duty, such time of re-enlistment is normally considered as "career" service.

(1) Years of initial voluntary entry into active duty exceeding four years are not to be counted as years of service for Foundation School Program salary increments.



(2) Years of service in the United States armed forces on a voluntary basis for a second term of active duty are not to be counted for salary increment purposes. For persons involuntarily recalled to active duty, time spent in the military may be counted for salary increment purposes.

(3) Teachers who elected to remain in military service at any time after August 31, 1947, who served continuously thereafter including any part or all of the period between September 1, 1950, and August 31, 1954, and/or the period between September 1, 1964, and August 31, 1975, and who later return to teaching may not receive teaching experience credit for military service in any part of these two periods.

(4) Years of military service "paid in" for teacher retirement purposes may or may not count for salary increment purposes under the Foundation School Program. The extent of participation or the lack of participation in the Teacher Retirement System is not to be used as a criterion for determining increments for Foundation School Program salary purposes.

(m) Service with an occupational education institute is not acceptable for salary increment purposes under the Foundation School Program. An occupational education institute is designed to train students above the secondary level in a trade or technical area. This institution is not considered equivalent to an institution of higher learning since it is not accredited to confer associate or higher degrees.

(n) Experience for special education service personnel not recognized in the Foundation School Program prior to the 1979-80 school year is not allowed.

*.080. State Minimum Sick Leave Accounting.* Districts shall maintain adequate state sick leave records for audit purposes and to support the claim for reimbursements from the state for those days on which substitute teachers were employed under the state minimum sick leave program. (Chapter .41.13)

*.090. Types of Personnel Records.*

(a) Documents in support of data submitted to the Texas Education Agency for financial and sick leave purposes must be maintained on file by the local school district. These records are subject to audit by the Texas Education Agency.

(b) The school district's files must have at least the following evidence readily available to support data for its professional and paraprofessional personnel:

- (1) contract (professional personnel only);
- (2) service record and any applicable attachments:
  - (A) military service papers
  - (B) addendum—service record affidavit
  - (C) verification of college or university faculty status
  - (D) verification of accreditation status
  - (E) other correspondence;
- (3) professional certificate or license (when required);
- (4) transcripts of educational attainment;
- (5) sick leave absence reports and records of substitutes (professional personnel only);
- (6) teaching schedules or other assignment record;
- (7) audit verification card (if applicable);
- (8) oath of office; and
- (9) tuberculosis certificate.

*.100. Teacher Service Record.*

(a) The basic document in support of the number of years of service and sick leave balance of professional personnel and the number of years of service for paraprofessionals is the teacher service record form. This form (or a copy) shall be kept on file at the local level and the original (if available) shall accompany the teacher or paraprofessional to other school districts whenever employment is changed.

(b) The service record shall be completed in accordance with instructions provided in Bulletin 753, *Guidelines for School Personnel: Certification, Allocations, and Records*. Years on the service record must be signed by authorized personnel of the school district or institution. Rubber stamp signatures or ditto marks are not acceptable and service so verified is not valid. The following rules apply to signatures validating experience.

(1) Service of professional personnel and paraprofessional personnel must be validated by the superintendent or chief administrator of the institution, or by a school trustee or other appropriate governing board member, or by an administrative person approved by the local board of trustees as recorded with the State Funding and Audit Divisions of the Texas Education Agency.

(2) Service of administrative personnel authorized to sign service records must be signed by other authorized personnel, the superintendent, or the president or secretary of the appropriate local board. Personnel shall not sign their own service records.

(3) For service prior to 1930 where it is not practical or possible to secure the signature of a school official, the service record may be signed by a responsible person in the community having first hand knowledge of such service, provided that this person is not related to the teacher.

(c) For record keeping purposes, cooperative personnel are considered as employees of the school district designated as the management or fiscal agent. The management or fiscal agent is the entity responsible for maintaining the service record and other necessary records for professional and paraprofessional personnel employed by the cooperative, regardless of the actual location of their assignments.

*.110. Evidence of Teacher Certification.*

(a) A valid certificate may be filed in the form of the original, the duplicate, or a photo process copy (see Rule .160) or a local certificate register may be devised and kept at the local school district if such register provides for all information shown on the face of the certificate. If a local certificate register is used, the following provisions should be made for recording certificate information:

- (1) name of the teacher;
- (2) certificate number;
- (3) type of certificate (professional, provisional, one year, temporary, etc.);
- (4) dates and/or tenure of issuance;
- (5) areas of specialization (elementary, high school, administrator, etc.);
- (6) teaching fields (mathematics, language arts, etc.); and
- (7) signature of the person recording the certificate and the date recorded.

(b) Although an emergency teaching permit may be recorded in a certificate register, the original permit and its renewals must be kept on file. The emergency permit is issued to the school district and not to the individual teacher.

(c) The following affidavit from colleges/universities will be accepted by the Texas Education Agency. A copy of the certificate must be acquired as soon as practical. This affidavit must be signed by the authorized college/university official.

This is to certify that (Name) has completed all requirements for (Type of Certificate) and was recommended to the Texas Education Agency for issuance of this certificate on (Date).

*.120. Credentials of the School Nurse and School Physician.*

(a) Each school district shall maintain on file receipts (original or photo copy) showing that a school nurse was registered with the Texas State Board of Nurse Examiners. A nurse's registration expires annually on March 31, and it is necessary to retain two receipts on file to cover experience for a complete school year.

(b) Each school district shall maintain on file receipts from the Texas State Board of Medical Examiners or other documentation indicating that the physician was licensed to practice medicine in Texas.

*.130. Certification of Substitute Teachers.* The rules concerning teacher certification apply to substitute teachers. If it is necessary for a school district to employ substitute teachers who are not certified, a list of such substitute teachers shall be submitted to the Texas Education Agency, Division of Teacher Certification, for approval. If at any time a person on the approved list ceases to be a substitute and becomes a regular teacher, the procedures pertaining to emergency teaching permits or teacher certification apply.

*.140. Evidence of Educational Attainment.*

(a) Evidence of educational attainment for professional personnel consists of the official transcript from an accredited college or university. The official college transcript may also be used to document educational attainment of paraprofessionals. If a paraprofessional has not attended a college or university, the school district shall keep on file evidence of some high school, or high school graduation or its equivalency, or evidence of business college attendance, depending upon the requirements imposed by Rules 226.62.25.010-100. Such evidence may consist of copies of transcripts, diplomas, certificates, a letter from the school or a sworn statement from the paraprofessional or other appropriate responsible person attesting to the extent of the paraprofessional's educational attainment.

(b) In order to be considered as an official transcript, the following conditions must be met.

(1) The transcript must bear the imprint of the college or university seal. If a photo process copy of the transcript is made, the seal must be visible.

(2) The transcript must be signed by the registrar or other appropriate college or university official. If a photo process copy of the transcript is made, the signature must be visible.

(3) The transcript must not indicate on its face that it is for student use only.

(4) If the transcript consists of two or more pages, each page must be numbered or otherwise identified in some manner relating it to the page or pages bearing the official seal and signature. If the college or university does not identify or relate pages of the transcript to one another, evidence must be kept with the transcript to indicate that it was

received directly from the college or university. An affidavit signed by the responsible school administrator in charge of personnel records in the local school district will suffice for this purpose.

(c) The only degrees acceptable are conferred by institutions of higher learning which have been accredited or otherwise approved by a state department of education, recognized governmental organization, or a regional accrediting organization recognized by the Coordinating Board, Texas College and University System. Out-of-state institutions which offer teacher education programs or courses in Texas must be accredited by the Southern Association of Colleges and Schools before such work may be accepted for salary increment or certificate purposes.

(d) Confirmation of accreditation status of the college or university from which a degree is conferred is the responsibility of the employing school district. A letter from the college or university, or from the appropriate state department of education, or from a regional accrediting agency is sufficient to support accreditation status of a college or university if such accreditation status is unknown by the employing school district.

(e) If requirements for a degree are completed but the degree will not be conferred until the conclusion of a commencement exercise, a notation on the college transcript or a letter from the college will offer evidence of a degree. A statement such as the following, will be accepted by the Texas Education Agency.

This is to certify that (Name of Teacher) has completed all requirements for (Type of Degree) as of (Date) and the degree will be officially awarded or conferred on (Date).

When the degree is actually conferred, an official transcript showing the degree must be secured by the employing school district as soon as practical.

(f) For degree changes of professional employee during the course of the school term, change in salary status (if any) is effective as of the date the requirements for the degree were completed. When degrees have been conferred or completion of requirements for degrees has been verified during the summer months (July and August) and prior to September 1, such degree will be acceptable for salary purposes from the beginning of the contractual year.

*.150. Degree Not Recognized for Foundation School Program Purposes.* The following types of degrees are not acceptable for determining salary increments under the Foundation School Program:

(1) honorary or unearned degrees;

(2) degrees conferred by institutions which do not meet the conditions set out in Rule .140(c). Some colleges are accredited only at the baccalaureate level and the master's degree conferred by such institutions is not acceptable; and

(3) degrees not shown as being conferred on the official college transcript or other acceptable documentation by the college or university.

*.160. Copies of Personnel Records.*

(a) For Texas Education Agency audit purposes, photo process copies of personnel records are acceptable if such copies are legible and there appears to be no evidence of alteration or tampering. Multiple overlay copies (more than one document appearing on a single copy in such a manner

that each document is not fully shown) are often questionable and each document should be copied separately.

(b) Copies of teacher's certificates may be made or the information on the face of the certificate may be recorded in a local register for audit purposes. The original certificate is the property of the teacher and should remain with the teacher. Emergency teaching permits and their renewals are the property of the local school district and the originals shall be kept on file.

Issued in Austin, Texas, on May 16, 1980.

Doc. No. 803931      A. O. Bowen  
Commissioner of Education

Proposed Date of Adoption: July 12, 1980  
For further information, please call (512) 475-7077.

## Texas Department of Human Resources

### Legal Services

The Texas Department of Human Resources is proposing to repeal Rules 326.79.01.002 and .003 about fair hearings and to amend Rule 326.79.14.006 about actions by a hearing officer in its legal services rules.

The department has determined that the proposed repeal and amendment will have no fiscal implications for the state or units of local government.

Written comments are invited and may be sent to Susan L. Johnson, administrator, Handbook and Procedures Development Division—171, Department of Human Resources, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in this *Register*.

### Fair Hearing 326.79.01

(Editor's note: The texts of the following rules proposed for repeal will not be published. The rules may be examined in the offices of the Texas Department of Human Resources, 706 Banister, Austin, or in the Texas Register Division offices, 503E Sam Houston Building, Austin.)

The content of Rule .002 is being proposed as an amendment to Rule 326.79.14.006, where it more appropriately belongs. Rule .003 is adequately addressed in several of the department's legal services rules.

The repeal of the following rules is proposed under the authority of the Human Resources Code, Title II.

- .002. *Death of Appellant.*
- .003. *Official Record.*

Doc. No. 803959

### Hearing Procedure 326.79.14

The proposed amendment to Rule .006, concerning the death of an appellant during the course of an appeal, is existing department policy and is now addressed in Rule 326.79.01.002. The policy is being placed in Rule 326.79.14.006, where it more appropriately belongs; the repeal of Rule 326.79.01.002 is being proposed in this issue of the *Register*.

The following amendment is proposed under the authority of the Human Resources Code, Title II.

#### .006. *Action by Hearing Officer.*

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

(c) *Withdrawn appeal.* Once an appeal is filed, only the appellant or the authorized agent can withdraw the request. If the appellant wishes, the petition to appeal may be withdrawn. The withdrawal must be in writing to the hearing officer or local office and must give the reason for the withdrawal.

(1) If the appellant fails to give a reason, it will be the responsibility of the hearing officer to make every reasonable attempt to determine the reason for the withdrawal and make the report.

(2) If the withdrawal request is received by the local office or the hearing officer, it is the responsibility of the hearing officer to record the reason for withdrawal.

(3) If the hearing officer accepts the withdrawal, he/she will send a letter to the appellant stating that the withdrawal has been accepted. There may be instances in which the hearing officer considers that the appellant was improperly induced or influenced to withdraw the request for a hearing, and in those instances the hearing officer will direct that the appellant be given another opportunity to proceed with the hearing.

(4) *When an appellant dies during the course of an appeal, the legal representative of the decedent's estate must pursue the appeal, or the appeal may be considered withdrawn.*

(d) (No change.)

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803960      Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Proposed Date of Adoption: July 4, 1980  
For further information, please call (512) 441-3355.

## State Board of Podiatry Examiners Examinations 396.15.00

The Texas State Board of Podiatry Examiners proposes to amend Rules 396.15.00.003, .004, and .007, which establish procedures on applications for the examination to qualify for a license to practice podiatry, the taking of the examination, and the conduct of the examination by the board. These rules are being amended to conform to changes made to Articles 4569 and 4570, Texas Civil Statutes, by the 66th Session of the Texas Legislature. The only substantive change is the requirement that applicants to take the examination must have successfully completed a course in CPR within one year previous to taking the examination.

There are no fiscal implications as a result of these proposed amendments since the procedures established by these proposed amendments are currently being followed by the board. No source other than the members of the board has been consulted in determining that the proposed amendments have no fiscal implications.

Public comment on these proposed amendments is invited. Persons should submit their comments to Joe C. Littrell, secretary-treasurer, State Board of Podiatry Examiners, 2204

Washington Avenue, Waco, Texas 76702. Comments will be accepted until June 22, 1980.

These amendments are proposed under the authority of Articles 4569, 4570, and 6252-13a, Texas Civil Statutes.

**.003. Qualifications of Applicants.**

(a) All applicants shall have attained the age of 21 years and, be of good moral character, and free from all contagious and communicable diseases verified by a certificate of health to that effect.

(b) All applicants shall have completed the number of college courses required by Texas Civil Statutes Article 4570(b)(3)(6), and graduated from a reputable school of podiatry.

(c) All applicants shall have successfully completed a course in cardio-pulmonary resuscitation within the year previous to the examination and provide a certification to that effect.

(d)(c) The applicant shall submit evidence sufficient for the secretary-treasurer to determine that the applicant has met all the requirements of this rule and any other information reasonably required by the board.

**.004. Qualifications of Examinees.**

(a) An applicant, to be eligible to take the examination given by the board, must not only meet the requirements of Rule .003 above, but must also be prepared to demonstrate to the secretary-treasurer and the board that such application is not disqualified from taking the examination for any of the reasons set forth in Texas Civil Statutes, Article 4570(d)(1) through (18)(15).

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

**.007. Written Examination.**

(a) The subjects the examinee shall be examined in on the written portion of the examination are anatomy, chemistry, dermatology, materia-medica, pathology, physiology, **microbiology**, [bacterology,] orthopedics, diagnosis, and podiatry, limited in their application to ailments of the human foot.

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

Doc. No. 803981

## Identification of Practice 396.20.00

The State Board of Podiatry Examiners proposes to amend Rule 396.20.00.006 in order to conform the board's proposed amended rules on advertising. The proposed amendment will continue to allow the use of trade and assumed names so long as such use is not deceptive or fraudulent.

There are no fiscal implications as a result of this proposed amendment. No source other than the members of the board has been consulted in determining that the proposed amendment has no fiscal implications.

Public comment on this proposed amendment is invited. Persons should submit their comments to Joe C. Littrell, secretary-treasurer, State Board of Podiatry Examiners, 2204 Washington Avenue, Waco, Texas 76702. Comments will be accepted until June 22, 1980.

This proposed amendment to Rule .006 is under the authority of Articles 4568a and 1528e, Section 8, Texas Civil Statutes.

**.006. Trade Names and Assumed Names.**

(a) A podiatrist desiring a ruling on the use of a trade name or assumed name to identify a group of podiatrists with which he is practicing or a podiatry clinic in which he practices shall submit the name to the board for review and approval.

(b) The board shall approve a trade name or assumed name which:

(1) includes a word or words indicating the practice specialty is podiatry;

(2) fairly and objectively identifies the practice; and

(3) **complies with Rule .004 of Section 25 of the rules and regulations of the board** [does not in any way constitute advertising, solicitation of business, or self-laudation, including by way of example and not by way of limitation anything which would refer to any physical or medical modality used for treatment, give special attention to any age or patient group, identify any podiatric specialty, specify any special knowledge or ability in treatment or techniques, or (unless identifying a clinic which qualifies under subsection (d) of this rule) indicates membership in or affiliation with a hospital, college, or university].

(c) If a name is disapproved, the board shall notify in writing the party requesting the ruling on the name and set forth the reasons for disapproval.

(d)-(f) (No change.)

Issued in Austin, Texas, on May 22, 1980.

Doc. No. 803982

Joe C. Littrell, D.P.M.

Secretary-Treasurer

State Board of Podiatry Examiners

Proposed Date of Adoption: After June board meeting

For further information, please call (512) 476-6331.



## Texas State Board of Public Accountancy

### Continuing Professional Education

The Texas State Board of Public Accountancy proposes to adopt new rules by which licensees may be guided in choosing and participating in programs designed to further professional competence and expertise in order that the public be

provided with superior professional services. These rules are proposed for adoption in order that licensees may choose and participate in only such continuing professional education programs as meet the minimum standards set out in the proposed rules.

The agency has determined that the proposed rules have no fiscal implication for the state.

Public comment on the proposed new rules is invited and may be submitted either orally or in writing. Please direct all such inquiries to Joe H. Holleman, Texas State Board of Public Accountancy, 3301 Northland Drive, Suite 500, Austin, Texas 78731, (512) 451-0241.

### Continuing Professional Education Programs 401.60.01

The following rules are proposed under the authority of Vernon's Annotated Texas Statutes, Article 41a-1, 1979.

*.100. Formal Continuing Education Programs.* To help insure that practitioners receive quality continuing education, appropriate standards are needed. With appropriate standards, programs are less likely to vary in quality of development, presentation, in measurement, and reporting of credits. Moreover, the large number of programs available throughout the U.S., the varying backgrounds of credentials of sponsoring organizations, and the mobility of participants in these programs create measuring and reporting problems that suggest the need for nationally uniform standards. The purpose of this statement is to provide such uniform criteria. Throughout this statement, the term "programs" refers to both formal group and formal self-study programs. A group program is an educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants. When a group program complies with the standards in this statement, it becomes a formal group program. All other group programs are informal. A self-study program is an educational process designed to permit a participant to learn a given subject without major interaction with an instructor. For a self-study program to be formal:

(1) the sponsor must provide a certificate upon evidence of satisfactory completion, such as a completed workbook or examination; and

(2) it must comply with the standards in this statement.

Sponsors are the organizations responsible for presenting programs and are not necessarily program developers; however, it is their responsibility to see that their programs comply with all the standards in this statement.

*.200. Standards for CPE Program Development.* The fundamental purpose of continuing education is to increase the practitioner's professional competence. A professional person is one characterized as conforming to the technical and ethical standards of his profession. This characterization reflects the expectation that a person holding himself out to perform services of a professional quality needs to be knowledgeable within a broad range of related skills. Thus, the concept of professional competence is to be broadly interpreted. It includes but is not restricted to accounting, auditing, taxation, and management advisory services. Accordingly, programs contributing to the development and maintenance of other professional skills also should be recog-

nized as acceptable continuing education programs. Such programs might include but not be restricted to the areas of communication, ethics, quantitative methods, behavioral sciences, statistics, and practice management.

*.300. Program Objectives.* The stated program objectives should specify the level of the knowledge the participant should have attained or the level of competency he should be able to demonstrate upon completing the program. Program developers should clearly disclose that level of knowledge and/or skill which is expected to be imparted under a particular program. Such levels may be expressed in a variety of ways, all of which should be informative to potential participants. As an illustration, a program may be described as having the objective of imparting technical knowledge at such levels as basic, intermediate, advanced, or overview, which might be defined as follows:

(1) A basic level program teaches fundamental principles or skills to participants having no prior exposure to the subject area.

(2) An intermediate level program builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications.

(3) An advanced level program teaches participants to deal with complex situations.

(4) An overview program enables participants to develop a perspective as to how a subject area relates to the broader aspects of accounting or brings participants up to date on new developments in the subject area.

*.400. Education and Experience Prerequisites.* All programs should clearly identify what prerequisites are necessary for enrollment. If no prerequisite is necessary, a statement to this effect should be made. Prerequisites should be specified in precise language so potential participants can readily ascertain whether they qualify for the program or whether the program is above or below their level of knowledge or skill.

*.500. Program Developers.* Programs should be developed by individual (individuals) qualified in the subject matter and in instructional design. This standard is not intended to require that any individual program developer be both technically competent and competent in instructional design. Its purpose is to ensure that both types of competency are represented in a program's development, whether one or more persons are involved in that development. Mastery of the technical knowledge or skill in instructional design is a teaching plan that considers the organization and interaction of the materials as well as the method of presentation, such as lecture, seminar, workshop, or programmed instruction.

*.600. Program Content.* The program developer must review the course materials periodically to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter. Between these reviews, errata sheets should be issued where appropriate and obsolete materials should be deleted. However, between the time a new pronouncement is issued and the issuance of errata sheets or removal of obsolete materials, the instructor is responsible for informing participants of changes. If, for example, a new accounting standard is issued, a program will not be considered current unless the ramifications of the new standard have been incorporated

into the materials or the instructor appropriately informs the participants of the new standard.

**.700. Program Review.** Programs should be reviewed by a qualified person (persons) other than the preparer (preparers) to ensure compliance with the above standards. In order to ensure that programs meet the standards for program development, they should be reviewed by one or more individuals in the subject area and in instructional design, but both aspects of a program should be reviewed. However, it may be impractical to review certain programs, such as a short lecture given only once. In these cases, more reliance must be placed on the competence of the presenter.

Doc. No. 803887

## Continuing Professional Education Standards 401.60.02

The following rules are proposed under the authority of Vernon's Annotated Texas Statutes, Article 41a-1, 1979.

**.100. Program Presentation Standards.** Participants should be informed in advance of objectives, prerequisites, experience level, content, advance preparation, teaching method (methods), and recommended contact hours credit. In order for potential participants to most effectively plan their continuing education, the salient features of any program should be disclosed. Accordingly, brochures or other announcements should be available well in advance of each program and should contain clear statements concerning objectives, prerequisites (if any), experience level, program content, the nature and extent of advance preparation, the teaching method (methods) to be used, and the amount of credit the program is designed to qualify for.

**.200. Instructors.** Instructors should be qualified both with respect to program content and teaching methods used. The instructor is a key ingredient in the learning process in any group program. Therefore, it is imperative that sponsors exercise great care in selecting qualified instructors for all group programs. A qualified instructor is one who is capable, through background, training, education, and/or experience, of providing an environment conducive to learning. He should be competent in the subject matter and skilled in the use of the appropriate teaching method (methods). Although instructors are selected with great care, sponsors should evaluate their performance at the conclusion of each program to determine their suitability for continuing to serve as instructors in the future.

**.300. Program Sponsors.** So that participants can expect programs to increase their professional competence, sponsors should encourage only those who have the appropriate education and/or experience to participate. The term "education and/or experience" in the standard also implies that participants will be expected to complete any advance preparation. An essential step in encouraging advance preparation is timely distribution of program materials. Although implementing this standard may be difficult, sponsors should make a significant effort to comply with the spirit of the standard by encouraging;

- (1) enrollment only by eligible participants,
- (2) timely distribution of materials, and
- (3) completion of any advance preparation.

**.400. Learning Environment.** The number of participants and physical facilities should be consistent with the teaching method (methods) specified. The learning environment is affected by the number of participants and by the quality of the physical facilities. Sponsors have an obligation to pay serious attention to these two factors. The maximum number of participants for a case-oriented discussion program, for example, should be considerably less than for a lecture program. The seating arrangement is also very important. For a discussion presentation, learning is enhanced if seating is arranged so that participants can easily see and converse with each other. If small group sessions are an integral part of the program format, appropriate facilities should be available to encourage communications within a small group. In effect, class size, quality of facilities, and seating arrangements are integral and important aspects of the educational environment and should be carefully controlled.

### **.500. Evaluation.**

(a) All programs should include some means for evaluating quality. Evaluation should be solicited from both participants and instructors. The objective of evaluations is to encourage sponsors to strive for increased program effectiveness. Programs should be evaluated to determine whether:

- (1) objectives have been met;
- (2) prerequisites were necessary or desirable;
- (3) facilities were satisfactory;
- (4) the instructor was effective;
- (5) advance preparation materials were satisfactory;
- (6) the program content was timely and effective.

(b) Evaluations might take the form of pretests for advance preparation, posttests for effectiveness of the program, questionnaires completed at the end of the program, or later, oral feedback to the instructor or sponsor, and so forth. Instructors should be informed of their performance, and sponsors should systematically review the evaluation process to ensure its effectiveness.

**.600. Program Measurement.** All programs should be measured in terms of 50-minute contact hours. The shortest recognized program should consist of one contact hour. The purpose of this standard is to develop uniformity in the measurement of continuing education activity. A contact hour is 50 minutes of continuous participation in a group program. Under this standard, credit is granted only for full contact hours. For example, a group program lasting 100 minutes would count for two hours; however, one lasting between 50 and 100 minutes would count only for one hour. For continuous conferences and conventions, when individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three contact hours. For university or college courses, each semester hour credit should equal 15 hours toward the requirement. A quarter hour credit should equal ten hours. Sponsors are encouraged to monitor group programs in order to accurately assign the appropriate number of credit hours for participants who arrive late or leave before a program is completed. Since credit is not allowed for preparation time for group programs, it should not be granted for the equivalent time in self-study programs. Self-study programs should be pretested to determine average completion time. One half of the average completion time is the recommended credit to be allowed. For example, a self-study pro-

gram that takes an average of 800 minutes to complete is recommended for eight contact hours of credit.

**.700. Credits for Instructors and Discussion Leaders.** When an instructor or discussion leader serves at a program for which participants receive credit and at a level that contributes to his or her professional competence, credit should be given for preparation and presentation time measured in terms of contact hours. Instructors and discussion leaders should receive credit for both preparation and presentation. For the first time they present a program, they should receive contact hour credit for actual preparation hours up to two times the class contact hours. If a course is rated as eight contact hours, the instructor could receive up to 24 contact hours of credit (16 hours for preparation and eight hours for presentation). For repetitious presentations the instructor should receive no credit unless he can demonstrate that the subject matter involved was changed sufficiently to require significant study or research. In addition, the maximum credit for preparation and presentation should not exceed 50% of the total credit an instructor or discussion leader accumulates in a reporting period. For example, if a discussion leader's state required 40 hours of continuing education yearly, and he actually taught 16 hours and took 30 hours to prepare, the most credit he could claim would be 20 hours.

Doc. No. 803888

### Continuing Professional Education Reporting 401.60.03

The following rules are proposed under the authority of Vernon's Annotated Texas Statutes, Article 41a-1, 1979.

#### **.100. Standards for CPE Reporting.**

(a) Participants in group or self-study programs should document their participation, including:

- (1) sponsor;
- (2) title and/or description of content;
- (3) date (dates);
- (4) location, and
- (5) number of contact hours.

(b) Documentation should be retained for an appropriate period. This standard is designed to encourage participants to document their attendance at a group program or participation in a self-study program. State laws or regulations may dictate the length of time to retain documentation. In the absence of legal specifications, a reasonable policy would be to retain documentation for five years from the date the program is completed. For self-study programs evidence of completion would normally be the certificate supplied by the sponsor.

#### **.200. Sponsor's Record.**

(a) In order to support the reports that may be required of participants, the sponsor of group or self-study programs should retain for an appropriate period:

- (1) record of participation;
- (2) outline of the course (or equivalent);
- (3) date (dates);
- (4) location;
- (5) instructor (instructors); and
- (6) number of contact hours.

(b) Because participants may come from any state or jurisdiction, the appropriate time for the sponsor to retain this information is not dependent solely on the location of the

program or sponsor. To satisfy the detailed requirements of all jurisdictions, a retention period of five years from the date the program is completed is appropriate. The record of attendance should reflect the contact hours earned by each participant, including those who arrive late or leave early.

Issued in Austin, Texas, on May 21, 1980.

Doc. No. 803889      Bob E. Bradley  
Executive Director  
Texas State Board of Public  
Accountancy

Proposed Date of Adoption: July 4, 1980

For further information, please call (512) 451-0241.

## Texas Real Estate Commission Provisions of the Real Estate License Act Suspension and Revocation of Licensure 402.03.15

The Texas Real Estate Commission proposes to amend Rule 402.03.15.005 in order to change the manner in which a licensee disposing of his own property will be required to inform other persons that he is a licensed real estate broker or salesman. If the proposed amendment is adopted, a licensee advertising his own property will no longer be required to identify himself as a licensee in the advertisement. Instead, a licensee will be required to disclose that he is a licensed real estate broker or salesman either in any contract of sale or rental agreement or in any writing prior to entering into a contract of sale or rental agreement.

The commission estimates that adoption of the amendment would have no fiscal implications for the state or for units of local government.

Comments on the proposed amendment are invited and may be submitted to the Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711. Comments will be accepted until June 18, 1980.

This amendment is proposed pursuant to the authority of Article 6573a, Vernon's Texas Civil Statutes.

**.005. When Disposing of Own Property** A licensee, when **selling, trading, or renting real property in his own name, shall in writing** [engaging in a real estate transaction on his own behalf, is obligated to] inform any **person** [party] with whom he deals that he is a licensed real estate **broker or salesman** [agent] acting on his own behalf **either by disclosure in any contract of sale or rental agreement, or by disclosure in any other writing given prior to entering into any contract of sale or rental agreement.** A licensee **shall** [He should] not use his expertise to the disadvantage of a **person** [party] with whom he deals. [A licensee advertising his own real property for sale, trade, or rent shall identify himself as a licensee in such advertisement.]

Issued in Austin, Texas, on May 21, 1980.

Doc. No. 803910      Andy James  
Administrator  
Texas Real Estate Commission

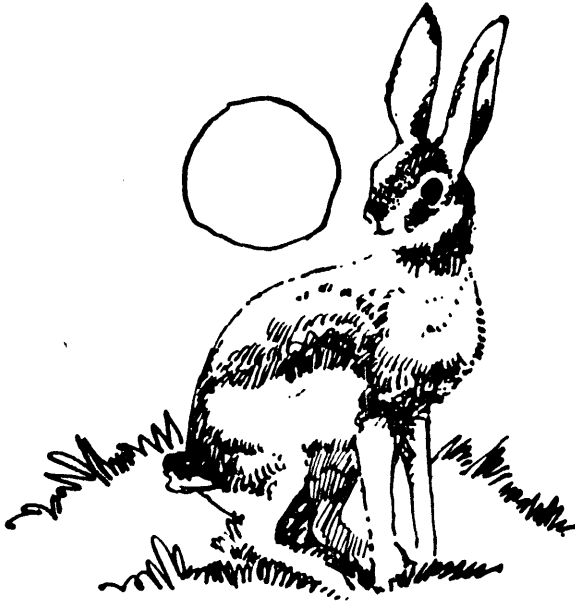
Proposed Date of Adoption: July 4, 1980

For further information, please call (512) 475-6693.

An agency may adopt a proposed rule no earlier than 30 days after publication in the *Register*, and the adoption may go into effect no sooner than 20 days after filing, except where a federal statute or regulation requires implementation of a rule on shorter notice.

Upon request, an agency shall provide a statement of the reasons for and against adoption of a rule. Any interested person may request this statement from the agency before adoption or within 30 days afterward. The statement shall include the principal reasons for overruling objections to the agency's decision.

This section now contains two classifications: codified and noncodified. Agencies whose rules have been published in the *Texas Administrative Code* will appear under the heading "Codified." These rules will list the new TAC number, which will be followed immediately by the *Texas Register* 10-digit number. Agencies whose rules have not been published in the TAC will appear under the heading "Noncodified." The rules under the heading "Codified" will appear first, immediately followed by rules under the heading "Non-codified."




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## CODIFIED

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### TITLE 34. PUBLIC FINANCE

#### Part I. Comptroller of Public Accounts

#### Chapter 3. Tax Administration

#### Subchapter M. Inheritance Tax Division

Under the authority of Texas Taxation—General Annotated, Article 14.13(A), the Comptroller of Public Accounts has

adopted §§3.211-3.224 (026.02.14.101-.103 and .105-.115) to read as follows:

*§3.211 (026.02.14.101). Estates for Which a Texas Inheritance Tax Return Is Required (14.01, 14.015, 14.14, 14.16).*

(a) A Texas inheritance tax return must be filed by the estate of every decedent who on the date of death was:

- (1) a resident of Texas, or
- (2) a nonresident of Texas who owned either:

(A) interests in real property situated in Texas, and/or

(B) tangible personal property having an actual situs in Texas, and/or

(C) intangible personal property within the jurisdiction of Texas, if:

(i) the decedent was a resident of Nevada, or

(ii) the decedent was a nonresident of the United States. However, if the only property of such decedent within the jurisdiction of Texas is money on deposit in a bank doing business in Texas or shares or share accounts in a savings and loan association doing business in Texas and if the decedent was not engaged in business in Texas, then it is not necessary for this estate to file a Texas inheritance tax return.

(b) The return is due nine months after the date of death unless an extension of time to file has been requested on or before the due date and has been granted by the Inheritance Tax Division. (See §3.221 (.111) of this title on extensions of time as well as for provisions relating to interest and penalty.)

(c) The return can be filed by either:

(1) mailing the return to the Comptroller of Public Accounts, Inheritance Tax Division, Capitol Station, Austin, Texas 78774, in which case the return will be considered filed as of the postmark date, or

(2) delivering the return to the Inheritance Tax Division, Austin, Texas, or

(3) delivering the return to any comptroller field office.

*§3.212 (026.02.14.102). What Must Be Filed (14.13, 14.14).*

(a) What return to file.

(1) Residents of Texas.

(A) A declaration of no tax due (Form 17-102) should be filed when all of the following requirements are met:

(i) the date of death is on or after September 1, 1978, and

(ii) the total gross estate (as defined in §3.214 (.104) of this title) does not exceed \$200,000, and

(iii) the entire estate passes only to Class A beneficiaries as defined in Texas Taxation—General Annotated, Article 14.02, and

(iv) no federal estate tax was paid or is due.

(B) A small estate return (Form 17-100) should be filed when the total gross estate (as defined in §3.214 (.104) of this title) does not exceed \$200,000, no federal estate tax was paid or is due, and a declaration of no tax due cannot be filed. A copy of the inventory and appraisement, which the estate may be required to file with the county court clerk under Texas Probation Code Annotated, Section 250, may be attached to this return in lieu of listing the assets on the return. However, any assets, including nonprobate assets, not listed in the inventory and appraisement as well as any debts of the estate must be listed on the return.



(C) A large estate return (Form 17-101) must be filed when the total gross estate (as defined in §3.214 (.104) of this title) is more than \$200,000 or federal estate tax was paid or is due. A copy of the inventory and appraisal may not be used to satisfy the requirement that property be listed on the return.

(2) Nonresidents of Texas. Estates of nonresidents who are required to file a return under §3.211(a)(2) (.101 (a)(2)) of this title must file the inheritance tax return—non-resident (Form 17-103).

(b) Other documents to file.

(1) A copy of the last will and testament showing the county clerk's file mark or an affidavit of heirship must be filed with either the small estate return (Form 17-100), the large estate return (Form 17-101), or the inheritance tax return—nonresident (Form 17-103).

(2) If the estate is required to file a federal estate tax return, then:

(A) copies of all statements, appraisals, and any other information filed with that return must be attached to the appropriate Texas inheritance tax return (the entire federal estate return itself need not be submitted unless specifically requested by the Inheritance Tax Division), and

(B) within 30 days after receipt of information of the final assessment by the federal government, a copy of all federal audit changes and a copy of the acceptance letter (along with the remittance of any additional tax, interest, and penalty that may be due) must be forwarded to the Inheritance Tax Division. If more than one audit was conducted (such as a preliminary audit, a conference audit, or an appellate audit), copies of all these audits must likewise be forwarded.

**§3.213 (026.02.14.103). Dates of the County or Probate Court Clerk (14.14(B)).**

(a) Within 20 days of receipt and approval of an inventory and appraisal, a will, or an affidavit of heirship, the clerk of the probate or county court must furnish the controller a county clerk report (Form 17-105) containing the following information:

- (1) full name of decedent;
- (2) county;
- (3) date of death;
- (4) name, address, and telephone number of the attorney of record or if there is no attorney, the same information for the person representing the estate;
- (5) probate number; and
- (6) indication of whether an inventory and appraisal, a will, or an affidavit of heirship has been filed.

(b) If a certified copy of the inventory and appraisal, will, affidavit of heirship, or any other information is specifically requested by the Inheritance Tax Division, the clerk must furnish such within 10 days of receipt of the request.

(c) The clerk shall be entitled to a fee of \$1.00 for making the reports required on each estate, which shall be taxed against the estate as court costs and be accounted for as fees of office.

**§3.214 (026.02.14.115). Definitions.**

(a) Texas gross estate.

(1) Subject to the exceptions contained in paragraph (3) and including the transfers listed in paragraph (2) below, the term "Texas gross estate" means the value of all of the

following property to the extent of the decedent's interest therein on the date of death:

(A) real property located in Texas;

(B) tangible personal property with a situs in Texas; and

(C) intangible personal property:

(i) wherever located if the decedent was a resident of Texas on the date of death, or

(ii) within the jurisdiction of Texas if on the date of death the decedent was a resident of Nevada or a nonresident of the United States. If the decedent was a resident of a state other than Nevada, then the reciprocal provisions of that state's law must be consulted to determine the amount of intangible personal property included in the Texas gross estate. (See Texas Taxation—General Annotated, Article 14.01(C).)

(2) The term "Texas gross estate" also includes the value of any property described in (a)(1) above if:

(A) transferred in contemplation of death, within three years prior to the date of death, and without adequate valuable consideration (see §3.216(a) (.106(a)) of this title regarding transfers in contemplation of death),

(B) transferred or intended to take effect in possession or enjoyment after the death of the grantor or donor including property passing under a general power of appointment exercised by the decedent by will.

(3) The following property, although within the jurisdiction of Texas, is not included in the term "Texas gross estate:"

(A) \$40,000 or less of life insurance proceeds which are receivable by any beneficiary of the policy, other than the estate or creditors of the estate (see §3.215(f)(2) (.105(f)(2)) of this title), and/or

(B) property exempt under Texas Taxation—General Annotated, Article 14.015(1), (4), or (5), and/or

(C) property exempt under the provisions of those laws listed in §3.215(m) (.105(m)) of this title.

(b) Total gross estate. Subject to the same exclusions set out in (a)(3) above, the term "total gross estate" means the value of all property wherever located to the extent of the decedent's interest therein on the date of death, including the value of all transfers listed in (a)(2) above. (Note: Even though some assets are excluded from taxation under the definition of "Texas gross estate" and "total gross estate," it will be necessary to disclose these assets on certain inheritance tax returns where required.)

**§3.215 (026.02.14.105). Valuation (14.00A(c), 14.11).**

(a) Market and assessed values: general.

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

(3) Property is not to be reported at the value assessed for ad valorem tax purposes unless that value represents fair market value as of the applicable valuation date. Each item of property shall be reported and valued individually, except for interests in businesses which shall be valued in accordance with subsection (d) of this section. All relevant facts and elements of value as of the applicable valuation date should be considered. Detailed descriptions analyzing the valuation, along with any available appraisals, must be submitted. Appraisals should include a statement concerning the qualifications, skill, and experience of the appraiser with regard to the particular class of property involved. Valuation techniques used must be explained in detail. Values established by sales should include a statement regarding any circumstances that would cause the sale

not to be negotiated at arm's length. A buy-sell agreement may establish value for inheritance tax purposes depending on the circumstances such as the parties and provisions of the agreement.

(b) Valuation dates.

(1) Property must be valued as of the date of death, unless the personal representative elects the alternate valuation date under Article 14.11(B), in which case the property must be valued as follows:

(A) Any property distributed, sold, exchanged, or otherwise disposed of within six months after the decedent's death must be valued on the date of such disposition.

(B) Property not distributed, sold, exchanged, or otherwise disposed of within six months after the decedent's death must be valued as of six months after the decedent's death.

(2) Method and effect of election. Article 14.11(B) permits a reduction in the amount of tax that would otherwise be payable due to a shrinkage in the aggregate value of the estate during the six months following the decedent's death. The alternate valuation method is not automatic but must be elected by the personal representative on a timely filed inheritance tax return. It may be elected whether or not there has been a shrinkage in the aggregate value of the estate. However, if the election is made, it applies to all property owned by the decedent and cannot be applied to only a portion of the property.

(3) Meaning of "distributed, sold, exchanged, or otherwise disposed of"

(A) The phrase "distributed, sold, exchanged, or otherwise disposed of" includes all possible ways by which the property ceases to form a part of the gross estate. For example, money on hand at the date of the decedent's death which is used in the payment of funeral expenses, or which is invested, falls within the term "otherwise disposed of." The term also includes the surrender of stock certificates for corporate assets in complete or partial liquidation of a corporation pursuant to Internal Revenue Code of 1954, Section 331. The term does not extend to transactions which are mere changes in form. Thus, it does not include an exchange of stock or securities in a corporation for stock or securities in the same corporation in a transaction such as a merger, recapitalization, reorganization, or other transaction to which no gain or loss would be recognizable for federal income tax purposes under Internal Revenue Code of 1954, Sections 368(a), 354, and 355.

(B) If a binding contract for the sale, exchange, or other disposition of property is entered into, the property is considered as sold, exchanged, or otherwise disposed of on the effective date of the contract unless the contract is not subsequently carried out substantially in accordance with its terms. The effective date of a contract is normally the date it is entered into unless the contract specifies a different effective date.

(4) Included property and excluded property. All property interests owned by the decedent at the date of death are referred to as "included property." Such property interests remain included property even though they may change in form or be disposed of in whole or in part during the alternate valuation period. "Excluded property" is that property which has been earned or has accrued since the date of death. Such property does not constitute a part of the decedent's taxable estate. Illustrations of "included property" and "excluded property" are:

(A) Interest-bearing obligations. Interest-bearing obligations, such as savings bonds, certificates of deposit, or notes receivable, comprise two separate elements of included property, the principal of the obligation itself, and interest accrued to the date of death. Each of these elements is to be separately valued and reported as of the applicable valuation date. Interest accrued after the date of death but before the subsequent valuation date constitutes excluded property. Any payment of principal made during the alternate valuation period will be included property. Advance payments of interest for a period beyond the subsequent valuation date have the effect of reducing principal and are includable property.

(B) Leased property. The principles set forth in the preceding subparagraph concerning interest-bearing obligations also apply to property on which rent is received. Both the property itself and the rents accrued to the date of death constitute included property. Each is to be separately valued and reported as of the applicable valuation date. Any rent accrued after the date of death is excluded property. The principle applied to interest paid in advance is equally applicable to advance payments of rent.

(C) Noninterest-bearing obligations. Noninterest-bearing obligations bought at a discount will be valued at their outstanding principal value plus the discount amortized to the date of death to determine included property. The obligation itself is to be valued as of the subsequent valuation date without regard to any further increase in value due to amortized discount. The additional discount amortized during the alternate valuation period is the equivalent of interest accruing and is excluded property.

(D) Stock of a corporation. Shares of stock in a corporation and dividends declared but not paid on or before the date of the decedent's death constitute included property. Ordinary dividends out of earnings and profits (whether in cash, shares of the corporation, or other property) declared after the date of death are excluded property. However, if dividends are declared after the date of death so that the shares of stock at the subsequent valuation date do not reasonably represent the same included property as existed at the date of death, the dividends are included property, unless they are out of earnings of the corporation after the date of death. For example, if a corporation makes a distribution in partial liquidation to stockholders of record during the alternate valuation period which is not accompanied by a surrender of a stock certificate for cancellation, the amount of the distribution received on stock owned by the decedent is included property, except to the extent that the distribution was out of earnings and profits since the date of death. If a corporation in which the decedent owned a substantial interest and which possessed at the date of death accumulated earnings and profits equal to its paid-in capital and which distributed all of its accumulated earnings and profits as a cash dividend to shareholders of record during the alternate valuation period, the dividends received will be included property. Likewise, a stock dividend distributed under the described circumstances is included property. Illustrations of this paragraph (4) may be found in Appendix I appearing at the end of this section.

(5) Mere lapse of time. Article 14.11(B)(3) provides that the value of any property interest is not to be affected by "mere lapse of time." Property interests which are affected by "mere lapse of time" include patents, estates for the life of a person other than the decedent, remainders, reversions,

and similar properties. The application of this paragraph is illustrated as follows.

(A) Life estates, remainders, and similar interests. Life estates, remainders, and similar interests are to be valued by applying the methods prescribed in subsection (m) of this section using:

- (i) the age as of the date of death of each person whose life may affect the value of the interest, and
- (ii) the value of the property on the alternate date.

Illustrations of the valuation of life estates may be found in Appendix II appearing at the end of this section.

(B) Patents. To illustrate the alternate valuation of a patent, assume that the decedent owned a patent which on the date of death had an unexpired term of 10 years. Six months after the date of death, the patent (then having an unexpired term of only 9-1/2 years) was sold for \$60,000. The alternate value would be \$60,000 divided by .95 (proration of the remaining life of the patent at the date of the decedent's death) or \$63,157.89.

(C) Depreciation after date of death. Mere depreciation after the date of death shall not be considered for valuation purposes.

(c) Realty.

(1) The methods used to determine fair market value shall be based on the nature and use of the property. Examples of appropriate methods include but are not limited to the following:

(A) the current cost of replacing a property less depreciation from deterioration and functional and economic obsolescence;

(B) the value which the property's net earning power will support based upon a capitalization of net income; and

(C) the value indicated by recent sale of comparable properties in a comparable market.

(2) Each method of valuation is a technique to estimate the price a willing buyer would pay to a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts. The following subparagraphs (A)-(C) will illustrate the three main valuation techniques; (D) will consider the peculiarities of mineral interests; and (E) will deal with valuation evidence and reporting requirements.

(A) Replacement cost minus depreciation. This approach is relevant only for improved real estate. It assumes that replacement costs set the upper limit of value if the type of improvement is the best economic use of the land. The deficiencies or depreciation of the existing building are measured and subtracted from the replacement cost to arrive at an estimate of fair market value of the improvements. Land is valued separately.

(B) Capitalization of after-tax earnings potential. This method is relevant when the property's major function is to produce income. The estimate of fair market value is the capital base required to yield that amount of income. This shall be determined by the rate of return investors would demand of similar investments. For example: An apartment complex is expected to yield \$10,000 per year for its remaining life. Based on analysis of investment alternatives, it is determined that investors are currently demanding a yield rate of 9.0% for investments with similar risk, depreciation, and potential appreciation characteristics. An estimate of fair market value is: \$10,000 divided by .09, or \$111,111.11.

(C) Comparison of recent sales of comparable properties or market data analysis. This method is usually the most relevant and the most accurate. Recent comparable sales in comparable markets shall be analyzed to determine the fair market value of the property being valued.

(D) Valuation of mineral interests.

(i) Nonproducing minerals. Valuation of nonproducing minerals usually requires the use of the market data approach. Evidence that may be considered when valuing nonproducing minerals includes the amount of development and exploration in the vicinity and geological reports as to structure, stratigraphy, and trends. Production or potential production evidence such as historical production, porosity, thickness, and number of pay zones may also be considered.

(ii) Producing minerals. Valuation where there has been production prior to the date of death is generally based upon an estimate of future dollar value of production discounted for time and risk. If the estate does not provide satisfactory evidence of value, such as a qualified appraisal, then the Inheritance Tax Division will use a five-year payout to determine the value of the mineral interest. The payout will be measured by the decedent's interest in the value of the average monthly production for one of the following periods:

(I) if there was production for the full 12 months prior to death or prior to the alternate valuation date, if elected, this period will be used;

(II) if there was not production for this full 12-month period but there was actual production prior to death or prior to the alternate valuation date, if elected, then this period of from one to 11 months of actual production will be used.

(E) Valuation information. Complete descriptions and all appraisals for each property interest should be included with the return. The descriptions should include not only legal descriptions but also descriptions of direction and distance from prominent towns and highway intersections. Full descriptions of any road or water frontage should also be included. Appraisals should include the qualifications of the appraiser as well as a complete disclosure of his methods and basis for valuation.

(d) Businesses: corporations, partnerships, sole proprietorships. There are basically four techniques used to determine a range of reasonable values of an interest in a business. These four methods, explained in detail below, are market data, liquidation, adjusted book value, and discounted present value of future benefits. Often all methods can be used in some weighted combination in order to produce a more precise estimate.

(1) Market data. The market data approach is divided into two classes: first, where there exists an historical record of actual transactions in the stock or bonds of the business being valued, and second, where there are no transactions in the actual stock, in which case, an analogy must be constructed from transactions in stocks of comparable businesses.

(A) Historical transactions available.

(i) When there are transactions in similar size blocks of stocks or bonds in a regulated market, such as the New York Stock Exchange, the American Stock Exchange, or NASDAQ (over the counter), the market value is the average between high and low prices on the valuation day.

(ii) Where such data is not available for the valuation date, data for a reasonable period before or after the valuation date may be used. The prices are to be weighted inversely by the respective number of trading days between selling dates and valuation day. Examples using this method may be found in Appendix III appearing at the end of this section.

(iii) Blockage. When historical transactions differ materially in size from the block of stock being valued, "blockage" effects may be considered. The element of blockage is usually the basis for a discount claim but may result in an upward adjustment in value under certain circumstances. Discounts for blockage are generally claimed based on the contention that the block of the publicly traded stock or bond being valued is so large that offering it on the market at one time would depress the price. Such a contention shall be tested as follows:

(I) the average number of shares traded daily over a period before and after the valuation date shall be determined;

(II) the decedent's holdings will be compared with the average number of shares traded daily;

(III) if disposition can be made by the executor over a reasonable period of time without depressing the market, no discount for blockage will be allowed; and

(IV) if it can be determined that a penalty will be incurred when the offering is sold and such penalty cannot be reasonably avoided, a discount for blockage may be allowed.

(iv) Reverse blockage. This refers to the premium assigned to a block of equity interests that would transfer control if a business is sold. When control is transferred, it is generally more appropriate to use some form of earnings analysis or adjusted book value to determine the reasonable value range. Such range should be computed by more than one method to verify the validity of the range.

(B) No historical transactions available. In a situation where there are no or few transactions in the actual interest being valued but there are historical transactions in interests of similar businesses, a comparison can be made. There is no absolute formula, but the basic approach shall be to establish a profile of the company being valued. Areas such as earnings record, growth rate, relative size, market position, and quality of management should be considered. This profile is then compared to companies where adequate market information is available. Costs of preparing the unlisted stock for listing must be factored into the valuation. This method is best used in coordination with other methods.

(2) Liquidation value. The liquidation value method is appropriate where there is a bona fide commitment to dissolve a business and as the lower limit check on other valuation techniques. It requires a valuation of the individual assets and liabilities and a summation of the results.

(3) Adjusted book value.

(A) Adjusted book value method is appropriate in situations where the business is:

(i) a holding company or member of a multitiered partnership,

(ii) merely a receptacle to accumulate earnings, or

(iii) only marginally profitable.

(B) The method requires adjustment of the business balance sheet to current value. The following areas

usually require revaluation to reflect the true worth at the required valuation date.

(i) Land. Land values should be adjusted to fair market value.

(ii) Transactions with officers/stockholders. The validity of all transactions must be evidenced.

(iii) Depreciation. Federal income tax law permits various types of accelerated depreciation and assigns estimated useful lives to assets. Investment tax credit is also determined in a manner that influences the determination of useful lives. These and similar bases affecting depreciation must be factored out.

(iv) Goodwill. The fact that goodwill generally arises on balance sheets only where there has been a purchase of another business does not preclude its existence in other situations. The existence of goodwill may be indicated to the degree earnings are in excess of a normal return on tangible assets for the industry. If a valuation of tangible assets is possible and the earnings history is available, goodwill can be determined by the following method. A percentage return on average annual value of the tangible assets used in a business is determined using a period of years (preferably not less than five) immediately prior to the valuation date. The amount of percentage return on tangible assets is then deducted from the average earnings of the business for such period. The remainder is considered to be the earnings from "goodwill" or intangible assets. This amount is capitalized at an appropriate percentage, generally 15 to 20%, and the result is added to the valuation of tangible assets to arrive at a total value of the business. The rate of return on the tangible assets should be that percentage prevailing in the relevant industry; or, when the industry percentage is not available at a reasonable percentage, generally 8.0 to 10%. The 8.0% rate of return and 20% capitalization rate would be appropriate where the hazards of business are relatively high.

(v) Inventory. Inventory value shall be scrutinized, particularly where financial statements do not carry inventory in the accounts at the lower of cost or market value.

(4) Discounted present value of future earnings. The most commonly used technique for valuation of unlisted securities is the capitalization of adjusted earnings. This method requires:

(A) an adjustment of historical earnings to reflect true earning power on valuation date,

(B) a determination of a capitalization rate appropriate for the particular industry on the valuation date, and

(C) a division of the earnings by the rate to derive a value for the business.

(i) Earnings are adjusted for any distortions in the accounting system. Depreciation is determined as in the adjusted book value method. Inventory valuation and inventory flow method are particularly important, especially when changes from year to year are apparent. Transactions between related businesses or between principals should be carefully scrutinized for substance. Salaries, bonuses, and dividends are sensitive areas. Nonrecurring items of both profit and loss must be factored out. Earning trends may be extrapolated by multiple regression analysis, least squares, etc. If no trend in earnings is apparent or the history of earnings is cyclical, a simple average of recent years may be appropriate. Earnings shall also be adjusted for taxes.

(ii) Determination of an appropriate capitalization rate is a critical judgment process because of the sensitivity of the final valuation to small changes in the rate. Simply stated, as the risk of the business goes up, so does the capitalization rate because a higher yield or return is demanded by investors in a risky business. As an example, a low-risk business would have a rate of return of .08, medium risk .10, and high risk .18. However, this varies with the economy and the mix of tangible assets to goodwill (recorded and unrecorded) within the business. An analysis of similar listed companies appropriately adjusted will guide the judgment process.

(iii) Divide the earning power of the business by the appropriate discount rate and the result is an estimate of fair market value.

(e) Stocks and bonds.

(1) Stocks, including most stock rights, are evidence of an equity or ownership interest in a corporation. When there is a market for these stocks or stock rights on a stock exchange, the value is to be established by application of the market data technique described in the preceding subsection (d)(1). Where there is no market or the market is not representative of true value, the other valuation principles will apply to value the business as a whole.

(2) The value of each individual stock is then its pro rata share or equity interest in the corporation's total value. For example: A decedent owned 400 shares of XYZ Corporation out of 1,000 shares which have been issued and are outstanding. The stock is closely held and not traded on any exchange. All other transfers have been for small numbers of shares, generally among relatives, and often as gifts. Because the market data approach to valuation is inapplicable, either the liquidation approach, adjusted book value approach, or discounted present value of future benefits approach must be used. In this case, the adjusted book value approach was considered the most appropriate and indicated a value of \$750,000 for the business. The value of the decedent's interest is then determined to be \$300,000 as follows: Number of shares owned (400) divided by number of shares issued and outstanding (1,000), multiplied by \$750,000 equals \$300,000.

(3) Bonds are evidence of a creditor interest in a corporation. When there is a valid market for these interests, the value is to be established by application of the fair market value.

(f) Insurance.

(1) Insurance proceeds payable directly or indirectly to the estate must be reported and do not qualify for the \$40,000 exemption provided in Texas Taxation—General Annotated, Article 14.01(A)(2). These proceeds shall include but not be limited to

(A) Proceeds payable to a trustee or to a named beneficiary which may be used to pay estate or other taxes, or debts or charges which are enforceable against the estate.

(B) Proceeds from certain insurance and annuity combinations that do not involve insurance risk.

(C) Proceeds from insurance made payable to a named beneficiary with no provision for an alternate beneficiary, when the named beneficiary predeceases the decedent.

(D) Proceeds receivable when a husband and wife die simultaneously. Section 47(b), Texas Probate Code Annotated, provides that when a husband and wife die under circumstances where neither survives the other by 120 hours,

then proceeds of life or accident insurance which are community property and which become payable to the estate of either spouse shall be distributed one-half to the estate of the husband and one-half to the estate of the wife, unless a will provision or contractual agreement provides otherwise. An illustration of this subparagraph may be found in Appendix IV appearing at the end of this section.

(E) Proceeds from policies converted to annuities.

(F) Proceeds from credit life policies or mortgage insurance.

(2) Insurance proceeds receivable by any beneficiary of the policy other than the estate or creditors of the estate must be reported but do qualify for the \$40,000 exemption provided in Texas Taxation—General Annotated, Article 14.01(A)(2). These proceeds shall include but not be limited to:

(A) life and accident policies upon the life of the decedent made payable to a named beneficiary; and

(B) the full amount of proceeds on National Service Life Insurance policies whether or not purchased with community funds.

(3) Cash surrender values from policies on the life of another are includable in the decedent's estate but do not qualify for the insurance exemption.

(4) Key man or similar insurance owned directly or indirectly by a business where the business received proceeds from the policy shall be considered an asset of the business and not includable as insurance of the decedent.

(5) Only the proceeds of insurance policies are subject to the insurance exemption and must be reported as insurance either on Schedule D of the large estate return or on line 9 of the small estate return. Accumulated dividends and interest payable thereon, post-mortem dividends, and returned premiums on insurance policies are not subject to the insurance exemption and must be reported as other miscellaneous property on either Schedule F of the large estate return or on line 13 of the small estate return. Debts secured by insurance should not be netted against the proceeds of the policy, but rather must be reported as debts of the decedent either on Schedule K of the large estate return or on line 21 of the small estate return (Texas Attorney General Opinion No. S 108 (1953)).

(6) If insurance proceeds are payable to more than one beneficiary, the \$40,000 exemption will be prorated according to each beneficiary's share of the total amount of proceeds included in the decedent's estate.

(g) Transferred property. The value of an interest in transferred property includable in a decedent's gross estate under this subsection is the value of the interest as of the applicable valuation date. However, if the transferee has made improvements or additions to the property, any resulting enhancement in the value of the property is not considered in ascertaining the value of the taxable estate. Similarly, neither income received subsequent to the transfer nor property purchased with such income is considered part of the estate.

(h) Mortgages and notes. The fair market value of notes, secured or unsecured, and mortgages is presumed to be the amount of unpaid principal plus interest accrued to the date of death, unless the estate establishes that the value is lower. Interest shall be listed separately on the inheritance tax return. If a note or mortgage is not reported at face value plus accrued interest, satisfactory evidence must be submitted that the note is worth less than the unpaid amount

(because of the interest rate, date of maturity, or other cause) or that the note is uncollectible, either in whole or in part (by reason of the insolvency of the party or parties liable, or for other cause), and that any property pledged or mortgaged as security is insufficient to satisfy the obligation.

(i) Government securities and notes redeemable at par. Any bonds of the United States, savings notes, or other obligations, which upon the death of the decedent constitute a part of the estate and which may be and are received by the United States at par and accrued interest in payment of estate taxes or any other tax liability imposed by the United States, shall, for Texas inheritance tax purposes, be valued at the amount used in payment of any such federal tax. Government securities and notes not redeemed at par are valued at their fair market value.

(j) Cash on hand or on deposit.

(1) Cash includes monies left by the decedent at the time of death, regardless of location, whether in this state or outside, whether in his immediate possession, standing to his credit, or in which he had any right, title, claim, or interest, including certificates of deposit, savings accounts, and other accounts held:

- (A) with spouse,
- (B) in decedent's name, or
- (C) in spouse's name unless the separate property

of such spouse.

(2) No deduction shall be allowed for the loss of accrued interest or penalty incurred for an untimely withdrawal from any deposit account, such as savings accounts or certificates of deposit, unless such withdrawal is required for the payment of inheritance tax, estate taxes, or allowable debts of the estate.

(3) Deposits held in joint tenancy (including right of survivorship) are taxable to the extent of the amount attributable to the decedent's contribution. Bank account balances are reported as of the date of death and outstanding checks given in discharge of legal obligations of the decedent incurred for an adequate and full consideration must be deducted on Schedule K.

(k) Jointly owned property: (14.011).

(1) The decedent's gross estate includes property held jointly at the time of the decedent's death by the decedent and another person or persons. The property to be included is valued to the extent:

(A) contributed to the tenancy by the decedent, less any consideration from the other tenants received by or accruing to the benefit of the decedent; or

(B) received by the tenancy by gift from a person other than a tenant and attributable to the decedent.

(2) The value of a joint tenancy received by gift from a person other than a tenant is attributable to the tenant for whom the gift was intended by the donor at the time of the gift, or if there is no evidence of the intent of the donor, it is presumed that the gift was to all tenants equally.

(3) Although the survivor of a right of survivorship contract takes the entire interest in the property by right of survivorship and no interest may form a part of the decedent's estate for purposes of probate administration, the decedent's share shall be included in the gross estate for inheritance tax purposes.

(4) An asset held jointly, in the absence of an expressed agreement that it is jointly held with right of survivorship, does not pass by contract for inheritance tax purposes.

(5) Property owned by the decedent as a tenant in common is not considered as jointly owned with right of survivorship.

(6) Community property held by the decedent and spouse shall be reported as real property or personal property because a husband and wife cannot create a joint tenancy with the right of survivorship out of community funds without first reducing those funds to their separate estates by statutory partition. Where a decedent used the spouse's separate funds, with the knowledge and consent of the spouse, to purchase an asset which is issued in the spouses' names as joint tenants with right of survivorship, one-half interest becomes vested at the time of the creation of the joint tenancy subject to being divested. Therefore, one-half interest is subject to inheritance taxes upon the death of either spouse.

(7) A joint tenancy with the expressed right of survivorship established by the decedent with a third person, not a spouse, whether with separate or community funds with the knowledge of the spouse is a valid contract.

(l) Powers of appointment.

(1) Powers of appointment are either general or special. A power of appointment is general when the donee has the power to pass on an interest in the property to whomever he pleases, including himself or his estate. A power of appointment is special or limited when the donee is authorized to appoint interests in the property only to specified objects or classes of objects. The persons, corporations, or charitable entities to or among which the donee may appoint the property are known as 'the objects of the power.'

(2) Under a general power of appointment, the donee is charged with the property as though he had received it in fee simple; however, if the donee does not exercise his power to appoint the property by will before his death, the property passes under the will of the donor and is not reported as an asset in the donee's estate. If an asset is not included in a donee's estate by reason of the donee's failure to exercise a power to appoint, no deduction for property previously taxed is allowable on such excluded property.

(3) Generally, under a special or limited power of appointment, the donee is not taxed on the property but the value of such interest is taxed to the takers in default.

(A) Example of a general power of appointment: Upon the death of my wife, any undistributed income and the principal of the trust shall be paid over to such person or persons (including my wife's estate, creditor, or creditors of her estate) in such amounts and manner as my wife may appoint by will.

(B) Example of a special or limited power of appointment: Upon the death of my wife, any undistributed income and the principal of the trust shall be paid to such of my issue and spouses of my issue as she shall appoint by will, and if she shall make no effective appointment, then in equal shares to my children.

(4) The taxpayer shall be required to furnish the following:

- (A) the full name of the donor,
- (B) the description of the property received,
- (C) value of the property at date of death or, if used, the alternate valuation date,
- (D) category of power of appointment received (general or special), and
- (E) a statement of whether or not the power of appointment was exercised at any time by will or otherwise.

## (m) Annuities.

(1) **Definitions.** An annuity is a series of periodic payments of a fixed amount at regular intervals. The annuity may last for a certain number of years or for the life of a specific person.

(2) **Exceptions.** The values of all annuities or other payments receivable under any plan or agreement because of the death of the decedent are includable property subject to inheritance tax except for the following:

(A) any benefits accruing under the Texas State Teacher Retirement System are exempt by virtue of Texas Education Code, Section 3.07 (benefits elected under the Optional Retirement System Program, Subchapter G of Subtitle A of Title 3 of the Texas Education Code, are not within the scope of this exemption);

(B) any benefits accruing under the Texas State Employees Retirement System, Texas Revised Civil Statutes Annotated, Article 6228a, Section 9;

(C) any benefits accruing under the Texas Judicial Retirement System, Texas Revised Civil Statutes Annotated, Article 6228(b), Section 8B;

(D) the value of an annuity or other payment received by any beneficiary (other than a personal representative of the decedent) to the extent that it qualifies for exemption from the federal estate tax under subsections (c), (d), or (e), of Section 2039 of the Internal Revenue Code of 1954, as now or hereafter amended;

(E) any benefits accruing under the Railroad Retirement Act of 1974, 45 United States Code, Section 231 et seq.; or

(F) any benefits accruing under the Texas County and District Retirement System, Texas Revised Civil Statutes Annotated, Article 6228g, Section 12(3).

(3) **Servicemen's survivorship annuities.** In estates of servicemen dying after December 31, 1965, the gross estate does not include the value of annuities for a surviving spouse or certain child beneficiaries under the Retired Serviceman's Family Protection Plan, 10 United States Code, Section 1431 et seq., except to the extent of amounts deposited by a retired member. The Retired Serviceman's Family Protection Plan is continued under the Survivor Benefit Plan, 10 United States Code, Section 1447, et seq., for servicemen dying on or after September 21, 1972; however, no provision exists for retired servicemen to make deposits to the survivor benefit plan and it is therefore exempt in its entirety. Dependency and indemnity compensation paid in lieu of the survivor benefit plan is also exempt.

## (4) Civil service annuities.

(A) If an estate is required to file a federal estate tax return, then it will be necessary to acquire certain information for the purpose of valuing a civil service annuity. This information is obtained by writing the United States Office of Personnel Management, Bureau of Retirement, Insurance, and Occupational Health, Washington, D.C. 20415. The data provided by the Office of Personnel Management must then be forwarded to the Internal Revenue Service for calculation of the annuity value at the following address: assistant commissioner (technical), Estate and Gift Tax Branch (T:EG), 1111 Constitution Avenue, Washington, D.C. 20224. This value, when received by the estate, is then reported on Schedule I of the large estate return.

(B) If an estate is not required to file a federal estate tax return or if the personal representative elects not to have the value of the annuity calculated by the Internal

Revenue Service, then the personal representative may choose to value the annuity by use of the tables appearing in Appendix V at the end of this section.

## (5) Texas Municipal Retirement System.

(A) The retirement plans of cities and municipalities participating in the Texas Municipal Retirement System are exempt from inheritance tax under Texas Revised Civil Statutes Annotated, Article 6243h (1970).

(B) Cities and municipalities which do not participate in the Texas Municipal Retirement System but whose plans qualify for exemption under Internal Revenue Code of 1954, Section 2039(c), (d), or (e), are exempt to the extent of its provisions.

(C) The retirement plans of cities and municipalities that do not participate in the Texas Municipal Retirement System and are not qualified under Internal Revenue Code of 1954, Section 2039(c), (d), or (e), are subject to state inheritance tax.

(6) **Tables.** The value used for inheritance tax purposes shall be the present value of the annuity received as calculated by reference to the tables and examples appearing in Appendix V at the end of this section.

## (n) Household and personal effects.

(1) **General.** Household and personal effects with values in excess of \$1,000 should be adequately described and valued individually. Items of lesser value may be grouped together if a sufficient description is provided. Adequate descriptions should include at least:

(A) in the case of books or sets of books with artistic or collectors value, the edition, author, title;

(B) in the case of paintings, the size, subject, and artist's name;

(C) in the case of oriental rugs, the size, class, estimated age, and condition;

(D) in the case of silverware, weight in troy ounces, patterns, age, condition, and style;

(E) in the case of coin collections, the condition, dates, and types; and

(F) in the case of a collection of any article with value above bare utility value, the condition, origin, age, and size.

## (2) Special rules.

(A) Where estate representatives must file a federal estate tax return, copies of all appraisals, descriptions, and statements required by federal regulations shall be submitted. This includes the appraisal by an expert under oath of articles having a marked artistic or intrinsic worth of total value in excess of \$3,000 (e.g., jewelry, furs, silverware, paintings, engravings, antiques, books, statuary, vases, oriental rugs, coin or stamp collections).

(B) If it is necessary to distribute or sell any portion of the household or personal effects of the decedent before the due date of the inheritance tax return, the estate representative must timely provide the Inheritance Tax Division with a full description of each item transferred, including the date of transfer, the fair market value if distributed, or the sales price if sold.

(c) **Livestock and other animals.** Animals should be valued in relation to their potential use. Therefore, due consideration shall be given to whether the animal is or may be used for food, breeding, or recreation. Additionally, the grade, quality, and age shall also affect value. Descriptions of all animals shall include at least breed, age, condition, and size.

## APPENDIX I Illustrations of Included and Excluded Property

The following example assumes the decedent died on January 1, 1975:

<u>Description</u>	<u>Subsequent Valuation Date</u>	<u>Alternate Value</u>	<u>Value at Date of Death</u>
Bond, par value \$1,000 bearing interest at 4% payable quarterly on Feb. 1, May 1, Aug. 1, and Nov. 1. Bond distributed to legatee on March 1, 1975.....	March 1, 1975	\$ 1,000.00	\$ 1,000.00
Interest coupon of \$10 attached to bond and not cashed at date of death although due and payable Nov. 1, 1974. Cashed by executor on February 1, 1975.....	Feb. 1, 1975	\$ 10.00	\$ 10.00
Interest accrued from Nov. 1, 1974 to Jan 1, 1975 collected on Feb. 1, 1975.....	Feb. 1, 1975	\$ 6.67	\$ 6.67
Real estate, used for rental not disposed of within six months following death. Based on appraisal for July 1, 1975.....	July 1, 1975	\$11,000.00	\$12,000.00
Rent due for quarter ending Nov. 1, 1974, but not collected until Feb. 1, 1975.....	Feb. 1, 1975	\$ 300.00	\$ 300.00
Rent accrued for November and December, collected on Feb. 1, 1975.....	Feb. 1, 1975	\$ 200.00	\$ 200.00
Common stock, X Corporation, 500 shares, not disposed of within six months following decedent's death.....	July 1, 1975	\$47,500.00	\$50,000.00
Dividend of \$2 per share declared Dec. 10, 1974 and paid on Jan. 10, 1975 to holders of record on Dec. 30, 1974.....	Jan. 10, 1975	\$ 1,000.00	\$ 1,000.00



**Appendix II**  
**Illustrations of Valuations of Life Estates**

**Example 1**  
**Simple Life Estate**

Assume that the decedent or his estate was entitled to receive property upon the death of his elder brother who was entitled to receive the income from the property for life. At the date of death, the property was worth \$50,000 and the elder brother was 31 years old. The value of the decedent's remainder interest at the date of death would be \$6,941.50 (\$50,000 x .13883). If, because of economic conditions, the property declined in value and was worth only \$40,000 six months after the date of death, the value of the remainder interest as of the alternate date would be \$5,553.20 (\$40,000 x .13883) even though the elder brother would be 32 years old on the alternate date (use age on date of death).

**Example 2**  
**Concurrent Life Estates**

Life estate in property valued at \$50,000 for A (age 35, a male) and B (age 46, a female) to run concurrently and for the life of the survivor of A and B with remainder to C.

Life estate for A in all the property:  
\$50,000 x .83255 (Table A(1)) equals \$41,627.50

Life estate for B in 1/2 income:  
\$50,000 x .79374 (Table A(2)) x 1/2 equals  
\$19,843.50

Value of A's life estate:  
\$41,627.50 - \$19,843.50 equals \$21,784

Value of B's life estate:  
equals \$19,843.50

Value of C's remainder interest:  
\$50,000 - \$21,784 - \$19,843.50 equals \$8,372.50

**Example 3**  
**Consecutive Life Estates**

Life estate in property valued at \$100,000 for X (age 42, a female) with a subsequent life estate to Y (age 25, a male) upon the death of X with the remainder of Z upon the death of Y.

Life estate for Y in all the property:  
\$100,000 x .89445 (Table A(1)) equals \$89,445

Life estate for X in all the property:  
\$100,000 x .82764 (Table A(2)) equals \$82,764

Value of X's life estate:  
equals \$82,764

Value of Y's life estate:  
\$89,445 - \$82,764 equals \$6,681

Value of Z's remainder interest:  
\$100,000 - \$82,764 - \$6,681 equals \$10,555

**Appendix III**  
**Illustrations of Valuation of Stocks and Bonds**

**Example (1).** Assume that the sales of X Company stock nearest the valuation date (Friday, June 15) oc-

curred two trading days before (Wednesday, June 13) and three trading days after (Wednesday, June 20). On these days the mean sales prices per share were \$10 and \$15, respectively. The price of \$12 is taken as representing the fair market value of a share of X Company common stock as of the valuation date:

$$\frac{(3 \times 10) + (2 \times 15)}{5}$$

**Example (2).** Assume the same facts as in example (1), except that the mean sales price per share on June 13 and June 20 were \$15 and \$10, respectively. The price of \$13 is taken as representing the fair market value of a share of X Company stock as of the valuation date:

$$\frac{(3 \times 15) + (2 \times 10)}{5}$$

**Example (3).** Assume the decedent died on Sunday, October 7. If sales of X Company common stock occurred on Friday, October 5, at a mean sales price per share of \$20 and on Monday, October 8, at a mean sales price per share of \$23, the price of \$21.50 is taken as representing the fair market value of a share of X Company common stock as of the valuation date:

$$\frac{(1 \times 20) + (1 \times 23)}{2}$$

**Example (4).** Assume that on the valuation date (Tuesday, April 3, 1973) the closing selling price of a listed bond was \$25 and that the highest and lowest selling prices are not available in a listing or publication of general circulation containing transactions in a regulated market. Assume further that the closing selling price of the same listed bond was \$21 on the day before the valuation date (Monday, April 2, 1973). Thus, the price of \$23 is taken as representing the fair market value per bond as of the valuation date:

$$\frac{(25 + 21)}{2}$$

**Example (5).** Assume the same facts as in example (4) except that there were no sales on the day before the valuation date. Assume further that there were sales on Thursday, March 29, 1973, and that the closing selling price on that day was \$23. The price of \$24.50 is taken as representing the fair market value per bond as of the valuation date:

$$\frac{(1 \times 23) + (3 \times 25)}{4}$$

Example (6). Assume that no bonds were traded on the valuation date (Friday, April 20). Assume further that sales of bonds nearest the valuation date occurred two trading days before (Wednesday, April 18) and three trading days after (Wednesday, April 25) the valuation date and that on these two days the closing selling prices per bond were \$29 and \$22, respectively. The highest and lowest selling prices were not available from published sources or general circulation containing transactions in regulated markets. Thus, the price of \$26.20 is taken as the fair market value of a bond as of the valuation date:

$$\frac{(3 \times 29) + (2 \times 22)}{5}$$

## Appendix IV

### Illustration of Life Insurance and Simultaneous Death

Example. \$100,000 community policy on the life of the husband with the wife named as beneficiary and no contingent beneficiary named. The cash surrender value of the policy is \$7,000. The husband and wife die simultaneously within the meaning of Texas Probate Code Annotated, Section 47(B). Since no contingent beneficiary was named, the proceeds are distributable to the estate of each spouse. Thus, one-half (\$50,000) is included on the wife's inheritance tax return and one-half (\$50,000) on the return of the husband. Moreover, since the proceeds are receivable by the estate, they do not qualify for the \$40,000 life insurance exclusion.

## APPENDIX V

### Tables and Illustrations of Annuity Valuations

#### TABLE A(1)

TABLE, SINGLE LIFE MALE, 6 PERCENT, SHOWING THE PRESENT WORTH OF AN ANNUITY, OF A LIFE INTEREST, AND OF A REMAINDER INTEREST

(1) Age	(2) Annuity	(3) Life Estate	(4) Remainder	(1) Age	(2) Annuity	(3) Life Estate	(4) Remainder
0	15.6175	0.93705	0.06295	55	10.2960	.61776	.38224
1	16.0362	.96217	.03783	56	10.0777	.60466	.39534
2	16.0283	.96170	.03830	57	9.8552	.59131	.40869
3	16.0089	.96053	.03947	58	9.6297	.57778	.42222
4	15.9841	.95905	.04095	59	9.4028	.56417	.43583
5	15.9553	.95732	.04268	60	9.1753	.55052	.44948
6	15.9233	.95540	.04460	61	8.9478	.53687	.46313
7	15.8885	.95331	.04669	62	8.7202	.52321	.47679
8	15.8508	.95105	.04895	63	8.4924	.50954	.49046
9	15.8101	.94861	.05139	64	8.2642	.49585	.50415
10	15.7663	.94598	.05402	65	8.0353	.48212	.51788
11	15.7194	.94316	.05684	66	7.8060	.46836	.53164
12	15.6698	.94019	.05981	67	7.5763	.45458	.54542
13	15.6180	.93708	.06292	68	7.3462	.44077	.55923
14	15.5651	.93391	.06609	69	7.1149	.42689	.57311
15	15.5115	.93069	.06931	70	6.8823	.41294	.58706
16	15.4576	.92746	.07254	71	6.6481	.39889	.60111
17	15.4031	.92419	.07581	72	6.4123	.38474	.61526
18	15.3481	.92089	.07911	73	6.1752	.37051	.62949
19	15.2918	.91751	.08249	74	5.9373	.35624	.64376
20	15.2339	.91403	.08597	75	5.6990	.34194	.65806
21	15.1744	.91046	.08954	76	5.4602	.32761	.67239

22	15.1130	.90678	.09322	77	5.2211	.31327	.68673
23	15.0487	.90292	.09708	78	4.9825	.29895	.70105
24	14.9807	.89884	.10116	79	4.7469	.28481	.71519
25	14.9075	.89445	.10555	80	4.5164	.27098	.72902
26	14.8287	.88972	.11028	81	4.2955	.25773	.74227
27	14.7442	.88465	.11535	82	4.0879	.24527	.75473
28	14.6542	.87925	.12075	83	3.8924	.23354	.76646
29	14.5588	.87353	.12647	84	3.7029	.22217	.77783
30	14.4584	.86750	.13250	85	3.5117	.21070	.78930
31	14.3528	.86117	.13883	86	3.3259	.19955	.80045
32	14.2418	.85451	.14549	87	3.1450	.18870	.81130
33	14.1254	.84752	.15248	88	2.9703	.17822	.82178
34	14.0034	.84020	.15980	89	2.8052	.16831	.83169
35	13.8758	.83255	.16745	90	2.6536	.15922	.84078
36	13.7425	.82455	.17545	91	2.5162	.15097	.84903
37	13.6036	.81622	.18378	92	2.3917	.14350	.85650
38	13.4591	.80755	.19245	93	2.2801	.13681	.86319
39	13.3090	.79854	.20146	94	2.1802	.13081	.86919
40	13.1538	.78923	.21077	95	2.0891	.12535	.87465
41	12.9934	.77960	.22040	96	1.9997	.11998	.88002
42	12.8279	.76967	.23033	97	1.9145	.11487	.88513
43	12.6574	.75944	.24056	98	1.8331	.10999	.89001
44	12.4819	.74891	.25109	99	1.7554	.10532	.89468
45	12.3013	.73808	.26192	100	1.6812	.10087	.89913
46	12.1158	.72695	.27305	101	1.6101	.09661	.90339
47	11.9253	.71552	.28448	102	1.5416	.09250	.90750
48	11.7308	.70385	.29615	103	1.4744	.08846	.91154
49	11.5330	.69198	.30802	104	1.4065	.08439	.91561
50	11.3329	.67997	.32003	105	1.3334	.08000	.92000
51	11.1308	.66785	.33215	106	1.2452	.07471	.92529
52	10.9267	.65560	.34440	107	1.1196	.06718	.93282
53	10.7200	.64320	.35680	108	.9043	.05426	.94574
54	10.5100	.63060	.36940	109	.4717	.02830	.97170

TABLE A(2)

TABLE, SINGLE LIFE FEMALE, 6 PERCENT, SHOWING THE PRESENT WORTH OF AN ANNUITY, OF A LIFE INTEREST, AND OF A REMAINDER INTEREST

(1) Age	(2) Annuity	(3) Life Estate	(4) Remainder	(1) Age	(2) Annuity	(3) Life Estate	(4) Remainder
0	15.8972	0.95383	0.04617	55	11.6432	.69859	.30141
1	16.2284	.97370	.02630	56	11.4353	.68612	.31388
2	16.2287	.97372	.02628	57	11.2200	.67320	.32680
3	16.2180	.97308	.02692	58	10.9980	.65988	.34012
4	16.2029	.97217	.02783	59	10.7703	.64622	.35378
5	16.1850	.97110	.02890	60	10.5376	.63226	.36774

6	16.1648	.96989	.03011	61	10.3005	.61803	.38197
7	16.1421	.96853	.03147	62	10.0587	.60352	.39648
8	16.1172	.96703	.03297	63	9.8118	.58871	.41129
9	16.0901	.96541	.03459	64	9.5592	.57355	.42645
10	16.0608	.96365	.03635	65	9.3005	.55803	.44197
11	16.0293	.96176	.03824	66	9.0352	.54211	.45789
12	15.9958	.95975	.04025	67	8.7639	.52583	.47417
13	15.9607	.95764	.04236	68	8.4874	.50924	.49076
14	15.9239	.95543	.04457	69	8.2068	.49241	.50759
15	15.8856	.95314	.04686	70	7.9234	.47540	.52460
16	15.8460	.95076	.04924	71	7.6371	.45823	.54177
17	15.8048	.94829	.05171	72	7.3480	.44088	.55912
18	15.7620	.94572	.05428	73	7.0568	.42341	.57659
19	15.7172	.94303	.05697	74	6.7645	.40587	.59413
20	15.6701	.94021	.05979	75	6.4721	.38833	.61167
21	15.6207	.93724	.06276	76	6.1788	.37073	.62927
22	15.5687	.93412	.06588	77	5.8845	.35307	.64693
23	15.5141	.93085	.06915	78	5.5910	.33546	.66454
24	15.4565	.92739	.07261	79	5.3018	.31811	.68189
25	15.3959	.92375	.07625	80	5.0195	.30117	.69883
26	15.3322	.91993	.08007	81	4.7482	.28489	.71511
27	15.2652	.91591	.08409	82	4.4892	.26935	.73065
28	15.1946	.91168	.08832	83	4.2398	.25439	.74561
29	15.1208	.90725	.09275	84	3.9927	.23956	.76044
30	15.0432	.90259	.09741	85	3.7401	.22441	.77559
31	14.9622	.89773	.10227	86	3.5016	.21010	.78990
32	14.8775	.89265	.10735	87	3.2790	.19674	.80326
33	14.7888	.88733	.11267	88	3.0719	.18431	.81569
34	14.6960	.88176	.11824	89	2.8808	.17285	.82715
35	14.5989	.87593	.12407	90	2.7068	.16241	.83759
36	14.4975	.86985	.13015	91	2.5502	.15301	.84699
37	14.3915	.86349	.13651	92	2.4116	.14470	.85530
38	14.2811	.85687	.14313	93	2.2901	.13741	.86259
39	14.1663	.84998	.15002	94	2.1839	.13103	.86897
40	14.0468	.84281	.15719	95	2.0891	.12535	.87465
41	13.9227	.83536	.16464	96	1.9997	.11998	.88002
42	13.7940	.82764	.17236	97	1.9145	.11487	.88513
43	13.6604	.81962	.18038	98	1.8331	.10999	.89001
44	13.5219	.81131	.18869	99	1.7554	.10532	.89468
45	13.3781	.80269	.19731	100	1.6812	.10087	.89913
46	13.2290	.79374	.20626	101	1.6101	.09661	.90339
47	13.0746	.78448	.21552	102	1.5416	.09250	.90750
48	12.9147	.77488	.22512	103	1.4744	.08846	.91154
49	12.7496	.76498	.23502	104	1.4065	.08439	.91561
50	12.5793	.75476	.24524	105	1.3334	.08000	.92000
51	12.4039	.74423	.25577	106	1.2452	.07471	.92529
52	12.2232	.73339	.26661	107	1.1196	.06718	.93282
53	12.0367	.72220	.27780	108	.9043	.05426	.94574
54	11.8436	.71062	.28938	109	.4717	.02830	.97170

TABLE B

TABLE SHOWING THE PRESENT WORTH AT 6 PERCENT OF AN ANNUITY FOR A TERM CERTAIN, OF AN INTEREST FOR A TERM CERTAIN, AND OF REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN

(1) Number of Years	(2) Annuity	(3) Term Certain	(4) Remainder	(1) Number of Years	(2) Annuity	(3) Term Certain	(4) Remainder
1	0.9434	0.056604	0.943396	31	13.9291	.835745	.164255
2	1.8334	.110004	.889996	32	14.0840	.845043	.154957
3	2.6730	.160381	.839619	33	14.2302	.853814	.146186
4	3.4651	.207906	.792094	34	14.3681	.862088	.137912
5	4.2124	.252742	.747258	35	14.4982	.869895	.130105
6	4.9173	.295039	.704961	36	14.6210	.877259	.122741
7	5.5824	.334943	.665057	37	14.7368	.884207	.115793
8	6.2098	.372589	.627412	38	14.8460	.890761	.109239
9	6.8017	.408102	.591898	39	14.9491	.896944	.103056
10	7.3601	.441605	.558395	40	15.0463	.902778	.097222
11	7.8869	.473212	.526788	41	15.1380	.908281	.091719
12	8.3838	.503031	.496969	42	15.2245	.913473	.086527
13	8.8527	.531161	.468839	43	15.3062	.918370	.081630
14	9.2950	.557699	.442301	44	15.3832	.922991	.077009
15	9.7122	.582735	.417265	45	15.4558	.927350	.072650
16	10.1059	.606354	.393646	46	15.5244	.931462	.068538
17	10.4773	.628636	.371364	47	15.5890	.935342	.064658
18	10.8276	.649656	.350344	48	15.6500	.939002	.060998
19	11.1581	.669487	.330513	49	15.7076	.942454	.057546
20	11.4699	.688195	.311805	50	15.7619	.945712	.054288
21	11.7641	.705845	.294155	51	15.8131	.948785	.051215
22	12.0416	.722495	.277505	52	15.8614	.951684	.048316
23	12.3034	.738203	.261797	53	15.9070	.954418	.045582
24	12.5504	.753021	.246970	54	15.9500	.956999	.043001
25	12.7834	.767001	.232999	55	15.9905	.959433	.040567
26	13.0032	.780190	.219810	56	16.0288	.961729	.038271
27	13.2105	.792632	.207368	57	16.0649	.963895	.036105
28	13.4062	.804370	.195630	58	16.0990	.965939	.034061
29	13.5907	.815443	.184557	59	16.1311	.967867	.032133
30	13.7648	.825890	.174110	60	16.1614	.969686	.030314

If an annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods during the life of an individual or for a definite number of years, the aggregate amount to be paid within a year is first multiplied by the figure in column 2 of Table A(1) or A(2) or B, whichever is appropriate, opposite the number of years

in column 1. The product so obtained is then multiplied by whichever of the following factors is appropriate:

- 1.0148 for semiannual payments
- 1.0222 for quarterly payments
- 1.0272 for monthly payments
- 1.0291 for weekly payments

Use of the preceding tables is illustrated by the following examples:

**Example 1.** A, a male, age 40 years, eight months, received under his father's will \$10,000 a year payable annually during the lifetime of A. By reference to Table A(1), the figure in column 2 opposite 41 years is 12.9934. The present value of the annuity at the date of the father's death is \$129,934 ( $\$10,000 \times 12.9934$ ).

**Example 2.** A, a female, age 60 years, four months, received under the will of a sister a life estate in property valued at \$150,000 with a remainder at the death of A to B. By reference to Table A(2), the figure in column 3 opposite 60 years is .63226. The present value of the life estate of A at the sister's date of death is \$94,839 ( $\$150,000 \times .63226$ ). The figure in column 4 of Table A(2) opposite 60 years is .36774. Therefore, the present value of the remainder interest passing to B is \$55,161 ( $\$150,000 \times .36774$ ).

**Example 3.** A leaves to B an annuity of \$12,000 a year payable monthly for a term certain of 10 years. By reference to Table B, the figure in column 2 opposite 10 years is 7.3601. The aggregate annual amount, \$12,000, is multiplied by the factor 7.3601 and this product is then multiplied by the factor 1.0272 (factor for monthly payments). The present value of the annuity is, therefore, \$90,723.54 ( $\$12,000 \times 7.3601 \times 1.0272$ ).

**§3.216 (026.02.14.106). Transfers of Property Interests (14.01).**

(a) Transactions in contemplation of death.

(1) General rule. The taxable estate shall include the value of any transfer made within three years prior to death for other than full and adequate consideration. Such a transfer will be presumed to have been made in contemplation of death unless evidence warrants a finding to the contrary.

(2) Definition. Transfers "in contemplation of death," as used in this subsection, does not refer simply to the general expectation of death that all persons entertain, nor is its meaning restricted to an apprehension that death is imminent or near. A transfer in contemplation of death is a disposition of property prompted at least in part by the thought of death if (1) made with the purpose of avoiding death taxes, (2) made as a substitute for a testamentary disposition of the property, or (3) made for any other motive associated with death. The health and mental attitude of the decedent and all other attendant facts and circumstances are to be scrutinized in order to determine whether or not the thought of death is the primary motivation for the transfer. The question of motive is principally one of fact determinable by evidence. When evidence shows several different motives, the dominant motive shall control.

(3) Testamentary motives. The following are considered testamentary motives requiring the inclusion of property or property interests in the gross taxable estate:

(A) transfers made prior to an impending marriage to assure control of the testamentary disposition of the property;

(B) transfers that are testamentary in nature, particularly to the natural objects of a decedent's estate;

(C) generally, all transfers of life insurance because of the testamentary nature of the instrument itself; and

(D) a transfer to save death taxes or to substitute intervenors gifts for testamentary dispositions.

(4) Motives other than death motives. The following have been considered motives other than death motives:

(A) transfers to isolate property for nontestamentary reasons;

(B) transfers motivated by promises, agreements, or feelings of moral obligations;

(C) habits and generosity of the decedent;

(D) transfers for income tax savings;

(E) transfers to assist the donee in an immediate need; and

(F) transfers to avoid management responsibility.

(5) Facts and circumstances to be considered. All facts and circumstances shall be considered, including but not limited to:

(A) the age and health of the donor;

(B) the interval between the gift and death;

(C) the last illness of the donor and his knowledge of such illness;

(D) the relationship of donee to donor;

(E) existence of an overall testamentary scheme;

(F) the donor's prior history of giving; and

(G) the testamentary nature of the property.

(b) Transfers with retained life estate.

(1) General.

(A) A decedent's taxable estate includes the value of any property interest retained or reserved by a decedent:

(i) for his life,

(ii) for any period not ascertainable without reference to his death, or

(iii) for any period which does not in fact end before his death, in property not transferred for full and adequate consideration.

(B) A retained or reserved interest exists if one of the following is present:

(i) the use, possession, right to the income, or other enjoyment of the transferred property; or

(ii) the right, either alone or in conjunction with any other person or persons, to designate the person or persons who shall possess or enjoy the transferred property or its income. If the decedent retained or reserved an interest or right with respect to all of the property transferred by him, the amount of his includable property is the value of the entire property, less the value of any outstanding income interest which is not subject to the decedent's interest or right and which is actually being enjoyed by another person at the time of the decedent's death. If the decedent retained or reserved an interest in only a part of the property transferred by him, the amount to be included is a corresponding proportion of the amount described above. An interest or right is retained or reserved, if at the time of the transfer, there was an understanding, expressed or implied, that the interest or right would later be conferred.

(2) Meaning of terms. A reservation by the decedent "for any period not ascertainable without reference to his death" may be illustrated by the following examples.

(A) A decedent reserved the right to receive the income from transferred property in quarterly payments, with the provision that no part of the income between the last quarterly payment and the date of the decedent's death was to be received by the decedent or his estate.

(B) A decedent reserved the right to receive the income from transferred property after the death of another person who was in fact enjoying the income at the time of the decedent's death. In such a case, the amount to be included does not include the value of the outstanding income interest of the other person. It may be noted that if the other person predeceased the decedent, the reservation by the decedent may be considered to be either "for his life" or "for a period which does not end before his death."

(C) The "use, possession, right to the income, or other enjoyment of the transferred property" is considered as having been retained by or reserved to the decedent to the extent that the use, possession, right to the income, or other enjoyment may be applied toward the discharge of legal obligations of the decedent, or for his pecuniary benefit.

(D) The phrase "right to designate the person or persons who shall possess or enjoy the transferred property or the income therefrom" includes a reserved power to designate the person or persons to receive the income from the transferred property, or to possess or enjoy property which produced no income, during any other period described in subsection (b)(1) above. With respect to such a power, it is immaterial:

(i) whether the power was exercisable alone or only in conjunction with another person or persons, whether or not having an adverse interest;

(ii) in what capacity the power was exercisable by the decedent or by another person or persons in conjunction with the decedent; and

(iii) whether the exercise of the power was subject to a contingency beyond the decedent's control which did not occur before his death (e.g., the death of another person during the decedent's lifetime). This does not include a power over transferred property which does not affect the enjoyment of income received or earned during the decedent's life, nor does it apply to a power held solely by a person other than the decedent. If the decedent reserved the unrestricted power to remove or discharge a trustee at any time and appoint himself as trustee, the decedent is considered to have the powers of the trustee.

(c) Transfers taking effect at death.

(1) General. Except to the extent that the transfer was for full and adequate consideration, a decedent's taxable estate includes the value of any interest in property transferred by the decedent in trust or otherwise if:

(A) possession or enjoyment of the property could, through ownership of such interest, have been obtained only by surviving the decedent; or

(B) the decedent had retained a possibility (a "reversionary interest") that the property, other than the income would return to the decedent's estate. The value of the reversionary interest is to be determined by actuarial techniques.

(2) Condition of survivorship. As indicated above, the value of an interest in transferred property is not included in a decedent's taxable estate unless possession or enjoyment of the property could, through ownership of such interest, have been obtained only by surviving the decedent. Thus, property is not included in the decedent's gross estate if immediately before the decedent's death possession or enjoyment of the property could have been obtained by any beneficiary either by surviving the decedent or through the occurrence of some other event, such as the expiration of a term of years. However, if a consideration of the terms and

circumstances of the transfer as a whole indicates that the "other event" is unreal and if the death of the decedent does, in fact, occur before the "other event," the beneficiary will be considered able to possess or enjoy the property only by surviving the decedent. However, an interest in transferred property is not includable in a decedent's taxable property if possession or enjoyment of the property could have been obtained by any beneficiary during the decedent's life through the exercise of a general power of appointment which in fact was exercisable immediately before the decedent's death. (See paragraph (5)(D) of this subsection.)

(3) Reversionary interest. "Reversionary interest" includes the possibility that property transferred by the decedent may return to him or his estate and a possibility that property transferred by the decedent may become subject to a power of disposition by him. The term is not used in its strict technical sense, but has reference to any reserved right under which the transferred property may be returned to the grantor. The term encompasses an interest arising either by the express terms of the instrument of transfer or by operation of law. The term "reversionary interest" does not include rights to income only, such as the right to receive the income from a trust after the death of another person, nor does the term include the possibility that the decedent during his lifetime might have received back an interest in transferred property by inheritance through the estate of another person. Similarly, a statutory right of a spouse to receive a portion of whatever estate a decedent may leave at the time of his death is not a "reversionary interest." For purposes of this subsection, the value of the decedent's reversionary interest is computed as of the moment immediately before his death, without regard to whether or not the executor elects the alternate valuation method and without regard to the fact of the decedent's death. The value is ascertained in accordance with recognized valuation principles for determining the value for inheritance tax purposes of future or conditional interests in property. For example, if the decedent's reversionary interest was subject to an outstanding life estate in his wife, his interest is valued according to actuarial rules. On the other hand, if the decedent's reversionary interest was contingent on the death of his wife without issue surviving, and if it cannot be shown that his wife is incapable of having issue (so that his interest is not subject to valuation according to actuarial rules), his interest is valued according to general rules. A possibility that the decedent may be able to dispose of property under certain conditions is considered to have the same value as a right of the decedent to the return of the property under those same conditions.

(4) Transfers partly taking effect at death. If separate interests in property are transferred to one or more beneficiaries, paragraphs (1)-(3) of this subsection are to be separately applied with respect to each interest. For example, assume that the decedent transferred an interest in Blackacre to A which could be possessed or enjoyed only by surviving the decedent, and that the decedent transferred an interest in Blackacre to B which could be possessed or enjoyed only on the occurrence of some event unrelated to the decedent's death. Assume further that the decedent retained a reversionary interest in Blackacre. Only the value of the interest transferred to A is includable in the decedent's taxable property. Similar results would be obtained if possession or enjoyment of the entire property could have been obtained only by surviving the decedent, but the decedent had retained a reversionary interest in only a part of such property.

(5) **Examples.** The provisions of paragraphs (1)-(4) of this subsection may be further illustrated by the following examples.

(A) The decedent transferred property in trust with the income payable to his son for life and, at his son's death, remainder to the son's then surviving children, or if none, to the son's estate. Since each beneficiary can possess or enjoy the property through ownership of such interest without surviving the decedent, no part of the property is includable in the decedent's taxable estate, regardless of the value of the decedent's reversionary interest.

(B) The decedent transferred property in trust with the income payable to his wife for life and with the remainder payable to the decedent or, if he is not living at his wife's death, to his daughter or her estate. The daughter cannot obtain possession or enjoyment of the property without surviving the decedent. Therefore, the decedent has retained a reversionary interest. The value of this interest, immediately before his death, is includable in the decedent's estate.

(C) The decedent transferred property in trust with the income to be accumulated for a period of 20 years or until the decedent's prior death, at which time the principal and accumulated income was to be paid to the decedent's son if then surviving. Assume that the decedent does, in fact, die before the expiration of the 20-year period. If, at the time of the transfer, the decedent was 30 years of age, in good health, etc., the son will be considered able to possess or enjoy the property without surviving the decedent. If, on the other hand, the decedent was 70 years of age at the time of the transfer, the son will not be considered able to possess or enjoy the property without surviving the decedent. In this latter case, the value of the property interest is includable in the decedent's gross estate.

(D) The decedent transferred property in trust with the income to be accumulated for his life and, at his death, the principal and accumulated income to be paid to the decedent's then surviving children. The decedent's wife was given the unrestricted power to alter, amend, or revoke the trust. Assume that the wife survived the decedent but did not, in fact, exercise her power during the decedent's lifetime. Since possession or enjoyment of the property could have been obtained by the wife during the decedent's lifetime under the exercise of a general power of appointment, which was, in fact, exercisable immediately before the decedent's death, no part of the property is includable in the decedent's gross estate.

**§3.217 (026.02.14.107). Deductions (14.10).**

(a) **Funeral expenses.** Funeral expenses are allowed as a deduction from a decedent's gross estate to the extent actually expended. A reasonable expenditure for a tombstone, monument, or for a burial lot for the decedent and the decedent's spouse will also be allowed.

(b) **Executor's commission (14.09).** In filing the inheritance tax return, the executor or administrator may deduct reasonable commissions he has actually been paid, or which at the time of filing the return may reasonably be expected to be paid, but no deduction may be taken if no commissions are to be collected. If the deduction is allowed in advance of payment and is thereafter waived or changed, the executor shall notify the Inheritance Tax Division and pay the resulting tax with interest. If the testator bequeaths or devises property to the executor in lieu of commissions or fixes the amount of compensation by will, the value of such property to the extent

that it represents reasonable compensation is an allowable deduction. The value of such property in excess of reasonable compensation, however, is not an allowable deduction. The amount of compensation considered reasonable generally cannot exceed 5.0% of the gross estate subject to administration, Texas Probate Code Annotated, Section 241. The 5.0% limitation may not be applied when the executor or administrator manages a farm, ranch, factory, or other business of the estate, or if the compensation calculated above is unreasonably low. Notwithstanding the above, commissions earned after a reasonable period of administration will not be deductible.

(c) **Attorney's fees.** A deduction will be allowed for reasonable attorney's fees actually paid or which at the time of filing may reasonably be expected to be paid for the following:

(1) Fees incurred for will probate.

(2) Fees attributable to determination of the estate's liability for:

- (A) the decedent's final income tax,
- (B) federal estate and gift taxes, and
- (C) Texas inheritance tax.

(3) Fees incurred for other legal services customarily required in representing a decedent's estate as set forth under the "Statement of Principles concerning the Responsibilities of an Attorney in the Administration of a Decedent's Estate in Texas, As Amended," adopted by the Board of Directors of the State Bar of Texas, April 12, 1975.

(4) Fees paid in contesting an asserted inheritance tax deficiency or in prosecuting a claim for an inheritance tax refund even though the deduction was not claimed in the inheritance tax return or in the claim for refund.

(5) Notwithstanding the above, attorney's fees incurred after a reasonable period of administration will not be deducted.

(d) **Miscellaneous expenses.**

(1) Only miscellaneous expenses incurred in connection with the assessment and collection of the Texas inheritance tax, such as court costs, accountant's fees, and appraiser's fees, are deductible. Expenses incurred because an administration is held open during the period of an extension or payout of any estate or inheritance taxes are not deductible.

(2) Reasonable expenses for selling property of the estate are deductible if the sale is necessary in order to pay the decedent's debts, taxes, or expenses of administration, or if the will specifically states the property is to be sold. The phrase "expenses of selling property" includes brokerage fees and other expenses attending the sale such as the reasonable fees of an auctioneer if it is necessary to employ one.

(e) **Debts of decedent.**

(1) Allowable deductions. Only valid debts of the decedent which were due and unpaid at the time of death may be deducted. These include:

(A) state, county, municipal, and school property taxes to the extent that such taxes had accrued prior to the date of the decedent's death;

(B) taxes on income received during the decedent's lifetime (taxes on income received after death are not deductible);

(C) unpaid gift taxes for gifts made by a decedent before his death;

(D) notes unsecured by mortgage or other lien, including interest accrued to date of decedent's death;



(E) unpaid inheritance or estate taxes from a prior decedent;

(F) expenses incident to the last illness of the decedent unpaid at the date of death and not subject to reimbursement by medical insurance are deductible in full not just to the extent of the decedent's community interest; and

(G) debts secured by insurance.

(2) Deductions not allowable:

(A) homestead exemption (Texas Attorney General's Opinion, September 22, 1934);

(B) family allowance provided by Texas Probate Code Annotated, Section 286;

(C) attorney fees not incurred by executor or administrator (Texas Attorney General Opinion No. 0-6035 (1944));

(D) federal estate tax (Walker v. Mann, 143 S.W.2d 152 (Texas Civil Appeals—Austin 1940, writ ref'd));

(E) interest or penalties on any estate or inheritance taxes or interest on a debt incurred to pay such taxes; and

(F) foreign death taxes.

(f) Mortgages and liens.

(1) A deduction is allowed for obligations secured by property included in the gross estate only when the decedent's estate is liable. These include:

(A) mortgages;

(B) liens;

(C) notes and other obligations secured by deposit of collateral, such as stocks, bonds, and life insurance policies; and

(D) interest on obligations which had accrued to the date of death.

(2) Deductions not allowable. No deduction may be taken for any mortgage on property which does not form a part of the decedent's gross estate.

(g) Deduction for property previously taxed.

(1) A deduction is allowable for a percentage of the value of any property which was received from any person dying within 10 years prior to the death of the decedent. The deduction shall be determined as follows:

Time Interval between the Dates of Death of Present and Prior Decedents	Percentage of the Value of Property Received from a Prior Decedent Allowable as a Deduction from the Gross Estate
Within one year	100%
Within two years	90%
Within three years	80%
Within four years	70%
Within five years	60%

$$60\% \times [\$96,200 - (\frac{96,200}{142,800} \times 10,000)] = \$53,677.99$$

$$y \times [f - (\frac{f \times e}{t})] = \text{DPPT}$$

- f = amount received in fee (96,200)
- t = total amount received (142,800)
- e = exemption for beneficiary Class (Class C = \$10,000)
- y = deduction factor (B dies within 5 yrs. of A = 60%)
- DPPT = Deduction for Property Previously Taxed

Within six years	50%
Within seven years	40%
Within eight years	30%
Within nine years	20%
Within 10 years	10%
After 10 years	No deduction

(2) The deduction is to be only the percentage of the value of the property upon which an inheritance tax was actually paid and shall not include any legal exemptions claimed by and allowed the heirs or legatees of the estate of the prior decedent. A full statement of facts authorizing deductions must be made a part of the inheritance tax return. The property inherited from the prior decedent which is still in the second decedent's estate must be identified before any deduction will be allowed.

(3) No deduction is allowable on an amount inherited as a life estate (Texas Attorney General Opinion No. M-1196 (1972)).

(4) No deduction is allowable on an amount received from an estate in another state if that state did not impose an inheritance tax.

(5) Example. The deduction for property previously taxed (DPPT) where the decedent had previously inherited property in fee simple and all property received was in Texas is computed as follows: Niece B, the decedent, died within five years after inheriting \$142,800 in fee simple from her uncle, A. All of the property A devised to B can be identified in B's estate.

Property inherited by B	\$142,800
Less exemption (for Class C beneficiary)	(10,000)
Property on which inheritance tax paid	\$132,800
Percentage allowable (60% for within five years)	X .60
Allowable DPPT	\$79,680

(6) Example. Nephew B died within five years after inheriting \$142,800 from his uncle, A. All of the inherited property was within Texas. Of this amount, \$96,200 was received in fee simple and \$46,600 was received as a life estate. All of the property A devised to B can be identified in B's estate. (The applicable exemption must be prorated between the fee portion and the life estate portion. No deduction from the gross estate is allowable on the life estate portion.)

(7) Example. Computation of the deduction for property previously taxed where the decedent had previously inherited property both in Texas and outside Texas is illustrated by the following example based on the facts set out:

Facts: °Decedent A, a Texas resident, dies owning \$125,000 in Texas real and personal property plus \$50,000 real property in another state. He leaves all his estate to B, his nephew. Debts of the estate were \$27,000.

°B, the nephew, also a Texas resident, dies within four years of A's death owning \$152,000 in Texas real and personal property plus \$50,000 real property in another state. All of the property A devised to B can be identified in B's estate. Debts of the estate were \$40,000. B makes a charitable bequest of \$2,000 and gives the residue equally to C, his nephew, and D, his niece.

(A) Computation in A's estate:

Texas Gross	\$125,000
Out-of-State Gross	50,000
Gross	<u>\$175,000</u>
Debts	<u>(27,000)</u>
Net	<u>\$148,000</u>

Tax for Nephew B (Class C) on \$148,000 = \$6,830.

$$\frac{\$125,000 \text{ Texas Gross}}{\$175,000 \text{ Gross}} \times \$6,830 \text{ Tax} = \$4,878.57 \text{ Texas Tax Due}$$

$$\frac{125,000}{175,000} = .714286 \times \$27,000.00 = \$19,285.72 \text{ (Texas Debts)}$$

$$\$27,000.00 - \$19,285.72 = \$7,714.28 \text{ (Out-of-State Debts)}$$

$$\$125,000.00 \text{ (Texas Gross)} - \$19,285.72 \text{ (Texas Debts)} = \\ \$105,714.28 \text{ (Texas Net)}$$

$$\$50,000.00 \text{ (Out-of-State Gross)} - \$7,714.28 \text{ (Out-of-State Debts)} = \\ \$42,285.72 \text{ (Out-of-State Net)}$$

(B) Calculations with respect to B's estate.

(i) Computation of the deduction for property previously taxed (DPPT):

Texas net from estate A	\$105,714.28
Less Class C exemption	<u>(10,000.00)</u>
	\$ 95,714.28
Factor for death within 4 yrs.	x. 70
Total Texas DPPT	<u>\$ 67,000.00</u>
Out of State net from estate A	\$42,285.72
Less Class C exemption from other state	<u>(2,000.00)</u>
	\$40,285.72
Factor for death within 4 yrs.	x. 70
Total Out-of-State DPPT	<u>\$28,200.00</u>

## (ii) Computation of B's net estate:

Total Texas Gross	\$152,000.00
Total Out-of-State (OOS) Gross	50,000.00
Total Gross	<u>\$202,000.00</u>
Total Debts	(40,000.00)
Total Texas DPPT	(67,000.00)
Total OOS DPPT	(28,200.00)
Total Net	<u>\$ 66,800.00</u>

## (iii) Distribution of B's net estate.

## (I) To Nephew C (one-half of the residue):

\$ 75,000.00	Texas Gross	(((\$152,000 - \$2,000) ÷ 2 = \$75,000)
25,000.00	OOS Gross	(\$50,000 ÷ 2 = \$25,000)
<u>\$100,000.00</u>	Gross	
(20,000.00)	Debts	(\$40,000 ÷ 2 = \$20,000)
(33,059.21)	Texas DPPT	( $\frac{\$ 75,000}{\$152,000} \times \$67,000$ )
(14,100.00)	OOS DPPT	( $\frac{\$25,000}{\$50,000} \times \$28,200$ )
<u>\$ 32,840.79</u>	Net	

Tax for Nephew C (Class C) on \$32,840.79  
= \$763.63 (Tax)

$\frac{\$ 75,000}{\$100,000} \times \$763.63 \text{ Tax} = \$572.72 \text{ Texas Tax Due}$

## (II) To Niece D (one-half of the residue): same distribution as Nephew C above.

## (III) To charity (specific bequest of \$2,000):

\$2,000.00	Texas Gross	
0	OOS Gross	
<u>\$2,000.00</u>	Gross	
( 0)	Debts	
( 881.58)	Texas DPPT	( $\frac{\$ 2,000}{\$152,000} \times \$67,000 \text{ DPPT}$ )*
( 0)	OOS DPPT	
<u>\$1,118.42</u>	Net	

\*Even though no tax is due because the transfer is to an exempt beneficiary, the DPPT is still allocated.

(h) Proration of debts.

(1) Proration of debts when the decedent dies testate shall be in accordance with the provisions of the will.

(2) Unless the will provides otherwise:

(A) debts shall be deducted from the rest and residue of the estate;

(B) debts in excess of the rest and residue shall be charged against bequests or devises in the following order:

(i) general gifts;

(ii) demonstrative gifts;

(iii) specific gifts;

(C) if the will provides for the protection of the burden of the debts of the estate against a specific bequest, the debts shall be prorated against these specific bequests only after all other assets have been exhausted.

§3.218 (026.02.14.108). *Audit Procedures (1.032, 14.11, 14.13).*

(a) General.

(1) Compliance shall be monitored by examining all inheritance tax returns. The scope of the audit applied to each return shall generally depend on the strength of evidence submitted to support valuation of property interests. Evidence may be required if descriptions of assets are inadequate or if the return is selected for detailed examination. Adequate descriptions of assets shall include sufficient information to fix the location, quality, quantity, and value of all property.

(2) When a detailed audit is necessary, audit procedures shall consist of collection of evidence to verify the correct valuation of assets, the appropriate application of deductions, and the correct computation of tax. Evidence may be required to be submitted to the Office of the Comptroller or may be examined at its location.

(b) Documentation required (14.13(B)).

(1) The comptroller is authorized to examine books, records, documents, or property deemed necessary to assess the tax including but not limited to the following:

(A) books of account of businesses including supporting documents to the entries;

(B) insurance policies and supporting documents;

(C) minutes of boards of directors meetings;

(D) legal instruments pertaining to debts, trusts, partnerships, contractual agreements, and litigation;

(E) federal income, gift, and estate tax returns of the decedent and those individuals and business entities relevant to the estate;

(F) any financial records of the decedent or related individuals or businesses;

(G) copies of any appraisals completed or required by federal estate regulations including attendant statements and affidavits;

(H) life insurance policies including the applications for the policy and any interim changes in the policy, its ownership, or designation of beneficiary; and

(I) information from probate courts, county clerks, financial institutions, title companies, brokerage firms, insurance companies, and federal agencies, or any other organization having information which may be helpful in determination of compliance with the inheritance tax law.

(2) When attempting to rebut the statutory presumption of transfers in contemplation of death, the estate representative shall be required to submit the following on request:

(A) death certificate,

(B) statement from the decedent's physician regarding the decedent's health at the date of the transfer,

(C) statement from the decedent's physician regarding the cause of death and the length of the last illness, and

(D) any other evidence helpful in establishing the decedent's state of mind at the time the gift was transferred.

(c) Adjustments to estates resulting from audit.

(1) General. The final determination of the amount of inheritance tax due is based on the results of the audit performed by the Inheritance Tax Division with consideration given to any federal audit adjustments.

(2) Property valuation. If the value of any property appears to be incorrect, the comptroller may appraise the property or have it appraised to determine the value for inheritance tax purposes. Information submitted by the estate, as well as the federal valuation of any property for estate tax purposes, will be taken into consideration.

(3) Determination of tax. If a preliminary audit by the Inheritance Tax Division results in a determination that additional tax, interest, and/or penalty is due, a deficiency notice may be issued at this time in accordance with the provisions of Texas Taxation—General Annotated, Article 1.032. If, moreover, the estate files a federal estate tax return, then upon receipt of the federal audit information required by §3.212(b)(2) (102(b)(2)), a final review of the estate will be made. If any additional amounts owed to the State of Texas as a result of a federal audit are not remitted with the copy of the federal audit changes, a deficiency notice may be issued at this time as well. If the federal audit changes establish an overpayment of tax, a refund will be forwarded to the estate. (Section 3.222 (112) should be consulted in regard to deficiency determinations.)

§3.219 (026.02.14.109). *Distribution.*

(a) General. The total value of the net taxable estate shall be allocated, for purposes of inheritance taxation, to the beneficiaries of the decedent's estate in accordance with the last will and testament as probated or under the laws of descent and distribution. The rate of the inheritance tax is dependent upon the relationship of the beneficiary to the decedent. If there is more than one beneficiary and beneficiaries do not share the estate equally, the assets distributed to each shall be fully disclosed and the allocation explained either on the return or in attached papers. The net taxable estate must be distributed to the beneficiaries in existence at the date of death. If discretionary distributions are to be made to a class of beneficiaries, the distributions are assumed to be made equally to the members of that class.

(b) Certain U.S. government bonds. Interests in certain U.S. government bonds, such as Series E bonds, shall be determined in accordance with the contractual obligation as stated on the bonds and not under the last will and testament of the decedent.

(c) Spouse's homestead right. For inheritance tax purposes, the spouse's homestead right to occupy the decedent's community one-half of their residence for life shall not be taxed as a life estate unless the language of the decedent's will specifically creates a life estate.

(d) Transfers by will or intestacy.

(1) Transfers by will or intestate laws, as used in inheritance and estate tax laws, shall include the actual assets owned by a decedent at the date of death. The executor or administrator shall account for the entire estate in the probate

proceedings and is responsible for the distribution of these assets to those entitled to receive either by will or intestacy laws.

(2) The word "transfer" shall include the passing of property or any interest therein, in possession or enjoyment, present or future, by inheritance, descent, devise, succession, bequest, grant, deed, sale, gift, or appointment in the manner herein prescribed.

(3) Transfers by "intestacy laws" shall include transfers under the statutes of descent and distribution of the state where the decedent died or the state where the property passing is located, depending on the wording of the statutes, and transfers by operation of law upon the death of a person who died without a valid will.

(4) Disposition of an estate under the Texas laws of descent and distribution is as follows:

(A) Surviving spouse and child.

(i) Separate property.

(I) Real estate: 1/3 to surviving spouse for life, all the rest equally divided among children.

(II) Other property: 1/3 to surviving spouse, 2/3 equally divided among children.

(ii) Community property. The decedent's 1/2 interest is equally divided among children, the other 1/2 is retained by the surviving spouse.

(B) Surviving spouse but with no child surviving.

(i) Separate property.

(I) Real estate: 1/2 to surviving spouse, the other 1/2 as follows:

(-a-) if both parents survive, 1/4 to mother, 1/4 to father;

(-b-) if only one parent survives, 1/4 to surviving parent, other 1/4 equally divided among decedent's surviving brothers and sisters and their descendants; if neither brothers nor sisters nor their descendants survive, 1/2 to the surviving parent;

(-c-) if neither parent survives, 1/2 equally divided among decedent's surviving brothers and sisters and their descendants; if neither brothers nor sisters nor their descendants survive, then all to surviving spouse.

(II) Other property: all to surviving spouse.

(i) Community property: all to surviving spouse.

(C) No surviving spouse but with child surviving.

All property is equally divided among children.

(D) No surviving spouse or child. All property, both real estate and other, is distributed as follows:

(i) if both parents survive, 1/2 to mother, 1/2 to father;

(ii) if only one parent survives, 1/2 to surviving parent, 1/2 equally divided among the decedent's brothers and sisters and their descendants;

(iii) if neither parent survives, all property equally divided among the decedent's brothers and sisters and their descendants.

(5) See the graphic charts on the following pages for proper distribution of an estate under the Texas laws of descent and distribution.

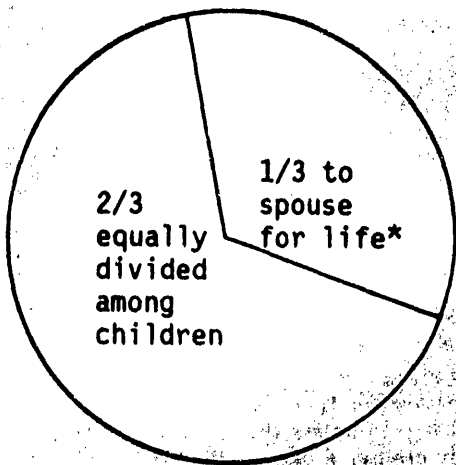
DISTRIBUTION OF PROPERTY WHERE NO WILL IS LEFT

Shown by GRAPHIC CHARTS

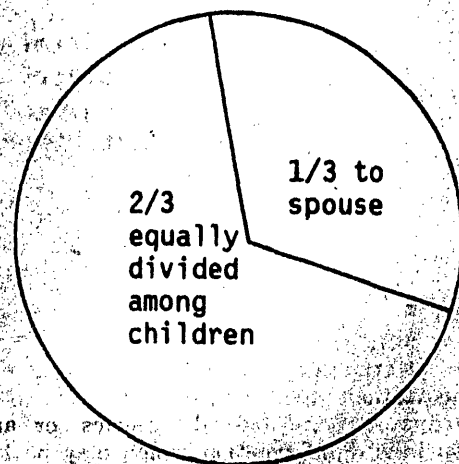
EXAMPLE (1). SURVIVING SPOUSE AND CHILD

A. SEPARATE PROPERTY

REAL ESTATE



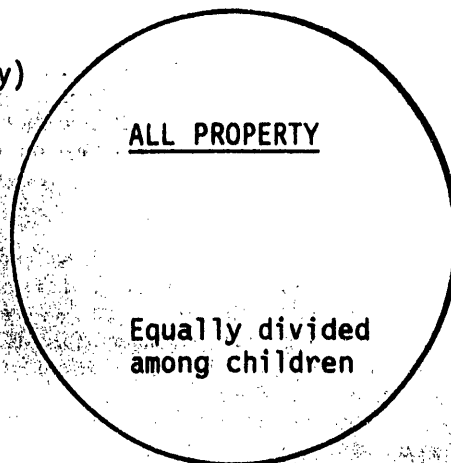
OTHER PROPERTY



\*Remainder to children and their descendants.

**B. COMMUNITY PROPERTY (Decedent's 1/2 only)**

The surviving spouse retains his or her one-half interest in the community while the decedent's one-half interest in the community is equally divided among the children. Children of deceased children take their parent's share. Advancements to children must be accounted for.

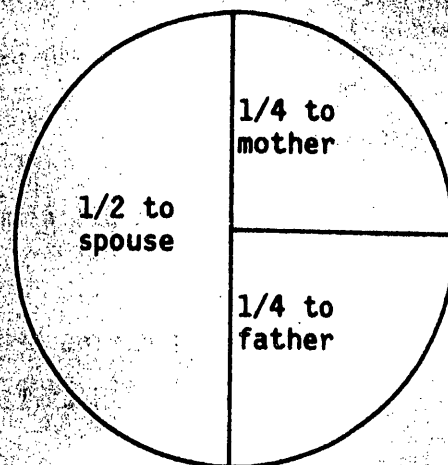


**EXAMPLE (2). SURVIVING SPOUSE BUT WITH NO CHILD SURVIVING**

**A. SEPARATE PROPERTY**

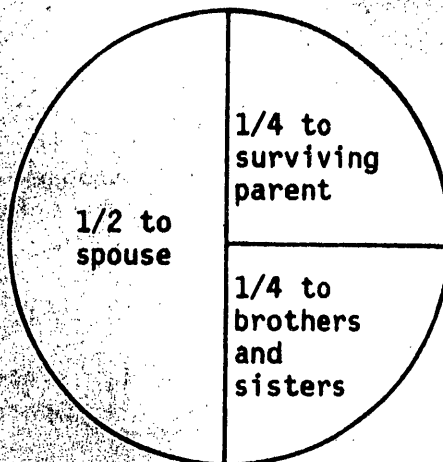
(1) Both decedent's parents survive.

REAL ESTATE

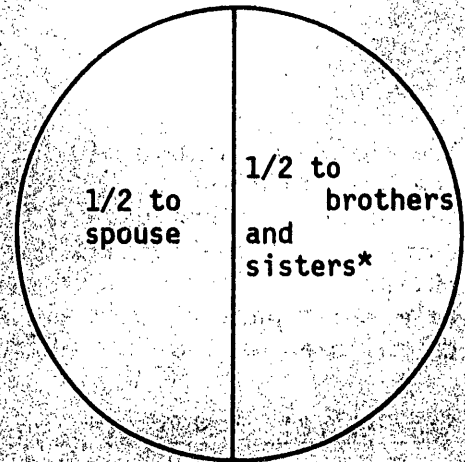


(2) Only one parent survives.  
\*If no brothers or sisters or their descendants survive, then 1/2 to the surviving parent

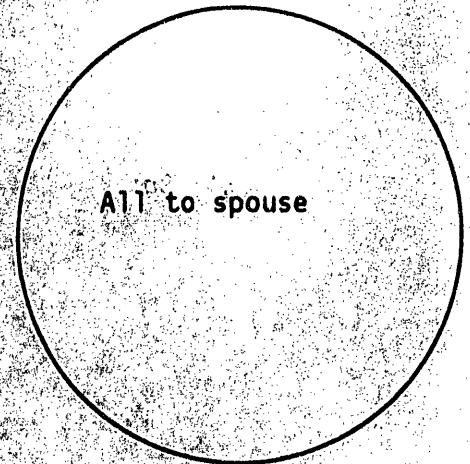
REAL ESTATE



- (3) No parent survives.  
\*If no brothers or sisters or their descendants survive, then all separate real property to the surviving spouse

REAL ESTATE

All separate property other than real estate goes to the surviving spouse, regardless of whether the decedent's parents and brothers or sisters survive.

OTHER PROPERTYB. COMMUNITY PROPERTY

The decedent's one-half interest in the community passes to the surviving spouse.

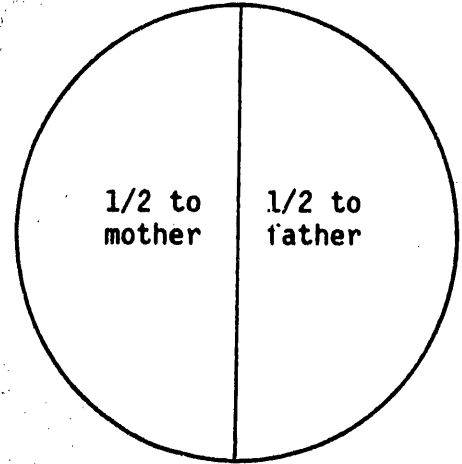
EXAMPLE (3). NO SURVIVING SPOUSE BUT WITH CHILD SURVIVING

All property is equally divided among the children. Children of deceased children take their parent's share. Advancements to children must be accounted for.

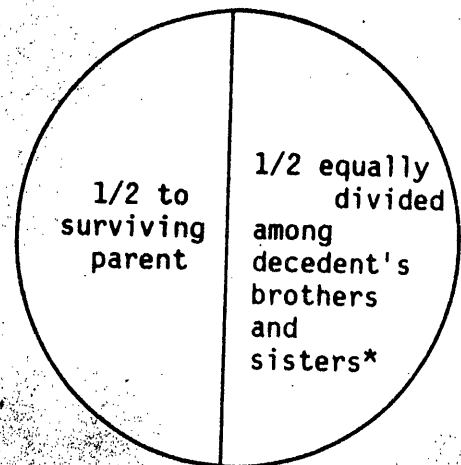
EXAMPLE (4). NO SURVIVING SPOUSE OR CHILD

ALL PROPERTY

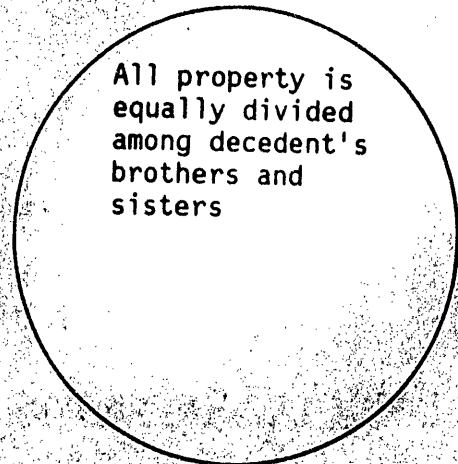
(1) Both decedent's parents survive



(2) Only one parent survives.  
\*Children of deceased brothers or sisters take their parent's share.



(3) No parent survives.  
\*Children of deceased brothers or sisters take their parent's share.





## (e) Community and separate property.

(1) The taxable estate for state inheritance tax purposes shall include all of the decedent's separate property and one-half of the community estate.

(A) Separate property. A decedent's separate property consists of:

(i) the property owned or claimed by the decedent before marriage;

(ii) the property acquired by the decedent during marriage by gift, devise, or descent; and

(iii) the recovery for personal injuries sustained by the decedent during marriage, except any recovery for loss of earning capacity during marriage.

(B) Community property consists of the property, other than separate property, acquired by either the decedent or his or her spouse during marriage.

(C) In states where the community property system is used (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Washington, Texas, and Hawaii), on

the death of a spouse, the survivor shall retain his or her half of the community assets, not as an heir, but by virtue of the marriage relationship. Only one-half of the community property shall be taxable upon the death of the first spouse. If, however, the decedent attempts to dispose of the entire community property and not just his or her one-half interest, then the surviving spouse may elect either to retain his or her one-half interest in the community or to take under the provisions of the will. The following examples, based on the facts set out, illustrate the distribution of the decedent's net estate where the widow elects to take under the will (see Texas Attorney General Opinion No. C-575 (1965)):

Facts: "All property of the estate is Texas property.

"Husband's (H) will leaves both his separate property and the entire community property to his wife (W) for life with the remainder to his daughter (D).

"The value of the property disposed of by H in his will is as follows:

H's Separate Property	=	\$200,000
H's Community One-Half	=	150,000
Debts of the estate	=	-0-
H's Net Estate	=	<u>\$350,000</u>
W's Community One-Half	=	<u>150,000</u>
Total Value		\$500,000

Example (1). W receives less under the will than the value of her community one-half share.

If:	Value of W's Life Estate in Total Amount =	\$130,000
	Value of D's Remainder in Total Amount =	<u>370,000</u>
	Total Amount	500,000

Then: Value of share of entire net wherever located is

W's Share	=	\$ -0-*
D's Share	=	<u>350,000</u> (H's entire net estate is taxed to D)
		<u>150,000</u> H's net estate (taxed)
		<u>150,000</u> W's community one-half (not taxed)
		\$500,000 Total Amount

\*Value of W's share is \$-0- since the \$130,000 life estate she received under the will is less than her \$150,000 community one-half share she gave up to obtain the life estate.

Example (2). W receives more under the will than the value of her community one-half share.

If:	Value of W's life estate in total amount	=	\$190,000
	Value of D's remainder in total amount	=	<u>310,000</u>
	Total Amount		\$500,000

Then: Value of share of entire net estate wherever located is:

W's Share	=	\$ 40,000*	
D's Share	=	<u>\$310,000</u>	(H's net estate of \$350,000 less the \$40,000 taxed to W)
		\$350,000	H's net estate (taxed)
		<u>150,000</u>	W's community one-half (not taxed)
		\$500,000	Total Amount

\*Value of W's share is \$40,000 since the \$190,000 life estate she received under the will is \$40,000 more than her \$150,000 community one-half share she gave up to obtain the life estate.

(2) Property acquired prior to marriage shall be considered separate property with a deduction allowed for one-half of the amount of community funds used in making payments on such property.

(3) If a resident of Texas owned personal property located in another state, the law of Texas shall determine if the property is community or separate for inheritance tax purposes. If a nonresident acquires property in Texas, the law of Texas applies to determine its character. However, in applying the law of Texas one looks to the law of the state of residence to determine if the funds used to acquire the property were separate or community funds.

(f) Disclaimer and renounced legacies. No tax shall be imposed by the comptroller on the legatee when the legacy is renounced or disclaimed in accordance with Texas Probate Code Annotated, Section 37A.

(g) Compromise agreements. Compromise agreements do not have the same effect for inheritance tax purposes as a renunciation by the legatee. The tax is properly computed and due according to the provisions of the probated will even though a compromise agreement may ultimately alter the actual distribution (*Crane v. Mann*, 162 S.W.2D 117 (Texas Civil Appeals—Beaumont 1942, writ ref'd)).

### §3.220 (026.02.14.110). Tax Computation.

(a) Classes of beneficiaries (14.02-14.06).

(1) There are six classes of beneficiaries: A, B, C, D, E, and Exempt. Schedules for rapid determination of the tax follow:

#### Classification, Exemptions, and Rates for Beneficiaries

**Class A. (14.02).** Husband or wife, or any direct lineal descendant of husband or wife, or any direct lineal descendant or ascendant of the decedent, or to legally adopted child or children, or any direct lineal descendant of adopted child or children of decedent, or to the husband of a daughter, or the wife of a son. For Class A beneficiaries only, the following calculations must be made to arrive at the "value of taxable share" (after exemption) appearing in column (e). This result is then used to determine the tax from the schedule below. (The exemption is not included in the Class A schedule but is included in the schedules for Classes B, C, D and E.)

(a)	(b)	(c)	(d)	(e)
Value of Share of Entire Net Estate Where- Ever Located	Percentage of Share Received to Total of All Class A Shares	Exemption \$200,000 (See Note 1)	Pro Rata Share of Exemption Multiply (B) By (C) (See Note 2)	Value of Taxable Share (A) Minus (D)

Notes:

(1) The amount of "exemption" (C) increases to \$250,000 for decedents whose deaths occur on or after September 1, 1982, and to \$300,000 for decedents whose deaths occur on or after September 1, 1985. For decedents whose deaths occurred prior to September 1, 1978, use the schedule for Class B beneficiary for each Class A beneficiary.

(2) The amount of "pro rata share of exemption" (D) must always be at least \$25,000 regardless of the prorated amount.

Value of Taxable Share  
(From (e) above)

Equal to or More Than	Less Than	Tax on Amount in Column (1)	Rate of Tax on Excess over Amount in Column (1)
(1)	(2)	(3)	(4)
\$ -0-	\$ 50,000	\$ -0-	1%
50,000	100,000	500	2%
100,000	200,000	1,500	3%
200,000	500,000	4,500	4%
500,000	1,000,000	16,500	5%
1,000,000	---	41,500	6%

Class B. (14.03). If passing to or for the use of the United States, to be used in Texas.

<u>Value of Share</u>		Tax on	Rate of Tax on
Equal To or More Than	Less Than	Amount in Column (1)	Excess over Amount In Column (1)
(1)	(2)	(3)	(4)
\$ -0-	\$ 25,000	Exempt	0
25,000	50,000	---	1%
50,000	100,000	\$ 250	2%
100,000	200,000	1,250	3%
200,000	500,000	4,250	4%
500,000	1,000,000	16,250	5%
1,000,000	---	41,250	6%

**Class C. (14.04). Brothers, sisters, or their descendants.**

Equal to or More Than	<u>Value of Share</u>		Tax on Amount in Column (1)	Rate of Tax on Excess over Amount in Column (1)
	<u>Less Than</u>			
(1)	(2)		(3)	(4)
\$ -0-	\$ 10,000		Exempt	0
10,000	25,000		---	3%
25,000	50,000		\$ 450	4%
50,000	100,000		1,450	5%
100,000	250,000		3,950	6%
250,000	500,000		12,950	7%
500,000	750,000		30,450	8%
750,000	1,000,000		50,450	9%
1,000,000	---		72,950	10%

**Class D. (14.05). Uncles, aunts, or their descendants.**

**Class D. (14.05) - Uncles, aunts or their descendants.**

Equal to or More Than	<u>Value of Share</u>		Tax on Amount in Column (1)	Rate of Tax on Excess over Amount in Column (1)
	<u>Less Than</u>			
(1)	(2)		(3)	(4)
\$ -0-	\$ 1,000		Exempt	0
1,000	10,000		---	4%
10,000	25,000		\$ 360	5%
25,000	50,000		1,110	6%
50,000	100,000		2,610	7%
100,000	500,000		6,110	10%
500,000	1,000,000		46,110	12%
1,000,000	---		106,110	15%

Class E. (14.06). If passing to another person, organization, or institution not included in any of the classes mentioned in the preceding Articles or unless specifically exempted.

Equal to or More Than	Value of Share		Tax on Amount in Column (1)	Rate of Tax on Excess over Amount in Column (1)
	(1)	Less Than (2)		
\$ -0-		\$ 500	Exempt	0
500		10,000	---	5%
10,000		25,000	\$ 475	6%
25,000		50,000	1,375	8%
50,000		100,000	3,375	10%
100,000		500,000	8,375	12%
500,000		1,000,000	56,375	15%
1,000,000		---	131,375	20%

Note: In using the preceding tax rate schedules for Classes B, C, D, and E for the basic inheritance tax, the statutory exemption has already been taken into account. The following two examples illustrate the application of the preceding tax schedules to the given facts.

Example (1):

Date of death: November 1, 1978

Facts: Decedent leaves all his estate to his spouse  
(Class A beneficiary).

Net taxable estate: \$410,000

Computation of basic inheritance tax for spouse:

Step 1: Arrive at the "Value of Taxable Share".

\$410,000 Share of Net Taxable Estate
-200,000 Exemption
<hr/>
\$210,000 Value of Taxable Share

Step 2: Compute the Tax due.

Value of Taxable Share	Rate	Tax Due
0- 50,000	1%	\$ 500
50,000- 100,000	2%	1,000
100,000- 200,000	3%	3,000
200,000- 210,000	4%	400
	Total Due	<hr/> \$ 4,900

**Example (2):**

Date of death: September 5, 1978

Facts: Decedent left her estate to her three children (Class A beneficiaries) and to a niece (Class C beneficiary) as follows: Steve—\$25,000; Carol—\$75,000; John—\$400,000; Niece Karen—\$50,000

Net taxable estate: \$550,000

Computation of basic inheritance tax for children and niece:

Step 1: Arrive at the "value of taxable share" for each beneficiary:

Name	Value of Share of Entire Net Estate Wherever Located	Percentage of Share Received to Total of all Class A Shares	Exemption	Pro Rata Share of Exemption Multiply (B) By (C)	Value of Taxable Share (A) Minus (D)
Steve	\$ 25,000	$\frac{25,000}{500,000} = 5\%$	\$200,000	\$ 25,000*	-0-
Carol	75,000	$\frac{75,000}{500,000} = 15\%$	\$200,000	30,000	\$ 45,000
John	400,000	$\frac{400,000}{500,000} = 80\%$	\$200,000	160,000	240,000
	<u>\$500,000</u>	<u>100%</u>		<u>\$215,000</u>	

\*This amount shall always be at least \$25,000.

**Step 2: Compute the tax due.**

Name	Value of Taxable Share	Rate	Tax Due
Steve	-0-	-0-	-0-
Carol	0- 45,000	1%	450,000
John	0- 50,000	1%	500.00
	50,000- 100,000	2%	1,000.00
	100,000- 200,000	3%	3,000.00
	200,000- 240,000	4%	1,600.00
			6,100.00
Karen	(See Below)		1,450.00
		<b>Total Due</b>	<u>8,000.00</u>

Niece (Karen)  
Compute the Tax Due using Class C Tax Table

Value of Taxable Share	Rate	Tax Due
0- 10,000	0	exempt
10,000- 25,000	3%	\$ 450
25,000- 50,000	4%	1000
	<b>Total Due</b>	<b>\$ 1450</b>

(2) Classification of miscellaneous beneficiaries. An asterisk (\*) means that the person does not take under the law of descent and distribution.

(A) Class A beneficiaries. Common-law spouse; step children and their children\* (while such a relationship will survive the death of either parent, it will terminate upon their divorce); adopted children and their children or adopted children; children's adopted children; spouses of children or adopted children\* (unless remarried at time of death). Note: Adoption by estoppel will not be considered "legal adoption." A certificate of adoption will be sufficient evidence for proof of adoption.

(B) Class C beneficiaries. Adopted brothers or sisters and their children; half-brothers or sisters (under the law of descent and distribution, they only receive one-half as much as a full brother or sister).

(C) Class E beneficiaries. Children adopted by estoppel; foster children\*; brothers or sister-in-law and their children\*; mother or father-in-law\*; step-mother or father\*; step-brothers or sisters\*; children's step-children\*; spouses of step-children\*; step-nieces or nephews\*; spouses of grandchildren\*.

(D) Distribution to exempt beneficiaries must be reported to show how the entire net taxable estate has been allocated, even though there will be no tax rate applied to that value.

(E) Property shall not be subject to inheritance tax if it passes to or for the use of charitable, educational, or religious societies or institutions, incorporated, unincorporated, or in trust, provided that no part of the net earnings of any such organization inures to the benefit of any private shareholder or individual. Property transferred to or for the

use of this state or any town therein for public purposes shall also be exempt.

(F) Only those cemetery perpetual care organizations that have been organized strictly in accordance with Texas Revised Civil Statutes Annotated, Article 912 (1969), for charitable or eleemosynary purposes, will be exempt. The state comptroller may request the personal representative of the estate to furnish a copy of the cemetery association's charter to determine the status of the bequest.

(b) Tax computation on estates situated within and without Texas (14.07). Articles 14.07(1) and 14.07(2) provide that in the event a nonresident or a resident of this state dies leaving an estate situated partly within and partly without this state, the tax imposed on that part of the estate subject to Texas inheritance tax is computed with respect to each beneficiary's share as follows:

(1) determine the beneficiary's share of the total net estate by subtracting his share of the estate's total deductions from his share of the total gross estate;

(2) compute the Texas inheritance tax on the beneficiary's share of the total net estate as if it consisted entirely of property situated in Texas;

(3) determine the percentage of Texas property each beneficiary is to receive by dividing his share of the Texas gross estate by his share of the total gross estate;

(4) calculate the final amount of Texas inheritance tax due for each beneficiary by multiplying the tax computed in step (2) by the percentage determined in step (3).

The calculations in steps (1)-(4) can be expressed by the following formula to be used with respect to each beneficiary's share:

$$\frac{\text{Total Gross Estate} - \text{Total Deductions}}{\text{Total Net Estate}} \times \text{Tax} = \frac{\text{Texas Gross Estate}}{\text{Total Gross Estate}} = \text{Basic Inheritance Tax Due}$$

(1)	(2)	(3)	(4)
100,000	100,000	100,000	100,000
100,000	100,000	100,000	100,000
100,000	100,000	100,000	100,000

(c) Additional tax associated with the federal credit (14.12).

(1) Article 14.12 imposes a tax in addition to the basic inheritance tax levied by Texas under existing laws. The tax shall be levied upon the entire net value of the taxable estate located and taxable in Texas and shall be equal to the difference between the basic inheritance tax due and the maximum federal credit allowable for state death taxes.

(2) In the event the amount of basic inheritance tax assessed against an estate exceeds the maximum allowable credit for state death taxes, no additional tax shall be collected pursuant to Article 14.12, as the purpose of the article is to collect only a sufficient additional tax to get full benefit of the maximum federal credit allowable for state death taxes.

(3) When no basic inheritance tax is due on an estate but an estate tax is imposed by the United States, there shall be levied an inheritance tax equal to the maximum amount of federal credit for state death taxes as determined and allowed by the Internal Revenue Service.

(4) In the event an estate is located partly within Texas, the credit allowable for state death taxes shall be prorated. The maximum credit allowable for state death taxes shall be multiplied by a percentage equal to the ratio of the gross Texas estate to the total gross except as noted in paragraph (5) of this subsection.

(5) When the federal credit is computed on an estate and a charitable deduction is allowed by the United States, the amount of the charitable bequest shall be deducted from the gross estate of the state having jurisdiction of the property for which the charitable deduction is allowable and from the total gross estate, wherever located, before computing the percentage of the estate located in each state.

*§3.221 (026.02.14.111). Payment of Tax, Penalties, and Interests; Refunds.*

(a) General (14.16).

(1) Inheritance taxes are due nine months after the date of death unless an extension of time to pay has been requested on or before the due date and granted by the Inheritance Tax Division.

(2) Payment of the tax to the comptroller can be by personal check made payable to the treasurer of the State of Texas. However, the Inheritance Tax Division may require payment by cashier's check or United States money order where warranted.

(3) If a payment is insufficient to cover all taxes, interest, and/or penalties due, the payment will be applied first against penalties, then interest, and then to the payment of tax.

(4) Any part-owner or coparcener of property against which inheritance taxes have been assessed may pay his pro rata share of such taxes, thus relieving his property from any lien, interest, or penalties after such payment.

(b) Penalties (14.14, 14.17).

(1) A penalty of \$10 will be assessed for failure to file the inheritance tax return on time. If any tax is not paid on or before the due date or approved extension date, a penalty of 5.0% of the unpaid tax shall become due and payable. If the tax is not paid within 30 days after the due date or approved extension date, an additional penalty of 5.0% of the unpaid tax shall become due and payable.

(2) Penalties will be assessed, if not already assessed, if a deficiency determination is not paid within 30 days of the postmark date of the determination, unless a redetermination hearing has been timely requested or an extension of time to pay has been granted.

(3) Penalties shall not be waived except when it is shown that late payment of tax is due to reasonable cause and not due to willful neglect. In the absence of satisfactory evidence establishing reasonable cause, willful neglect automatically follows. The burden of proving reasonable cause is on the personal representative. Failure to request an extension of time to file and pay on or before the due date is evidence of willful neglect and penalties will be assessed.

(4) Estates that have been granted a payout schedule will be required to pay on the agreed date to avoid assessment of penalties.

(c) Interest (14.17). Interest at the rate of 6.0% per annum through December 31, 1979, and 7.0% per annum thereafter is due on any tax not paid within nine months from the date of death, regardless of extensions granted. Interest will not be waived unless the computed amount is less than \$5.00. Interest on payout agreements is calculated on the total balance of the tax remaining unpaid.

(d) Extension of time to file and pay (14.16(A), (B)).

(1) An estate representative may apply for an extension by filing an application for extension of time to file inheritance tax return and/or pay inheritance tax (Form 17-200), with the Inheritance Tax Division.

(2) The extension request must be filed on or before the due date and granted by the Inheritance Tax Division to avoid penalty.

(3) Extension of time to file. The request for an extension of time to file must establish a good and sufficient reason why it is impossible or impractical for the estate representative to file a complete return on or before the due date. Generally, an extension of time to file will not be granted for more than six months.

(4) Extension of time to pay. The extension of time to pay may be granted if evidence is submitted which establishes that the payment of tax will result in undue hardship to the beneficiaries of the estate. Generally, an extension of time to pay will not be granted for more than one year or for that portion of taxes due which can be paid with cash on hand.

(5) If the estate is involved in a redetermination hearing or litigation which affects the amount of tax due, an extension of time to pay the tax in question will be granted for a period not to exceed 30 days from the date of termination of the hearing or litigation.

(6) If an extension of time to file and pay is needed, both must be requested. The request for one will not be reviewed or considered as a request for both.

(e) Payout agreements (14.16).

(1) When an estate furnishes proof of undue hardship in the payment of inheritance tax, the comptroller may allow the taxpayer to pay the tax over a period of time not to exceed 10 years. The approved payout must be evidenced by written agreement between the Inheritance Tax Division and the estate representative. Penalty, interest, and at least 10% of the tax due must be paid on or before the day the payout agreement becomes effective.

(2) If any installment due under a payout agreement is not paid on or before the agreed date, the total tax remain-



ing unpaid, including penalty and interest on the delinquent amount, becomes immediately due and payable.

(3) Sufficient supporting evidence to warrant a payout agreement shall include the following:

- (A) date taxes are due,
- (B) amount of inheritance tax due,
- (C) amount of federal estate tax due,
- (D) amount of debts and expenses,
- (E) value of real property in Texas,
- (F) amount of cash wherever located,
- (G) value of stocks and bonds,
- (H) provisions of any payout agreement granted by

the Internal Revenue Service,

- (I) proposed down payment, and
- (J) proposed number and amounts of monthly,

quarterly, semiannual, or annual payments.

(4) Reason for requesting payout agreement. The extension provided on the basis of undue hardship to the estate shall not be granted upon a general statement of hardship or merely upon a showing of reasonable cause. The term "undue hardship" means more than an inconvenience to the estate. The evidence must establish all of the following:

(A) the estate does not have adequate cash on hand to pay the tax;

(B) the estate does not have assets which may be converted to cash without incurring a substantial loss;

(C) the liquid assets which are available are needed to preserve the estate;

(D) the estate does not have the ability to borrow money without inflicting severe hardship on the estate.

(f) Refunds (1.045, 1.11A, 14.16(E)).

(1) Any person, executor, or administrator who has overpaid inheritance tax directly to the state may file a claim for refund with the Inheritance Tax Division within seven years from the date the tax is due and payable or within six months after any jeopardy or deficiency determination becomes final, whichever period is last to expire. Failure to file within time constitutes a waiver of any demand for the alleged overpayment.

(2) A claim for refund will be considered by the comptroller only if it is in writing and specifically sets out the grounds upon which it is based. If requested by the person overpaying the tax, an oral hearing shall be granted with at least 20 days notice of the time and place.

(3) The comptroller's decision upon the refund claim is final 15 days from the date rendered unless a written motion for rehearing is filed on or before the 15th day. This motion must set out each specific ground on which the claimant contends the decision is erroneous. Filing the motion timely is prerequisite to bringing an action in the courts of this state.

(4) If the motion is granted, a notice will be issued advising the parties of further proceedings.

(5) If the motion is denied, the claimant may bring an action against the comptroller in the District Court of Travis County within 30 days from the date of the denial of the motion. Only those grounds asserted in the motion for rehearing may be considered in the court action. (See, generally, §§1.1-1.43 (026.01.01.001-.043) on the practice and procedure governing administrative hearings before the comptroller).

(6) If a refund is approved, the refund check will be made payable to the estate unless it is specifically requested in writing that it be made payable to an individual. The

granting of this request is within the discretion of the Inheritance Tax Division.

(g) Waivers (14.19(B)).

(1) An estate representative may apply for a release of the inheritance tax lien on estate property by filing an inheritance tax waiver (Form 17-302) with the Inheritance Tax Division.

(2) A release or partial release of the inheritance tax lien may be granted if the return is not delinquent and one of the following circumstances exists:

(A) no tax is due or will be due;

(B) tax is due and not delinquent or tax will be due, provided:

(i) sufficient surety arrangement is made, such as an escrow agreement, or a written personal guaranty of payment from a third party, such as an attorney or an accountant representing the estate, or

(ii) the remaining property of the estate is sufficient to assure payment of any taxes due;

(C) tax is due and delinquent, provided:

(i) the sale or transfer is necessary to pay inheritance or estate taxes, or to preserve the estate, and

(ii) arrangement is made to withhold the tax from the proceeds of the sale.

§3.222 (026.02.14.112). *Collection Action.*

(a) Deficiency determination (1.032).

(1) If the comptroller is not satisfied with the amount of tax reported, he may compute and determine the amount required to be paid upon the basis of the information contained in the return or upon the basis of any information within his possession or which may come into his possession. (See §3.18(c) (1.08(c)) on adjustments to estates resulting from an audit.)

(2) If any amounts owed by an estate are delinquent, or if the comptroller determines that a deficiency exists, then a deficiency determination may be issued in accordance with the provisions of Texas Taxation—General Annotated, Article 1.032, which will state the amount of tax, interest, and/or penalty due.

(3) Any person against whom a determination is made has the right to an administrative hearing if a petition for redetermination is filed with the comptroller within 30 days from the date the deficiency determination is served. The requirement of requesting a hearing within the 30-day period may be satisfied by filing a "petition for relief" (Form 78-108) which can be obtained from any comptroller field office. If a petition is not timely filed, the determination becomes final at the expiration of the 30-day period. (See §2.221(f) (1.11(f)) on claiming a refund of taxes overpaid and §§1.1-1.43 (026.01.01.001-.043) on the practice and procedure governing administrative hearings before the comptroller.)

(b) Tax lien (14.18, 14.20).

(1) If the comptroller has been unable to collect the delinquent tax, penalty, or interest from an estate and it is determined that real property in the estate has been transferred without a waiver of the inheritance tax lien, then the transferee of such property may be assessed the delinquent tax, penalties, and interest.

(2) Delinquent tax, interest, and penalties may also be assessed against the executor, administrator, trustee, estate representative, or transfer agent who has delivered any stocks or bonds of any domestic corporation, or any other property to a legatee or heir, before a release of the tax lien has been obtained.

(c) Court action (1.04). If the person against whom a determination was issued does not pay the amounts determined on or before the date of the final order or decision of the comptroller, and if no appropriate arrangement for payment has been made, then the attorney general may be notified to institute a suit for collection and/or foreclosure of the lien.

**§3.223 (026.02.14.113). Closing an Estate (14.16).**

(a) Receipt (Form 17-308) (14.16).

(1) After a determination that an estate has paid all inheritance taxes due, the Inheritance Tax Division will issue a receipt. The original will be sent to the county court of record, one copy will be sent to the estate representative, and one copy will be retained for the estate file. If there is no probate or administration, the original and one copy of the receipt shall be sent to the estate representative.

(2) The original receipt is a recordable certificate and when issued releases the comptroller's lien on all assets.

(3) If the estate is required to file a federal estate tax return, then the receipt will not be issued until the final federal determination is made. (See §3.18(c)(3) (.108(c)(3)).

(b) No tax due certificate (Form 17-307) (14.10).

(1) After a determination of no inheritance tax liability, the Inheritance Tax Division shall issue a no tax due certificate. The original shall be sent to the county court of record, one copy will be sent to the estate representative, and one copy will be retained for the estate file. If there is no probate or administration, the original and one copy of the certificate shall be sent to the estate representative.

(2) The original no tax due certificate is a recordable certificate and when issued releases the comptroller's lien on all assets.

(c) Declaration of no tax due (Form 17-102).

(1) After a declaration of no tax due has been accepted by the Inheritance Tax Division, the original will be sent to the county court of record, one copy will be sent to the personal representative, one copy will be sent to the preparer, and one copy will be retained for the estate file. If there is no probate or administration, the original will also be sent to the personal representative.

(2) The original declaration of no tax due is a recordable certificate and when issued releases the comptroller's lien on all assets of the estate.

(d) Rendering the receipt, no tax due certificate, or declaration of no tax due void (14.16(c)).

(1) The receipt, no tax due certificate, or declaration of no tax due is rendered void by the comptroller by his filing an affidavit with the county clerk with whom the original document was filed.

(2) Circumstances which may warrant such action are:

(A) erroneous issuance of a receipt, no tax due certificate, or declaration of no tax due, or

(B) the issuance of a receipt for taxes which were paid by a check which is later returned uncollectible.

(e) Release from personal liability (Form 17-304) (14.20). Release from personal liability will not be granted until a receipt, no tax due certificate, or declaration of no tax due is issued.

**§3.224 (026.02.14.114). Property of the Estate in Possession of Another (14.21, 14.22).**

(a) General. If a bank, corporation, institution, or any person delivers to another any estate property in its posses-

sion or under its control, such entity or person will be liable for any inheritance tax due thereon, unless:

(1) the property is delivered in the presence of the comptroller or his agent, or

(2) at least 10 days notice of the time and place of the intended delivery is served on the comptroller and, prior to the delivery, the comptroller gives written consent to the transfer.

(b) Exceptions. If a bank, corporation, institution, or any person has possession of the decedent's papers, such entity or person may permit an examination of and deliver only certain of those papers without notice to the comptroller and without incurring liability for inheritance tax in the following situations.

(1) If there is a court order authorizing an examination, then:

(A) only the person named in the order may examine the papers;

(B) such examination must be conducted in the presence of the following persons:

(i) the judge who signed the order or his representative or an agent of the comptroller, and

(ii) an officer of the entity or the person or an agent of the person who has possession of the papers; and

(C) only the following papers may be delivered:

(i) the will may be delivered to the probate court clerk of the county of the judge issuing the order, in which case the clerk will furnish a receipt for delivery of the will,

(ii) a deed to a burial plot may be delivered to the person named in the order authorizing the examination, and

(iii) an insurance policy on the life of the decedent may be delivered to a beneficiary named therein.

(2) If there is no court order, then:

(A) a spouse, parent, or adult descendant of the decedent or a person named as executor in a copy of a purported will produced by such executor may examine the papers;

(B) such examination must be conducted in the presence of an officer of the entity or the person or an agent of the person who has possession of the papers; and

(C) only the following papers may be delivered and only after the delivering party has obtained a signed receipt therefor:

(i) the will may be delivered to the person named as executor or co-executor therein or to the county probate clerk of the county where the decedent resided, in which case the delivering party must retain a copy of the will for a period of four years from the date of delivery,

(ii) a deed to a burial plot or papers giving burial instructions may be delivered to any person listed in (b)(2)(A) above who requests the same, and

(iii) an insurance policy on the life of the decedent may be delivered to a beneficiary named therein.

(c) Comptroller's agent.

(1) The comptroller may commission any officer or employee of a bank, corporation, or other entity as an agent once the following information is given, either in writing or by telephone, to the Inheritance Tax Division:

(A) the name, mailing address, and telephone number of the entity, and

(B) the names of those officers or employees to be commissioned as agents.

(2) The comptroller will then forward to the requesting entity a commission letter (Form 17-309) confirming the

authorization and a report form (Form 17-104) to record the property delivered.

(3) Once an agent is properly commissioned, the 10 days statutory notice referred to in (a) (2) above does not have to be given. The agent, however, must file the report form with the Inheritance Tax Division as soon as delivery of an asset is made. Assets to be reported include but are not limited to checking accounts, certificates of deposit, stocks, and bonds.

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803938      Bob Bullock  
Comptroller of Public Accounts

Effective Date: June 13, 1980

Proposal Publication Date: April 22-May 2, 1980

For further information, please call (512) 475-1937.

### Subchapter M. Inheritance Tax Division

Under the authority of Texas Taxation—General Annotated, Article 14.13(A), the Comptroller of Public Accounts has adopted the repeal of §3.214 (026.02.14.104).

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803991      Bob Bullock  
Comptroller of Public Accounts

Effective Date: July 18, 1980

Proposal Publication Date: April 22, 1980

For further information, please call (512) 475-1937.

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## NONCODIFIED

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## Texas State Board of Dental Examiners

### Extension of Duties of Auxiliary Personnel

#### Dental Hygiene 382.31.01

This rule is promulgated under the authority of Article 4551d of the Revised Civil Statutes of Texas, as amended.

.002. *Permitted Duties.* A dental hygienist may perform the following services and procedures in the dental office of her dentist-employer under his general supervision, direction, and responsibility, to-wit:

(1) The removal of accumulated matter, tartar, deposits, accretions, or stains, except mottled enamel stains, from the natural and restored surfaces of human teeth, and restorations therefor to the depth of the free gingiva attachment in the human mouth and the polishing of said surfaces.

(2) Topical application of drugs to the surface tissues of the human mouth and to the exposed surface of human teeth.

(3) Expose and develop radiographs.

(4) Take and record pulse, blood pressure, and temperature.

(5) Floss the teeth, make preliminary inspection of the mouth and teeth and chart the findings.

(6) Remove or receive removable dental prostheses for cleaning or repair.

(7) Insert cleaned or repaired removable dental prostheses under the dentist's general supervision.

(8) Place or remove celluloid or plastic strips between teeth for subsequent placement or filling by the dentist. Place or remove temporary nonmetallic separating devices, place or remove preformed crowns or bands for determining size only under the direct supervision of the dentist. The dentist shall shape, festoon, contour, fit, seat, or cement all crowns and bands.

(9) Place ligatures only on those sections of arch wires which have been securely seated in the bracket or tube by the dentist and under the direct supervision of the dentist.

(10) Remove ligature ties, cut and tuck ligatures, remove tension devices and any loose or broken bands or arch wires under the general supervision of the dentist.

(11) A tension device usually or normally placed in the mouth of a patient by such patient, may be placed in such patient's mouth under the general supervision of the dentist; a tension device not controllable by the patient shall only be placed and/or activated by the dentist.

(12) Place or remove rubber dam under the direct supervision of the dentist.

(13) Remove sutures under the general supervision of the dentist.

(14) Insert or remove temporary medicinal fillings with hand instruments under the general supervision of the dentist. This does not include alloy, gold, plastics, porcelain, composites, or any restorative material.

(15) Insert or remove socket dressings under the general supervision of the dentist.

(16) Place or remove periodontal packs under the general supervision of the dentist.

(17) Make dental plaque and oral mucosal smears.

(18) Under the direct supervision of the dentist, apply pit and fissure sealants.

**Note A:** The fitting, adaptation, seating, and cementation of any fixed dental appliance or restoration, including but not limited to inlays, crowns, bands, space maintainers or retainers, habit devices, or splints, whether temporary or permanent, shall only be done by the dentist.

**Note B:** Pit and fissure sealants may only be applied by the dentist and by a dental hygienist who has successfully completed a course of instruction approved by the Texas State Board of Dental Examiners.

Doc. No. 803909

#### Dental Assistants 382.31.02

This rule is promulgated under the authority of Article 4551d of the Revised Civil Statutes of Texas, as amended.

.001. *Definition and Permitted Duties.* A dental assistant is one who is employed by and works in the office of a licensed, registered, and practicing dentist and who performs one or more of the following acts or services for such dentist under his general supervision, direction, and responsibility, to-wit:

(1) Serve as the dentist's chairside assistant.

(2) Apply topical applications of drugs prescribed by the dentist.

- (3) Expose and develop dental radiographs.
- (4) Take and record pulse, blood pressure, and temperature.
- (5) Preliminary inspection of the mouth and teeth using floss and mouth mirror only and chart the findings.
- (6) Receive removable dental prostheses for cleaning and repair.
- (7) Place or remove celluloid or plastic strips between teeth for subsequent placement of filling by the dentist. Place or remove temporary nonmetallic separating devices, place or remove preformed crowns or bands for determining size only under the direct supervision of the dentist. The dentist shall shape, festoon, contour, fit, seat, or cement all crowns and bands.
- (8) Place ligature wires only on those sections of arch wires which have been securely seated in the bracket or tube by the dentist under the direct supervision of the dentist.
- (9) Remove ligatures, cut and tuck ligatures, remove tension devices and any loose or broken bands or arch wires under the general supervision of the dentist.
- (10) A retaining device usually or normally placed in the mouth of a patient by such patient may be placed in such patient's mouth under the general supervision of the dentist; a retaining device not controllable by the patient shall only be placed and/or activated by the dentist.
- (11) Place or remove rubber dam under the direct supervision of the dentist.
- (12) Remove sutures under the general supervision of the dentist.
- (13) Remove cement, food, and loose debris from dental restorations and appliances from the tooth crown and soft tissues with hand instruments or consumer items available to the public.
- (14) Insert or remove temporary medicinal fillings with hand instruments under the direct supervision of the dentist. This does not include alloy, gold, plastics, porcelain, composites, or other restorative material.
- (15) Remove socket dressing under the direct supervision of the dentist.
- (16) Remove periodontal pack under the direct supervision of the dentist.
- (17) Make dental plaque or oral mucosal smears.
- (18) Apply topical fluoride immediately after oral prophylaxis by the dentist or the dental hygienist.

Note A: The fitting, adaptation, seating, and cementation of any fixed dental appliance or restoration, including but not limited to inlays, crowns, bands, space maintainers or retainers, habit devices, or splints, whether temporary or permanent, shall only be done by the dentist.

Note B: Pit and fissure sealants may only be applied by the dentist and by a dental hygienist who has successfully completed a course of instruction approved by the Texas State Board of Dental Examiners.

Issued in Austin, Texas, on May 19, 1980.

Doc. No. 803906 Carl C. Hardin, Jr.  
Executive Director  
Texas State Board of Dental Examiners

Effective Date: June 12, 1980  
Proposal Publication Date: March 18, 1980  
For further information, please call (512) 475-2443.

## Texas Department of Human Resources

### Food Stamps

#### Drug Addicts, Alcoholics, and Participants in Prepared Meal Services 326.15.53

The Department of Human Resources adopts the amendments to its rules about the policies and procedures for certifying treatment center residents for participation in the Food Stamp Program. These amendments were published in the March 21, 1980, issue of the *Texas Register* (5 TexReg 1069). These rule changes clarify current procedures and also provide more detailed procedures for complying with current policy. The procedures which explain responsibilities for approving centers are expanded; procedures for reporting on the resident participants are clarified; and the procedures for handling residents who leave the center are clarified.

Comments were received requesting that the requirement for monthly reporting by the center and for making periodic on-site visits be made more specific. These comments have been incorporated, and these rules are adopted with changes to the proposed text.

These amendments are adopted under the authority of the Human Resources Code, Title 2, with the approval of the Texas Board of Human Resources.

#### .001. *Participants in Approved Special Programs.*

(a) Participants in drug addict/alcoholic treatment and rehabilitation programs who elect to participate in the Food Stamp Program, must meet the same income and resource standards as other households. In addition, residents of these centers must apply for, receive, and use food stamps with the center acting as their authorized representative.

(b) Center residents who are not regularly participating in a drug addict/alcoholic treatment rehabilitation program are not eligible under this provision to participate in the Food Stamp Program. The worker must document the casefolder to identify which program the applicant participates in.

#### .002. *Approved Centers.*

(a) (No change.)

(b) State approval is obtained voluntarily by the center. TDCA is responsible for providing approval of centers conducting drug abuse treatment programs. TCA is responsible for approving centers conducting alcoholic treatment programs. Approved centers will have letters or other documentation from TDCA or TCA. If a center conducts both types of programs, it should have documentation from both TDCA and TCA. Both agencies provide approval for a specific period of time and recertification of the center is required for continued participation. Approval by USDA is not required. The center is responsible for reporting to the local non-PA food stamp office if its approval is revoked by TDCA or TCA.

#### .014. *List of Resident Participants.*

(a) Each center must provide the local food stamp office with a monthly list of residents currently participating in the Food Stamp Program. The list must be signed by an employee of the center and be provided within five working days after the end of the month for which it is prepared.

(b) The certification office uses the list to monitor its center caseload on a monthly basis, when making periodic on-site visits, and to ensure that office records are kept up to date. Workers must ensure that the individual designated by the center to act as authorized representative for participants is aware of the monthly reporting requirement. If the list is not submitted within the specified time frames, the worker should contact the center representative to remind him or her of the reporting requirement. Repeated failure to report will result in notification to FNS.

*.016. Processing Participant Applications.*

(a) Normal processing standards, for eligibility determinations, redeterminations, reporting changes, and other program actions, apply to applicants participating in drug addict/alcoholic treatment or rehabilitation programs, as well as normal verification and documentation requirements.

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

*.019. Residents Leaving the Center.*

(a) (No change.)

(b) Once the participant leaves the center, the center no longer may act as authorized representative for that household. The center also must provide the household with its Change Report form, and advise the household to report to the local office its change in circumstances within 10 days.

(c) If the departing resident fails to report the change in his or her circumstances as required, and the worker is unable to locate the household, the worker must stop delivery of future ATPs. Hold procedures used for households which cannot be located must be applied. ATPs delivered to the center after the participant leaves should be returned to the worker.

(d) (No change.)

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803994 Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Effective Date: July 1, 1980

Proposal Publication Date: March 21, 1980

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

## Child Welfare Services

### Adoption Services 326.50.75

The Department of Human Resources adopts new rules regarding child welfare services which provide for purchase of adoption services from private child-placing agencies funded by child welfare earned funds as proposed in the October 16, 1979, issue of the *Texas Register* (4 TexReg 3770). The DHR regions may use these funds to purchase adoption services for "special needs" children in TDHR's managing conservatorship. The purpose of the program established by these rules is to expand adoptive opportunities for children in DHR conservatorship who, by virtue of age, handicap, or previous experiences require special or intensive services.

Comments received during the public comment period sought clarification of certain policy statements and included statements of opinion about program issues and funding which are beyond the scope of the proposed rules. A comment requesting deletion of the requirement of referral to the Adoption Resource Exchange (ARE) was not incorporated because registration on the exchange provides the child access to

placement resources which is needed when placement is not available through contract agencies. A comment that definition of the special needs child should be left up to the regions was not incorporated because eligibility for services of DHR must be uniform statewide. One request would delete the requirement that DHR retain conservatorship until consummation. The purpose of this request was to allow all consummations of placements by a private agency to be in the same court for consistency of legal and judicial procedures. The change was not made because this can be accomplished by transfer of jurisdiction, while DHR retains conservatorship. The most significant change is in expansion of the service to include normal minority children, age zero through two.

However, as a result of additional public comment, definition of the hard-to-place child was revised to include all minority and racially mixed children, regardless of age. Original policy limited purchase of service for this group of children to those over two years of age. In addition, the requirement that DHR retain conservatorship until consummation is eliminated. This is because private agencies generally prefer to use the same court and law firm for all their consummations. Eliminating this policy will allow jurisdiction of the case to be transferred and conservatorship placed with the private agency prior to consummation. This consistency of judicial and legal rules and procedures will ensure more efficient handling of consummations by the private agency.

The following new rules have been approved by the Texas Board of Human Resources and are adopted under the authority of Title 2 of the Human Resources Code.

*.072. Purchase of Adoption Service.*

(a) The regions may use child welfare earned funds to purchase adoption services for "special needs" children in TDHR's managing conservatorship from private agencies licensed by the Licensing Branch to place children for adoption. "Special needs" children are defined as children who:

- (1) are six years or older; or
- (2) are two years of age or older and are of minority or racially mixed background; or
- (3) have a professionally diagnosed physical, mental, or emotional handicap; or
- (4) are siblings who need to be placed together.

In addition, minority or racially mixed children of any age are eligible for purchased adoption services.

(b) Moreover, children referred for placement must be both:

- (1) legally available for adoption; and
- (2) referred to the ARE.

(c) A referral to the ARE is not mandatory if a home is available for the child at the time the child is referred to the private agency. The purchase of adoption service program will in no way diminish the assistance contract agencies are rendering the department in the adoption of nonspecial needs children, for which the department does not pay.

*.073. Purpose and Objectives.*

(a) The purpose of this program is to expand adoptive opportunities for children in DHR conservatorship who require special or intensive services to implement and sustain adoptive placement.

(b) Other objectives of the program are:

- (1) to use staff and other funding resources of private child-placing agencies to expand adoptive opportunities for

"special needs" children in the department's managing conservatorship;

(2) to provide financial incentive to private child-placing agencies to expand their adoptive services and their funding resources to "special needs" children;

(3) to develop a joint adoption program between DHR and the private child-placing agencies to expand their adoptive services and their funding resources to "special needs" children;

(4) to develop a joint adoption program between DHR and the private sector through which private agencies would assume responsibility for achieving permanency for specified children in the department's conservatorship.

#### .074. *Services Which May Be Purchased.*

(a) The services which may be purchased are:

(1) Recruitment and screening of adoptive families.

Recruitment and screening of adoptive families may be purchased separately from the other adoptive services. Additionally, this service may be contracted to the Council on Adoptable Children (COAC) or other community groups under child welfare earned funds policy for the development of parent and community groups.

(2) Adoptive placement services, including:

(A) the home study and processing of the adoptive application;

(B) preplacement services, including preparation of the child and adoptive family for adoptive placement;

(C) postplacement supervision and services related to consummation;

(D) postconsummation services to adoptive families and children as needed.

Since this policy provides for purchasing placements, items (A)-(D) above may not be purchased separately.

(b) The region retains responsibility for identifying and preparing children for adoption, for working with adoption agencies, and for finding homes for those children not served by private agencies.

#### .075. *Procedures and Methodology.*

(a) Private agencies providing this service must be licensed by the Texas Department of Human Resources Licensing Branch to place children in adoption. Exceptions for contracting with out-of-state agencies will be considered on an individual basis as demonstration projects. Any exceptions must have prior approval of the program manager, Protective Services for Children Division, State Office, before the contract is finalized by signatures.

(b) Regions may contract with one or more private agencies depending on the number of children available and availability of funds. Private agencies may also contract with more than one region.

(c) Services provided under this policy will be by private agency staff with experience in adoption, under the supervision of a person holding a master's degree in social work.

(d) Child-placing agencies affiliated with churches which limit placement to specific religious groups may participate in this program. However, the region itself must respect the religious identity of children in making referrals and must provide services to children of all religious faiths.

(e) The private agency must agree to recruit, screen, study, and certify homes needed for the "special needs" children. The agency may conduct special recruiting for a specific child. An agreement to place a child with a family

will not be made until after the adoption home study has been completed and the family has been approved to adopt. If no child is available for a home when certified, private agencies are encouraged to register the home on the ARE in order to be considered by other regions who might contract for placement in the home. DHR staff may refer adoption inquiries to private agencies participating in this program. These inquiries would be subject to the private agency's usual screening and application process.

(f) Adoptive homes already certified or under study by the contract agency may be considered as placement resources for purchased adoption services if they are suitable homes for the children who are available. DHR is under no obligation to use every home certified by the contract agency. Adoption by DHR foster parents is not a purchasable service under this policy.

(g) Adoptive services may be purchased for children in DHR's managing conservatorship who are in foster homes of private agencies where private agency staff is supervising the foster care placement. DHR, as managing conservator, must approve the plan for adoption and selection of the adoptive home. DHR will refer "special needs" children for adoption by submission of an adoptive readiness study or a case summary with pictures of the child. The private agency may complete its own assessment of the child by visiting with the child's worker, the foster parents, and the child.

(h) DHR will continue responsibility for supervision of the child in foster care until a home has been selected for the child, unless the child is in the private agency's supervised foster home. The child will remain on the ARE, and should another home become available before the private agency offers a suitable home, DHR may withdraw the referral and proceed with the available adoptive placement. DHR, as managing conservator, must approve the selection of the home for the child. The court of continuing jurisdiction may also approve the adoptive placement if that is the practice of the court. The supervisor of the DHR unit holding managing conservatorship must be involved in the approval. A DHR staff person with an MSW and two years experience in child-placing must also approve the selection of the home if the supervisor does not meet these qualifications. If there is a lack of consensus between DHR and the private agency as to the suitability of the home, the home may not be used for the child.

(i) The DHR foster home worker provides supportive services to the foster parents during the preplacement period. This includes preparation of the foster home for private agency staff involvement with a child in their home which may include assessment, picture-taking, video-taping, or other procedures. If the child is in an institution, DHR staff will prepare appropriate institutional staff. DHR staff should cooperate with the private agency in obtaining or providing consent for photographs. The private agency prepares the adoptive parents for placement.

(j) The private agency must supervise the adoptive placement. Supervisory visits must be made at least once each month until consummation. Supervisory visits may be in the adoptive home, agency office, or other designated place. If a placement requires more support and attention, it will be provided by the private agency. The private agency will respond to requests from DHR for progress reports on the adoptive placement. DHR will retain managing conservatorship of children until consummation of the adoption. Should a placement not be consummated within a year, the situation

will be reviewed jointly by DHR and the private agency, and a definite, time-limited service plan developed. If a placement is disrupted, the child may be returned to the foster care program of DHR or the private agency. The private agency, with approval of DHR, will seek a second adoptive home for the child. Should a dispute arise in service planning for a child, DHR, as managing conservator, has final authority for making placement decisions.

**.076. Adoption Subsidy.** The private agency must agree to inform adoptive parents about the DHR adoption subsidy program and assist them in applying for subsidies, as appropriate. The subsidy must be paid directly to the adoptive family. It is not a reimbursement to the contract agency for services. Travel or other direct expenses of preplacement visits and legal expenses of consummation may be reimbursable to adoptive parents through the adoption subsidy program, as well as special treatment, and special medical, insurance, or educational needs of the child.

**.077. Reimbursement Fees.** No reimbursement or fees for adoptive services may be charged to the family by the private agency, nor may donations be solicited from families adopting the "special needs" child. DHR child welfare units must not seek reimbursement from the private agency or from adoptive parents for any preadoptive cost of care of any "special needs" child placed through the purchase of adoption service contract. The cost of child care is the responsibility of the adoptive family from the time of placement, subject to any subsidy, benefits, or private income for which the child may be eligible.

**.078. Purchase of Service Contract.**

(a) Prior to placement, there must be a written purchase of service contract between DHR and the private agency. Contracts may be for any period of time up to one year. Provision should be made in the contract that placements consummated after the contract period are reimbursable if the placement was made during the contract period. One person should be appointed in each region to manage the purchase of adoption service contracts.

(b) The contracts must reflect the following policies and distribution of responsibility:

(1) Determination of placement costs. DHR payment may not exceed actual cost of providing the service, nor may it exceed the cost of the service, if provided by DHR direct delivery adoption staff. Contracts should specify what amount of funding the contract agency is contributing to the program. The following formula is recommended for computing the cost of adoptive services: Total adoption related expenses for the previous fiscal year divided by the total consummated adoptions for the previous fiscal year equals the cost per consummated adoption. Includes salaries, fringe benefits, travel, and overhead. Compute the total and adjust upward 5.0% to allow for adjustments in salary, fringe benefits, and travel at the end of the fiscal year.

(2) Schedule and method of payment. Payment will be contingent on placement and may not exceed the amounts authorized by the department.

(c) For payment purposes, a sibling group being placed together may be considered a single placement, or payment may be adjusted, depending on the individual situation. Total payment may not exceed the prescribed amounts multiplied by the number of siblings.

(d) If a placement is disrupted and a child is re-placed in adoption by the contract agency, this is considered an ex-

ension of services already contracted for. Payment for the second or other subsequent adoption placements for the child is at the rate of half the initial placement.

(e) When a child is placed, a copy of the placement agreement between the private agency and the adoptive parents will be forwarded to DHR by the private agency. This agreement will be the basis for authorization of payments.

(f) Record keeping, monitoring, and evaluation. The contract agency must agree to keep adequate case records and to participate in any monitoring or evaluation of the program by DHR, including record reviews and auditing of expenditures of contracted funds.

(g) Approval of contracts for purchase of adoption service. All purchase of adoption service contracts must be signed by the commissioner of the Texas Department of Human Resources and the administrator of the private child-placing agency (or an authorized representative of the provider). All contracts must be reviewed by the regional attorney and formally approved by the regional director for social services and the regional administrator.

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803958 Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Effective Date: July 13, 1980

Proposal Publication Date: October 16, 1979

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

## Texas State Board of Registration for Professional Engineers

### Practice and Procedure

#### Application for Registration 383.01.03

Under the authority of Section 8, Article 3271a, Vernon's Annotated Texas Statutes, the Texas State Board of Registration for Professional Engineers has amended Rule 383.01.03.008 concerning the submission of the application fee.

**.008. Application Fee.** Application fees shall be payable to the Professional Engineers Fund. The board assumes no responsibility for loss in transit of cash remittances. Applications not accompanied by the proper fee will be returned to the applicant. Personal, company, or other checks are acceptable.

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

Doc. No. 803932

#### Education 383.01.06

Under the authority of Section 8, Article 3271a, Vernon's Annotated Texas Statutes, the Texas State Board of Registration for Professional Engineers has amended Rule 383.01.06.001(1) and (3) concerning education.

**.001. Approved Courses.** An approved course in engineering of four years or more as used in the Act is construed by the board as:

(1) All engineering degree curricula approved by the Engineers' Council for Professional Development (ECPD) or Accreditation Board for Engineering and Technology, Inc. (ABET). (ECPD's name officially changed to ABET on January 1, 1980.)

(2) (No change.)

(3) A bachelors degree in one of the mathematical, physical, or engineering sciences and in addition thereto, a masters degree in engineering and/or a Doctor of Philosophy in Engineering, provided the masters degree in engineering and/or the Doctorate of Philosophy in Engineering is ECPD/ABET approved or is obtained from a college having an ECPD/ABET-approved bachelors degree in the same discipline. A list of recognized degrees for (1) and (2) above is available in the board office.

Doc. No. 803933

### Registration 383.01.09

Under the authority of Section 8, Article 3271a, Vernon's Annotated Texas Statutes, the Texas State Board of Registration for Professional Engineers adopts, with changes to the proposed text, Rule 383.01.09.008 concerning engineers seals.

.008. *Engineers Seals.* Seals of two different sizes will be acceptable, a pocket seal the size commercially designated as 1-5/8-inch seal, or a desk seal, commercially designated as a two-inch seal, to be of the design shown.

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

(8) Wherever an engineer's seal impression is required under the Texas Engineering Practice Act, all engineering registrants must place their normal signatures in close proximity to their seal impressions. The use of signature reproductions, such as rubber stamps or other facsimiles, shall not be permitted in lieu of actual signatures.

Issued in Austin, Texas, on May 22, 1980.

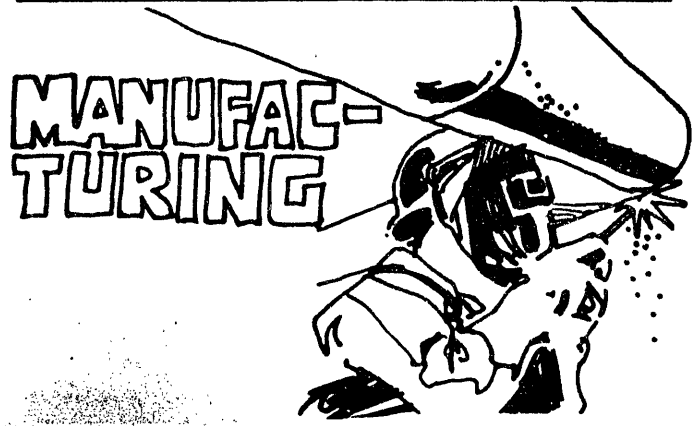
Doc. No. 803934

Donald C. Klein, P.E.  
Executive Director  
Texas State Board of Registration for  
Professional Engineers

Effective Date: June 13, 1980

Proposal Publication Date: February 1, 1980

For further information, please call (512) 475-3141.





The Open Meetings Act (Article 6252-17, Texas Civil Statutes) requires that an agency with statewide jurisdiction have notice posted for at least seven days before the day of a meeting. A political subdivision covering all or part of four or more counties, or an institution of higher education, must have notice posted for at least 72 hours before the scheduled meeting time. Notice of an emergency meeting or an emergency addition or amendment to an agenda must be posted for at least two hours before the meeting is convened. Although some notices may be received and filed too late for publication before the meetings are held, all filed notices will be published in the *Register*. Each notice published includes an agenda or a summary of the agenda as furnished for publication by the agency and the date and time of filing. Notices are posted on the bulletin board outside the offices of the secretary of state on the first floor in the East Wing of the State Capitol. These notices may contain more detailed agendas than space allows to be published in the *Register*.

## Adult Probation Commission

**Friday, June 6, 1980, 10 a.m.** The Texas Adult Probation Commission will meet in Suite 400, 812 San Antonio, Austin, to consider the budget for 1981 and fiscal year 1982-83.

Additional information may be obtained from Sharon Schunn, 812 San Antonio, Suite 400, Austin, Texas 78701, telephone (512) 475-1374.

Filed: May 27, 1980, 2:08 p.m.  
Doc. No. 803971

## Texas Commission on Alcoholism

**Saturday, June 7, 1980, 9 a.m.** The Texas Commission on Alcoholism will meet in the eighth floor conference room of the Sam Houston Building, Austin. According to the agenda, the commission will approve minutes of last meeting; reconsider St. Edwards appeal; consider recertification of Fort Worth Rehabilitation Farm; discuss budget request of direct transfer funds; consider proposed organization structure; and update state plan.

Additional information may be obtained from Sherman Lanning, 809 Sam Houston Building, Austin, Texas 78701, telephone (512) 475-2577.

Filed: May 27, 1980, 2 p.m.  
Doc. No. 803970

## State Banking Board

**Monday, June 2, 1980, 9 a.m.** The Hearing Officer of the State Banking Board conducted a hearing at 2601 North Lamar, Austin, on the charter application for Peoples State Bank to be located in Henderson.

Additional information may be obtained from Ruth R. Amberg, 2601 North Lamar, Austin, Texas 78705, telephone (512) 475-4451.

Filed: May 22, 1980, 4:12 p.m.  
Doc. No. 803920

**Monday, June 16, 1980, 9 a.m.** The Hearing Officer of the State Banking Board will conduct a hearing at 2601 North Lamar, Austin, on the charter application for Copperfield Bank to be located in an unincorporated area of Harris County near Houston.

Additional information may be obtained from Ruth R. Amberg, 2601 North Lamar, Austin, Texas 78705, telephone (512) 475-4451.

Filed: May 22, 1980, 4:12 p.m.  
Doc. No. 803921

## State Bar of Texas

**Monday, June 2, 1980, 9 a.m.** The Executive-Budget Committee of the Board of Directors of the State Bar of Texas met in the President's Room, third floor wing, Texas Law Center, 1414 Colorado Street, Texas Law Center, Austin. According to the agenda summary, the committee will consider the following: report of president; legal services corporation matter; report of president-elect on organization of the bar; report of board chairman; report of executive director—discussion of personnel regarding professional ethics committee; grievance oversight committee; and UPL committee; discussion regarding survey for CLE and other committees; discussion and action on assessment funds committee report; report on TLPP; discussion concerning LEAA funding and State Bar Grants; report of general counsel—discussion of litigation; financial report—amendments to 1979-80 budget; amendments to 1980-81 budget; purchase of equipment for Dallas Grievance Committee; consideration of contract with Judicial Section regarding Texas Center for the Judiciary; consideration of matter of redistricting of fifth circuit; report of professional development department; report on 1980 convention; report and action on proposal concerning advertising by sections in Bar Journal.

Additional information may be obtained from Evelyn Avent, 1414 Colorado Street, Austin, Texas, telephone (512) 475-4746.

Filed: May 23, 1980, 10:55 a.m.  
Doc. No. 803936

## Texas Conservation Foundation

**Tuesday, June 3, 1980, 10:30 a.m.** The Texas Conservation Foundation will meet in Room 510 of the Sam Houston Building, Austin. According to the agenda, the foundation will consider minutes of the previous meeting; bylaw amendments; the fiscal year 1981 operating budget; fiscal years 1982 and 1983 appropriations request; and program priorities.

Additional information may be obtained from John Hamilton, P.O. Box 12845, Austin, Texas 78711, telephone (512) 475-4941.

Filed: May 22, 1980, 2:19 p.m.  
Doc. No. 803911

## Texas State Board of Dental Examiners

**Saturday, June 14, 1980, 10 a.m.** The Texas State Board of Dental Examiners will meet at the Baylor College of Dentistry in Dallas. Since the board will be giving examinations June 13-16, 1980, the board may recess the above meeting from day to day. The board plans to discuss budget requirements for the 1982-83 biennium; personnel matters; investigators and their assigned areas; disciplinary hearings if they are ready for hearing; requests for reinstatement of licenses; permanent adoption of Rule 382.19.20.003; and other board matters.

Additional information may be obtained from Carl C. Hardin, Jr., 718 Southwest Tower, 7th and Brazos, Austin, Texas 78701, telephone (512) 475-2443.

Filed: May 23, 1980, 1:57 p.m.  
Doc. No. 803945

## Texas Education Agency

**Wednesday-Friday, June 4-6, 1980, 1:30 p.m., 8 a.m., 8 a.m., respectively.** The Teachers' Professional Practices Commission of the Texas Education Agency will meet at the Inn at Turtle Creek, 3830 Parkdale Drive, San Antonio. According to the agenda, the commission will review and analyze the "Code of Ethics and Standard Practices for Texas Educators;" consider strategies to increase the scope and significance of complaints filed before the commission; discuss legal issues, problems of procedure and work interface with the office of general counsel; consider professional organizations and the commission—defining the appropriate relationship; review statutory authorization of the Teachers' Professional Practices Commission and proposed refinements; and discuss increasing administrator and teacher awareness of the code and the commission.

Additional information may be obtained from William E. Reaves, 201 East 11th Street, Austin, Texas 78701, telephone (512) 475-6836.

Filed: May 27, 1980, 2:49 p.m.  
Doc. No. 803972

**Thursday and Friday, June 26 and 27, 1980, 10 a.m. daily.** The Continuing Advisory Committee of the Texas Education Agency will meet in the third floor conference room, 158 East Riverside Drive, Austin. On June 26, 1980, the committee will conduct an orientation for new members; approve minutes of the January 4, 1980, meeting; hold introductions and announcements; comment on state plan for 1981-83; discuss education for the handicapped preschool incentive grant; respond to the Bureau of Education for the Handicapped Program Administrative Review report; and receive reports on certification studies. On June 27, 1980, the committee will make recommendations regarding proposed certification studies; hear the Deaf-Blind Advisory Committee report, the Deaf-Blind Interagency Coordinating Committee report and the comprehensive, discuss the status of school health vision screening, and consider School Health Advisory Committee report; the following additional items: report on status of hearings and appeals and complaints;

recommendations regarding secondary programming project; committee recommendations for legislative concerns; evaluation regarding committee's work for 1979-80; and adoption of annual report; planning for committee's work for school year 1980-81; respond to correspondence concerning the committee and committee organization for 1980-81; and other planning for next meeting.

Additional information may be obtained from Don L. Partridge, 201 East 11th Street, Austin, Texas 78701, telephone (512) 475-3009.

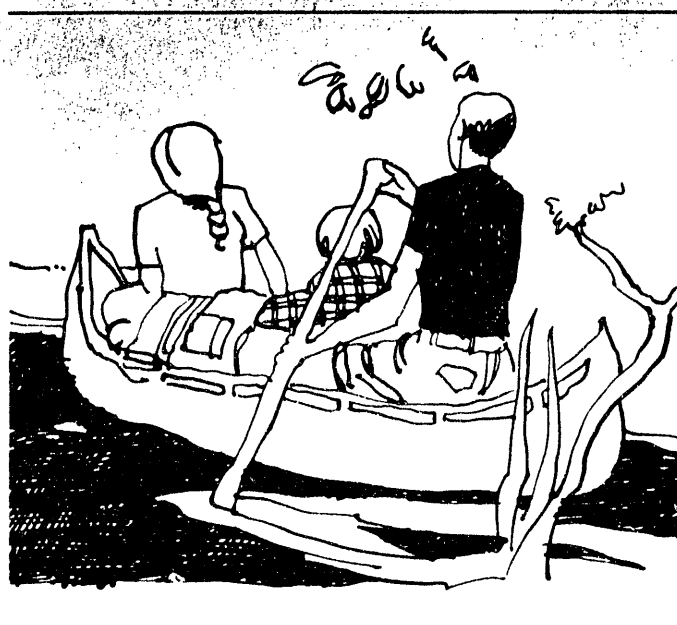
Filed: May 23, 1980, 9:45 a.m.  
Doc. No. 803930

## Finance Commission of Texas

**Friday, June 6, 1980, 2 p.m.** The Savings and Loan Section of the Finance Commission of Texas will meet in Stemmons Auditorium, Loews Anatole, 2201 Stemmons Freeway, Dallas. The purpose of the meeting is to discuss recent emergency regulations and to receive comments from the industry (public participation invited) and to consider other matters that may come before the section. This meeting is being held in conjunction with the Texas Savings and Loan League annual meeting in Dallas.

Additional information may be obtained from L. Alvis Vandygriff, 1004 Lavaca, Austin, Texas, telephone (512) 475-7991.

Filed: May 29, 1980, 11:13 a.m.  
Doc. No. 804021



## Texas Department of Health

**Saturday, May 24, 1980, 9:30 a.m.** The board of Texas Department of Health made an emergency addition to the agenda of its monthly meeting held in Room T-607, 1100 West 49th Street, Austin. According to the agenda summary, the board also considered item 3b. This report to the board from the Texas Association of Public Health Physicians was an emergency addition because it was of urgent and public necessity that the board consider the referenced report at this meeting. The budget committee, in agenda item 12, needed information from the report in item 3b before the budget committee could make a decision on the "1982-83 State Budget Request." The preparation of the report was not finished by the Texas Association of Public Health Physicians in time to be placed on the agenda for the required seven-day posting period for the open meeting notice.

Additional information may be obtained from Joe Klinger, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7487.

Filed: May 23, 1980, 12:57 p.m.  
Doc. No. 803939

**Tuesday, June 24, 1980, 10 a.m.** The Texas Department of Health will meet in Room 232 (library), 1800 University Drive, Fort Worth Department of Public Health, Fort Worth, to consider Application 1241 of Bajemi Corporation to operate a proposed Type IV disposal site to be located at One Western Oaks, approximately 0.5 mile west of Silver Creek Road and 1.5 miles south of FM Highway 1886 in Tarrant County.

Additional information may be obtained from Jack C. Carmichael, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7271.

Filed: May 28, 1980, 10:18 a.m.  
Doc. No. 803987

**Tuesday and Monday, June 24 and 30, 1980, 11 a.m. and 10 a.m., respectively.** The Texas Department of Health will conduct hearings at the following times and locations as listed below:

**June 24, 1980, 11 a.m.** Room 232 (library), Fort Worth Department of Public Health, 1800 University Drive, Fort Worth—Application 1356 of J. C. Duncan Company to operate an existing Type V municipal solid waste processing site (transfer station) located at 1212 Harrison Avenue in Arlington, Tarrant County

**June 30, 1980, 10 a.m.** Auditorium, Texas Department of Health, 1100 West 49th Street, Austin—Application 1348 of Foremost Construction, Inc., to operate a proposed Type IV brush and construction-demolition waste disposal site to be located in the east part of Austin, between Walnut Creek and Colorado River at 8400 Delwau Lane in Austin, Travis County

Additional information may be obtained from Jack C. Carmichael, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7271.

Filed: May 28, 1980, 3:54 p.m.  
Doc. No. 804010

## Texas Health Facilities Commission

**Friday, June 6, 1980, 9:30 a.m.** The Texas Health Facilities Commission will meet in Suite 305 of the Jefferson Building, 1600 West 38th Street, Austin, to consider the following applications:

- certificate of need
  - Hendrick Medical Center, Abilene  
AH79-1231-014
  - Hendrick Medical Center, Abilene  
AH79-1231-019
  - Nan Travis Memorial Hospital, Jacksonville  
AH79-1105-042
  - Buena Salud Health Systems, Inc., Del Rio  
AO79-1119-025
  - Hermann Hospital, Houston  
AH80-0312-016
  - Hermann Hospital, Houston  
AH80-0219-009
  - Hermann Hospital, Houston  
AH80-0219-011
  - Hermann Hospital, Houston  
AH80-0219-014
  - Laredo-Webb County Health Department, Laredo  
AS79-1130-009
  - Wichita General Hospital, Wichita Falls  
AH79-1130-013
  - St. Joseph Hospital, Houston  
AH80-0107-005
  - La Clinica Amistad, Inc., San Antonio  
AO80-0229-019
  - Santa Rosa Medical Center, San Antonio  
AH80-0131-003
- exemption certificate
  - Glenwood General Hospital, Inc., Tyler  
AH80-0423-011
  - Westgate Hospital and Medical Center, Denton  
AH80-0423-007
  - Mid-Jefferson County Hospital, Nederland  
AH80-0410-010
  - Medical Center of Winnie, Winnie  
AH80-0410-015
  - Odessa Women's and Children's Hospital, Odessa  
AH80-0410-005
  - Alvin Community Hospital, Alvin  
AH80-0410-001
  - Amarillo Hospital District for Amarillo Community Mental Health Center, Amarillo  
AH79-1116-006
  - St. Joseph Hospital, Bryan, Inc., Bryan  
AH80-0501-017
- amendment of declaratory ruling
  - Southwest Texas Methodist Hospital, San Antonio  
AH75-0627-010A (010480)
- amendment of certificate of need order
  - El Paso Convalescent Center, El Paso  
AN78-1222-001A (042280)
- motions for reconsideration and rehearing
  - Midway Park General Hospital, Inc., Lancaster  
AH79-0817-017
  - West Central Home Health Agency, Abilene  
AS78-0703-038

Further information may be obtained from O. A. Cassity III, P.O. Box 15023, Austin, Texas, telephone (512) 475-6940.

Filed: May 28, 1980, 11:42 a.m.  
Doc. No. 803996

## Texas Department of Human Resources

**Friday, June 6, 1980, 9 a.m.** The board of the Texas Department of Human Resources will meet in Room 1B1, 706 Banister Lane, Austin. According to the agenda summary, the board will consider legislative appropriations request for fiscal year 1982-83; proposed rules on reconstitution of CANRIS; reports on food stamp program, Cuban refugee program, and alternate care and nursing home programs; approval of emergency rule on aid and attendance benefits; and technical amendments to program policies and procedures.

Additional information may be obtained from Bill Woods, P.O. Box 2960, Austin, Texas 78769, telephone (512) 441-3355.

Filed: May 28, 1980, 10:39 a.m.  
Doc. No. 803992

## State Board of Insurance

**Wednesday, June 4, 1980, 9 a.m.** The Commissioner's Hearing Section of the State Board of Insurance will conduct a hearing in Room 342, 1110 San Jacinto Street, Austin, in Docket 6003 concerning Superior Title Company, Inc., Houston, notice of disciplinary action—furnishing an audit report which reveals a shortage or other irregularity or a practice not in keeping with sound, honest business practices.

Additional information may be obtained from J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78786, telephone (512) 475-4353.

Filed: May 27, 1980, 11:19 a.m.  
Doc. No. 803966

**Wednesday, June 4, 1980, 2 p.m.** The Commissioner's Hearing Section of the State Board of Insurance will conduct a hearing in Room 342, 1110 San Jacinto Street, Austin, to consider an application of Home Life Insurance Company of Texas, San Augustine, for extension of time within which to sell real estate—Docket 6005.

Additional information may be obtained from J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78786, telephone (512) 475-4353.

Filed: May 27, 1980, 11:19 p.m.  
Doc. No. 803967

**Thursday, June 5, 1980, 9 a.m.** The Commissioner's Hearing Section of the State Board of Insurance will conduct a public hearing in Room 342, 1110 San Jacinto Street, Austin, to consider notice of disciplinary action, Docket 6004—failure to furnish audit report within the time required, Taylor County Abstract Company, Abilene.

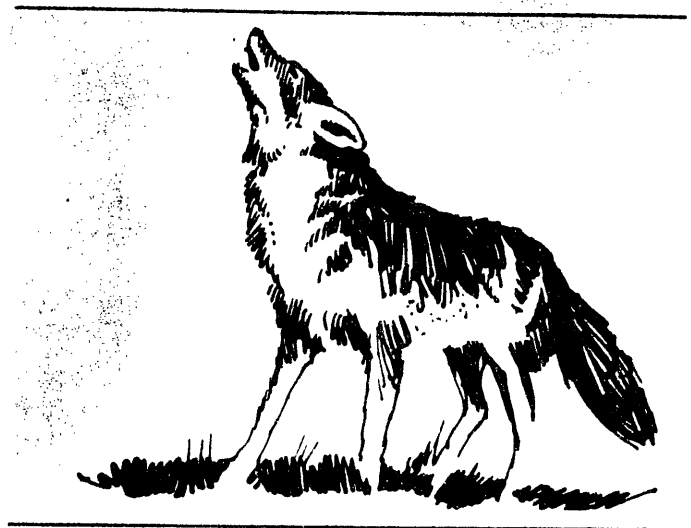
Additional information may be obtained from J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78786, telephone (512) 475-4353.

Filed: May 28, 1980, 3:56 p.m.  
Doc. No. 804008

**Thursday, June 5, 1980, 2 p.m.** The Commissioner's Hearing Section of the State Board of Insurance will conduct a hearing in Room 342, 1110 San Jacinto Street, Austin, to consider proposed merger of Life of America Insurance Company, Bankers Credit Life of America Insurance Company, and Bankers Credit Life Insurance Company, such that the survivor shall be Life of America Insurance Company.

Additional information may be obtained from J. C. Thomas, 1110 San Jacinto Street, Austin, Texas 78786, telephone (512) 475-4353.

Filed: May 28, 1980, 3:56 p.m.  
Doc. No. 804009



## Board for Lease of State-Owned Lands

**Thursday, June 5, 1980, 1:30 p.m.** The Board for Lease of Texas Parks and Wildlife Lands of the Board for Lease of State-Owned Lands will meet in Room 201-B, 4200 Smith School Road, Austin. According to the agenda, the board will consider bids received at the April 1, 1980, oil, gas, sulphur, and uranium lease sale; changing effective date on lease M-79486, Possum Kingdom Fish Hatchery; and pipeline easement application.

Additional information may be obtained from Linda Fisher, 1700 North Congress Avenue, Austin, Texas 78701, telephone (512) 475-2071.

Filed: May 28, 1980, 11:16 a.m.  
Doc. No. 803995

## Texas State Board of Medical Examiners

**Saturday-Thursday, June 7-12, 1980, 8 a.m.** The Texas State Board of Medical Examiners will meet at 211 East 7th Street, Austin. According to the agenda, the meeting includes the following: the board will consider examinations for licensure; meet in executive session to discuss personnel matters; and conduct hearings on possible Medical Practice Act violations; licensure applications; possible rule amendments regulating practice of medicine, as provided in Article 4509, Vernon's Annotated Civil Statutes; committee reports; committee meetings; secretary's report; annual registration form; discussion of qualifications for licensure; and public hearings to receive testimony on proposed P.A. rules.

Additional information may be obtained from Jean Davis, 211 East 7th, Austin, Texas 78701, telephone (512) 475-0741.

Filed: May 27, 1980, 4:02 p.m.  
Doc. No. 803978

## Board of Pardons and Paroles

**Monday-Friday, June 9-13, 1980, 9 a.m. daily.** The Board of Pardons and Paroles will meet in Room 711, Stephen F. Austin Building, Austin. According to the agenda, the board will review cases of inmates for parole consideration; act on emergency reprieve requests and other acts of executive clemency; review reports regarding persons on parole; review procedures affecting the day-to-day operation of support staff; review and initiate needed rule changes relating to general operation, executive clemency, parole, and all hearings conducted by this agency; and take action upon gubernatorial directives.

Additional information may be obtained from Ken Casner, 711 Stephen F. Austin Building, Austin, Texas, telephone (512) 475-3363.

Filed: May 27, 1980, 3:17 p.m.  
Doc. No. 803976

**Wednesday, June 11, 1980, 8 a.m.** The Board of Pardons and Paroles will meet in the Diagnostic Unit, Texas Department of Corrections, Huntsville. According to the agenda, a parole panel consisting of members of the Board of Pardons and Paroles and members of the Texas Parole Commission will conduct parole violation hearings.

Additional information may be obtained from Ken Casner, 711 Stephen F. Austin Building, Austin, Texas, telephone (512) 475-3363.

Filed: May 27, 1980, 3:17 p.m.  
Doc. No. 803977

## Texas Parks and Wildlife Department

**Thursday, June 5, 1980, 9 a.m.** The commission members of the Texas Parks and Wildlife Department will meet in Building B of the Texas Parks and Wildlife Headquarters Complex, 4200 Smith School Road, Austin. According to the

agenda summary, the commission will consider Hill Country State Natural Area land donation, Bandera/Medina Counties; concession contract renewals, Tyler State Park, Smith County and Huntsville State Park, Walker County; Mustang Island State Park parking/road construction, Nueces County; Sabine Pass Battleground State Historical Park water pipeline easement request, Jefferson County; fiscal year 1980 boat ramp construction program amendment, department rule amendments on administration of Land and Water Conservation Fund Program, the Texas Local Parks, Recreation and Open Space Fund Program; authorization to execute contracts and expend monies for federal urban parks recreation recovery projects; fiscal year 1980 fisheries construction/major repairs; Law Enforcement Division budget adjustment, additional equipment; fiscal year 1980 park operations/maintenance branch supplemental equipment budget; Eagle Mountain Lake land acquisition, Tarrant County; white-winged dove habitat acquisition, Hidalgo County.

Additional information may be obtained from Maurine Ray, 4200 Smith School Road, Austin, Texas 78744, telephone (512) 475-4954.

Filed: May 28, 1980, 11:54 a.m.  
Doc. No. 803999

**Thursday, June 5, 1980, in conjunction with June 5, 1980, public hearing.** The commission of the Texas Parks and Wildlife Department will meet in Building B of the Texas Parks and Wildlife Headquarters Complex, 4200 Smith School Road, Austin. According to the agenda summary, the commission will consider the 1982-83 legislative request preparation guidelines; proposed 1980-81 migratory game bird proclamations; proposed 1980-81 wildlife management area hunting, fishing and trapping proclamation, nonresident fishing; Bryan Beach State Recreation Area Phase I design/development review, Brazoria County; San Jacinto monument repair program, San Jacinto Battleground State Historical Park, Harris County; Guadalupe River State Park site water supply, Comal/Kendall Counties; land/water conservation fund marina support; Washington-on-the-Brazos State Historical Park, historic design/development, Washington County.

Additional information may be obtained from Maurine Ray, 4200 Smith School Road, Austin, Texas 78744, telephone (512) 475-4954.

Filed: May 28, 1980, 11:54 a.m.  
Doc. No. 804000

## State Board of Registration for Professional Engineers

**Tuesday, June 3, 1980, noon.** The State Board of Registration for Professional Engineers will meet in emergency session at 1917 IH35 South, Austin. According to the agenda, the emergency meeting is warranted because of scheduling conflicts in getting board members together to review 1982-83 biennium budget request and to take action on engineers making grandfather applications for surveyor's licenses and any other business which may come before the board.

Additional information may be obtained from Donald C. Klein, 1917 IH 35 South, Austin, Texas, telephone (512) 475-3141.

Filed: May 27, 1980, 4:40 p.m.  
Doc. No. 803980

## State Property Tax Board

**Wednesday, June 11, 1980, 10 a.m.** The State Property Tax Board will meet in the conference room at 9501 North IH 35 in Austin. The meeting includes the following: work session for the 1981 budget submission; protest hearings of transportation business intangibles according to Section 24.08 of the property tax code; and adoption of state ad valorem tax rule. Rule 237.06.09.001-003.

Additional information may be obtained from Kenneth E. Graeber, 9501 North IH 35, Austin, Texas 78753, telephone (512) 837-8622.

Filed: May 29, 1980, 11:56 a.m.  
Doc. No. 804023

## Public Utility Commission of Texas

**Monday, June 2, 1980, 9 a.m.** The Public Utility Commission of Texas met in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider issuance of a final order in Docket 3111, application of Southwestern Public Service Company for a rate increase.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 22, 1980, 3:05 p.m.  
Doc. No. 803917

**Thursday, June 5, 1980, 1 p.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, on the merits of Docket 3196—application of Hewitt Water Company for a review of rate ordinance passed by the City of Hewitt.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 27, 1980, 4:02 p.m.  
Doc. No. 803979

**Friday, June 6, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider Docket 3254—application of El Paso Electric Company for a rate increase within El Paso, Hudspeth, and Culberson Counties.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 28, 1980, 2:24 p.m.  
Doc. No. 804007

**Monday, June 9, 1980, 8:30 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider applications filed by Water Suppliers, Inc., to amend a certificate of convenience and necessity, and for a rate increase within Hays and Travis Counties.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 29, 1980, 9:44 a.m.  
Doc. No. 804017

**Monday, June 16, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider Docket 3165—complaint of D. H. Dilmore, et al., against Verona Water Supply Corporation.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 28, 1980, 10:17 a.m.  
Doc. No. 803988

**Monday, July 7, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider an application of Jalarco, Inc., for a rate increase within Williamson County—Docket 3181.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 27, 1980, 10:24 a.m.  
Doc. No. 803964

**Monday, August 11, 1980, 10 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, on merits of Dockets 3198 and 3234—application of Central Power and Light Company for approval of tariff amendment and application of Southwestern Bell Telephone Company for approval of tariff amendment concerning limitations of liability.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: May 28, 1980, 2:04 p.m.  
Doc. No. 804005

**Monday, September 8, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will conduct a rescheduled hearing in Suite 450N, 7800 Shoal Creek Boulevard, Austin, on the merits of Dockets 2989 and 3013—applications of Horseshoe Bend Estates Homeowner's Association of Wichita Falls, Inc. for a certificate of convenience and necessity to provide water utility service and to implement rates within Wichita County. The meeting was originally scheduled for June 6, 1980.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

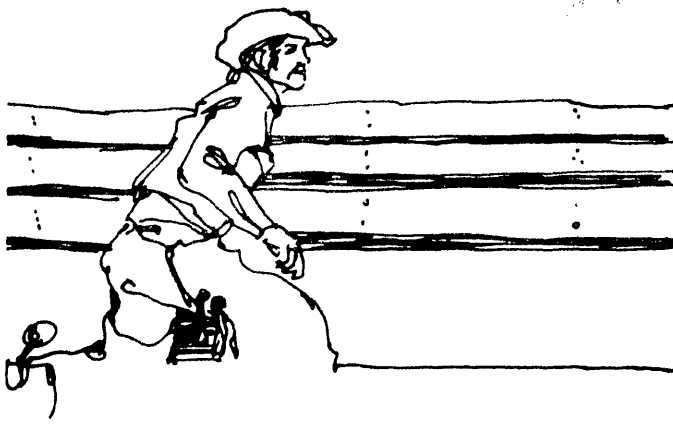
Filed: May 28, 1980, 10:17 a.m.  
Doc No. 803989

## State Purchasing and General Services Commission

**Friday, May 30, 1980, 10 a.m.** The State Purchasing and General Services Commission made emergency additions to the agenda of a meeting held in Room 916 of the LBJ Building, 111 East 17th Street, Austin. The two additional items concerned review of the current status of the SAMSCO project for possible action, and consideration of McGaw Laboratory's request to review its determination of April 25 to solicit new bids on certain portions of the Class 270 procurement. The emergency additions were warranted because the decision to add the first additional item for the May 30 meeting came too late to publish it with the regular agenda, and the request for the second additional item came too late to be included in the regular publishing of the agenda and it is necessary to have it published as an emergency addition in order to have it ready for consideration for the May 30th commission meeting.

Additional information may be obtained from Homer A. Foerster, Room 914, LBJ Building, 111 East 17th Street, Austin, Texas 78701, telephone (512) 475-2211.

Filed: May 28, 1980, 4:22 p.m.  
Doc. No. 804014



## Railroad Commission of Texas

**Tuesday, May 27, 1980, 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 South IH 35, Austin. The addition concerned consideration of Natural Gas Policy Act of 1978. Docket F-09-011257, Sections 102(c)(1)(B), 102(c)(1)(C), 103 category determination. This matter was properly noticed for consideration by the commission in open meeting on May 19, 1980, was passed at such meeting, and was considered on less than seven days' notice as a matter of urgent public necessity.

Additional information may be obtained from Linda D. Carr, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1273.

Filed: May 23, 1980, 3:45 p.m.  
Doc. No. 803946

**Monday, June 2, 1980, 9 a.m.** The Railroad Commission of Texas met in the third floor conference room, 1124 South IH 35, Austin. Following the regular agenda, the commission met in executive session to discuss personnel actions for all divisions and to consult with its legal staff on prospective and pending litigation pursuant to Sections 2g and 2e of the Act, respectively.

Additional information may be obtained from Carla S. Doyne, 1124 South IH 35, Austin, Texas 78704, telephone (512) 445-1186.

Filed: May 23, 1980, 3:45 p.m.  
Doc. No. 803951

**Monday, June 2, 1980, 9 a.m.** The Gas Utilities Division of the Railroad Commission of Texas met in Room 107, 1124 South IH 35, Austin. According to the agenda summary, the division considered Gas Utilities Dockets 2221, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, and the director's report.

Additional information may be obtained from Lucia Sturdevant, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1126.

Filed: May 23, 1980, 3:43 p.m.  
Doc. No. 803948

**Monday, June 2, 1980, 9 a.m.** The Liquefied-Petroleum Gas Division of the Railroad Commission of Texas met in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda, the division considered the director's report.

Additional information may be obtained from Guy G. Mathews, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1189.

Filed: May 23, 1980, 3:46 p.m.  
Doc. No. 803953

**Monday, June 2, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting held in the first floor auditorium, 1124 South IH 35, Austin. The added item concerned consideration of a state alternate plan pursuant to the NGPA.

Additional information may be obtained from Sandra B. Buch, P.O. Drawer 12967, Austin, Texas, telephone (512) 445-1278.

Filed: May 23, 1980, 3:44 p.m.  
Doc. No. 803949

**Monday, June 2, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting held in the first floor auditorium, 1124 South IH 35, Austin. The additional item concerned consideration of publication of proposed amendments to Rules 051.02.02.008, 051.02.02.013, and 051.02.02.014 (Statewide Rules 8, 13, and 14, respectively).

Additional information may be obtained from John G. Soule, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1285.

Filed: May 23, 1980, 3:48 p.m.  
Doc. No. 803952

**Monday, June 2, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas met in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda summary, the division considered various matters falling within the Railroad Commission's oil and gas regulatory jurisdiction.

Additional information may be obtained from Jan Burris, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1307.

Filed: May 23, 1980, 3:47 p.m.  
Doc. No. 803954

**Monday, June 2, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting held in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda summary, the division added consideration of category determinations under Sections 102(c)(1)(B), 102(c)(1)(C), 103, 107, and 108 of the Natural Gas Policy Act of 1978.

Additional information may be obtained from Linda D. Carr, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1273.

Filed: May 23, 1980, 3:47 p.m.  
Doc. No. 803955

**Monday, June 2, 1980, 9 a.m.** The Transportation Division of the Railroad Commission of Texas met in Room 107, 1124 South IH 35, Austin. According to the agenda summary, the division considered various matters falling within the Railroad Commission's transportation regulatory jurisdiction.

Additional information may be obtained from Owen T. Kinney, P.O. Drawer 12967, Austin, Texas 78711.

Filed: May 23, 1980, 3:44 p.m.  
Doc. No. 803950

**Tuesday, June 3, 1980, 2 p.m.** The Transportation Division of the Railroad Commission of Texas will meet in Room 107, 1124 South IH 35, Austin. According to the agenda, the division will consider Docket 023453ZZT, application of Sand and Gravel Motor Carriers Association, Inc., to increase rates approximately 35 percent on sand, gravel, and other aggregates, S&GMCA tariff 2-F, establish item containing rates approximately 28 percent increase on exempt government contract movements.

Additional information may be obtained from Owen T. Kinney, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1330.

Filed: May 23, 1980, 3:45 p.m.  
Doc. No. 803947

**Wednesday, June 18, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission will meet at the Quality Inn, 2200 South IH 35, Austin, to conduct a statewide oil and gas hearing.

Additional information may be obtained from Harriet Perkins, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1297.

Filed: May 23, 1980, 3:48 p.m.  
Doc. No. 803956

## School Land Board

**Tuesday, June 3, 1980, 10 a.m.** The School Land Board will meet in Conference Room 831, 1700 North Congress Avenue, Stephen F. Austin Building, Austin, to consider nine pooling applications; one pooling application and request to pool under Mineral Interest Pooling Act; one pooling agreement amendment application; one application for suspension of state leases; request to offer State School Lands for geothermal leases on October 7, 1980, lease sale; and concerning Coastal Public Lands: easement applications; cabin permit alteration requests; and approval of the nine-point Mesa Trade, Brewster County.

Additional information may be obtained from Linda Fisher, 1700 North Congress Avenue, Stephen F. Austin Building, Room 835, Austin 78701, telephone (512) 475-2071.

Filed: May 23, 1980, 2:52 p.m.  
Doc. No. 803941

**Tuesday, June 3, 1980, 10 a.m.** The School Land Board makes an emergency addition to the agenda of a meeting to be held in Conference Room 831, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. The addition concerns consideration of five pooling applications and one pooling agreement amendment application. The addition was made on less than seven days notice because the leases will expire before the next scheduled meeting.



Additional information may be obtained from Linda Fisher, 1700 North Congress Avenue, Stephen F. Austin Building, Room 835, Austin 78701, telephone (512) 475-2071.

Filed: May 27, 1980, 11:15 a.m.  
Doc. No. 803965

## State Securities Board

**Friday, June 6, 1980, 9 a.m.** The State Securities Board will meet at 1800 San Jacinto, Austin. According to the agenda summary, the board will consider previously published rules concerning an exemption under Section 5(t), advertising guidelines; recordkeeping requirements for restricted dealers; disclosure requirements for tender offerors; and examination requirements. The committee will also discuss new proposals for rules concerning sales to institutions under Section 5(h), exemption from dealer registration; amendment to 5(o), Secondary Trading Notice; and guidelines for registering commodity pool programs. The budget will be presented and a general update on agency operations given.

Additional information may be obtained from Richard D. Latham, 1800 San Jacinto, Austin, Texas 78759, telephone (512) 474-2233.

Filed: May 27, 1980, 11:31 a.m.  
Doc. No. 803968

**Wednesday, June 18, 1980, 10 a.m.** The Securities Commissioner of the State Securities Board will meet in Room 119, 1700 North Congress Avenue, Austin, for the purpose of determining whether the application of Ronald Howard Degel for registration as an individual securities dealer or investment adviser should be granted or denied.

Additional information may be obtained from Lee Polson, 1800 San Jacinto Street, Austin, Texas.

Filed: May 28, 1980, 2:03 p.m.  
Doc. No. 804003

## Texas Surplus Property Agency

**Monday, June 9, 1980, 1:30 p.m.** The Governing Board of the Texas Surplus Property Agency will meet in the board room of the TPEA Building, 512 East 11th Street, Austin. The board will approve minutes of the last board meeting; review current year's income and expenditures; discuss and act on the federally imposed "surcharge" on DOD property; and discuss and review the GAO report to Congress.

Additional information may be obtained from Robert A. Davis, Jr., P.O. Box 8120, Wainwright Station, San Antonio, Texas 78208, (512) 661-2381.

Filed: May 23, 1980, 9:39 a.m.  
Doc. No. 803924

## Tax Assessor Examiners Board

**Wednesday, June 11, 1980, 9 a.m.** The Tax Assessor Examiners Board will meet in the Library, 9501 IH 35 North, Austin. According to the agenda, the board will approve

minutes of the previous meeting; hear announcements; conduct a budget work session in conjunction with the State Property Tax Board; discuss and approve new RPA examination; hear the director's report; and meet in executive session.

Additional information may be obtained from Ben H. Tow, 9501 North IH 35, Austin, Texas, telephone (512) 837-9800.

Filed: May 22, 1980, 3:54 p.m.  
Doc. No. 803918

## Teachers' Professional Practices Commission of Texas

**Friday, June 6, 1980, 1:30 p.m.** The Teachers' Professional Practices Commission of Texas will meet at 3830 Parkdale Drive in San Antonio. The meeting includes the following: adoption of minutes of February 5, 1980, meeting; recognition of new commission members; adoption of revised rules of procedure for hearing complaints; report on the commission's testimony before the commission on standards for the teaching profession; reports of the director; and other matters of the commission.

Additional information may be obtained from Bill Reaves, 210 East 11th Street, Austin, Texas 78701, telephone (512) 475-6836.

Filed: May 29, 1980, 11:33 a.m.  
Doc. No. 804022

## Advisory Council for Technical-Vocational Education in Texas

**Monday and Tuesday, June 23 and 24, 1980, 1:30 p.m. and 8:30 a.m., respectively.** The Advisory Council for Technical-Vocational Education in Texas will meet in the Ambassador Room of the Villa Capri Hotel, 2400 North IH 35, Austin. According to the preliminary agenda, the council will receive an assessment of career education; hear a presentation on meeting employment needs through vocational education; review the state plan for vocational education for fiscal year 1981; hear committee reports; discuss the ACTVE Program of Work and Activities; review the special report to the state board of vocational education; elect officers; review the ACTVE budgets; and review the annual reports of the council to the State Board of Education, and the joint report to the governor and the legislature.

Additional information may be obtained from Valeria J. Blaschke, 1700 South Lamar, Suite 202, Austin, Texas 78704, or P.O. Box 1886, Austin, Texas 78767, telephone (512) 475-2046.

Filed: May 23, 1980, 9:40 a.m.  
Doc. No. 803923

## University of Texas

**Thursday and Friday, May 29 and 30, 1980, 1:30 p.m. and 9 a.m. respectively.** The University of Texas System Board of Regents met in the Caduceus Room, sixth floor, Adminis-

tration Building, the University of Texas Medical Branch at Galveston, 301 University Boulevard, Galveston. According to the agenda summary, the board considered the following matters: a report by President Levin; sale of student apartment revenue bonds, UT at Arlington; budgetary items for components; policies for legislative budget requests; health insurance for 1980-81; chancellor's docket; appointments to endowed professorships and chairs, UT at Austin and University Cancer Center; increase service charge for returned checks and facility use charge for Special Events Center, UT at Austin; establishment of student newspaper, UT at Dallas; requests to coordinating board, UT at El Paso and San Antonio Health Science Center; mixed beverage permit, et al., UT at El Paso; increase in housing rates and deposits, UT at El Paso; designation of official colors, UT at San Antonio; buildings and grounds matters, affiliation agreements for components; increase in student services fee, Dallas Health Science Center; amendments to bylaws medical and dental services research and development plans, San Antonio Health Science Center; acceptance of assets of blood component portion of Institute of Hemotherapy, University Cancer Center; amendments to University Cancer Foundation Trust Instrument; land and investment matters (gifts, bequests and estates, real estate and establishment of endowed funds); request to sell PUF bonds; amendment to bank depository roster; system wide boiler and machinery insurance; exception to rules and regulations to name engineering library, UT at Austin; appointment to board for South-west Texas Public Broadcasting Council and to Trammell Crow Family Foundation, UT at Austin; report on acquisition of property in Port Aransas, UT at Austin; medical faculty compensation policy; acquisition of property—Bastrop County and Houston, University Cancer Center; building adjacent to campus in Dallas, Dallas Health Science Center; land adjacent to campus, UT at El Paso; role and scope of Tyler Health Center; membership on advisory councils and development boards; pending litigation; and personnel matters.

Additional information may be obtained from Betty Anne Thedford, P.O. Box N, UT Station, Austin, Texas 78712, telephone (512) 471-1265.

Filed: May 23, 1980, 1:17 p.m.  
Doc. No. 803940

**Thursday, May 29, 1980, 1:30 p.m., and Friday, May 30, 1980, 9 a.m.** The Board of Regents of the University of Texas System made an emergency addition to the agenda of a meeting held in the Caduceus Room, sixth floor, Administration Building, The University of Texas Medical Branch at Galveston, 301 University Boulevard, Galveston. According to the agenda, the board considered the Dallas Health Science Center—Ambulatory Care Center: Request to halt preparation of final plans and specifications to be altered, to change location and to negotiate an exchange of land with Parkland Hospital for location thereof. The emergency addition was made because the item did not arise until after the deadline for posting and it must be considered at this time.

Additional information may be obtained from Betty Anne Thedford, P.O. Box N, Austin, Texas 78712, telephone (512) 471-1265.

Filed: May 28, 1980, 9:19 a.m.  
Doc. No. 803984



## Board of Vocational Nurse Examiners

**Tuesday-Thursday, June 10-12, 1980, 8 a.m. daily.** The Board of Vocational Nurse Examiners will meet at 111 East First Street, Sheraton-Crest Inn, Austin. According to the agenda summary, on June 10 the board will meet in executive session and conduct a business meeting. On June 11 and 12, the meeting includes the following: consideration of minutes of previous meeting; report of the executive secretary and director of education; school accreditation visits; program proposals for schools of vocational nursing; budget request for fiscal year 1982-83; applicants for licensure; reports from meetings attended by staff/board members; and administrative hearings. The LBB staff reports to Sunset Commission will be considered.

Additional information may be obtained from Waldeen D. Wilson, 5555 North Lamar, Commerce Park, Building H, Suite 131, Austin, Texas 78751, telephone (512) 458-1203.

Filed: May 28, 1980, 2:05 p.m.  
Doc. No. 804006

## Texas Water Commission

**Monday, June 2, 1980, 10 a.m.** The Texas Water Commission will meet in Room 118 of the Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda summary, the commission will consider applications for bond issues; petitions for creations; water quality amendments; renewals; private sewage facility regulations; water rights final decisions; levee project; certificates of adjudications; assessment of watermaster operations; filing and setting of hearing dates.

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: May 22, 1980, 2:47 p.m.  
Doc. No. 803913

**Tuesday, June 17, 1980, 9 a.m.** The Texas Water Commission will meet in the conference room of the Courthouse Annex, Chambers County Courthouse, Anahuac. According to the agenda summary, the commission will conduct a hearing on an application of Liberty Waste Disposal Company for commercial Class I Solid Waste Management Site Permit 39039.

Additional information may be obtained from Joe O'Neal, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-2711.

Filed: May 27, 1980, 3:18 p.m.  
Doc. No. 803973

**Tuesday, June 17, 1980, 10 a.m.** The Texas Water Commission will meet in the conference room of Annex I of the Houston-Galveston Area Council, 3701 West Alabama, Houston. According to the summarize agendas, the commission will conduct hearings on the following:

Application by Thomas D. Simmons, Jr. for a water quality permit to authorize a discharge of 250,000 gallons per day of treated domestic sewage. The applicant proposes to construct wastewater facilities to serve the domestic needs of a proposed commercial development of offices and warehouses 0.3 mile southwest of the intersection of Fisher Road and the old Hempstead, Harris County.

Application by the City of Houston, Department of Public Works (Southwest Plant), for an amendment to Permit 10495-37 to contain only final limitations with a permitted flow of 38,000,000 gallons per day and Houston Ship Channel effluent quality requirements. The plant is located at the intersection of Beechnut and Newcastle Streets in Houston, Harris County.

Additional information may be obtained from Phillip Paine, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-1468.

Filed: May 22, 1980, 2:48 p.m.  
Doc. Nos. 803914-803915

**Tuesday, June 24, 1980, 10 a.m.** The Texas Water Commission will meet in Room 118 of the Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda summary, the commission will consider applications by the City of San Antonio, Department of Public Works for an amendment to Permit 10137-33, and Bayshore Industrial, Inc., for Permit 02315 to regulate the discharge of wastewater from a new plant located adjacent to McCabe Road near the intersection of McCabe Road and Highway 146, Harris County.

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: May 22, 1980, 2:48 p.m.  
Doc. No. 803916

**Wednesday, June 25, 1980, 10 a.m.** The Texas Water Commission will meet in the Commissioners Courtroom, Wood County Courthouse, Quitman. According to the summarized agendas, the commission will conduct hearings on the following:

Application by the City of Yantis for a permit to authorize a discharge of 50,000 gallons per day of treated domestic sewage effluent. The plant is to be located approximately one mile south of the intersection of FM Road 17 (Oak Street) and State Highway 154 (Main Street), south of the City of Yantis, Wood County.

Application by Quitman Refining Company for an amendment to Permit 02079. The plant is located on the south side of and adjacent to State Highway 37, approximately 1.4 miles east of its intersection with FM Road 69 and approximately five miles northeast of the City of Quitman, Wood County.

Additional information may be obtained from John P. Sutton, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-1468.

Filed: May 23, 1980, 3:01 p.m.  
Doc. Nos. 803942-803943

**Wednesday, July 2, 1980, 10 a.m.** The Texas Water Commission will meet in Room 118, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda summary, the commission will conduct a hearing on petition for creation of Harris County Municipal Utility District 170 of Harris County, containing 152.26 acres of land.

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: May 23, 1980, 3:01 p.m.  
Doc. No. 803944

**Thursday, July 3, 1980, 10 a.m.** The Texas Water Commission will meet in Room 618 of the Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the summarized agendas, the commission will conduct hearings on the following:

Application 4046 of Dallas-Fort Worth Regional Airport Board for a permit to construct and maintain three dams and reservoirs on an unnamed tributary of West Fork Trinity River, tributary of Trinity River, Trinity River Basin, for recreational purposes in Tarrant County.

Application 1356A of Ochiltree County for an amendment to Permit 1269 to authorize an increase in the capacity of the reservoir previously authorized for recreational purposes on Wolf Creek, tributary of North Canadian River, Canadian River Basin in Ochiltree County.

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: May 27, 1980, 2 p.m.  
Doc. Nos. 803974 & 803975

## Regional Agencies

### Meetings Filed May 22, 1980

**The Middle Rio Grande Development Council**, A-95 Project Review Committee, met in City Council Chambers, City Hall, Uvalde, on May 28, 1980, at 2 p.m. Further information may be obtained from Elia G. Santos, P.O. Box 1461, Del Rio, Texas 78840, telephone (512) 775-1581.

**The Panhandle Regional Planning Commission**, Texas Panhandle Employment and Training Alliance, met in Room 216 of the Amarillo Building, 3rd and Polk Streets, Amarillo, on May 28, 1980, at 3 p.m. The Board of Directors of the commission met in the PRPC conference room, first floor, Amarillo Building, 3rd and Polk Streets, Amarillo, the following day, May 29, 1980, at 1:30 p.m. Further information may be obtained from James Barrington and George Loudder, respectively, P.O. Box 9257, Amarillo, Texas 79105, telephone (806) 372-3381.

Doc. No. 803922

### Meetings Filed May 23, 1980

**The Austin-Travis County MH/MR Center**, Planning and Operations Committee of the Board of Trustees, met in rescheduled session in the board room, 1430 Collier Street, Austin, on May 27, 1980, at 5:15 p.m. The Board of Trustees met at the same location on May 29, 1980, at 7:30 p.m. Further information may be obtained from Becky Howard, 1430 Collier Street, Austin, Texas 78704, telephone (512) 447-4141.

**The Metropolitan Hospital Authority**, Board of Directors, met on the 36th floor of the Chapparal Club, Southland Center, Dallas, on June 2, 1980, at noon. Further information may be obtained from Thomas C. Unis, 1200 One Main Place, Dallas, Texas 75250, telephone (214) 658-1600.

Doc. No. 803937

### Meetings Filed May 27, 1980

**The Austin-Travis County MH/MR Center**, Finance and Control Committee of the Board of Trustees, met in emergency session in the board room, 1430 Collier Street, Austin, on May 27, 1980, at noon. Further information may be obtained from Mary Lou Serviss, 1430 Collier Street, Austin, Texas 78704, telephone (512) 447-4141.

**The Deep East Texas Council of Governments**, Manpower Advisory Council, will meet in the Harvest Room, Lufkin Federal Savings and Loan, 211 Shepherd, Lufkin, on June 4, 1980, at 10 a.m. Further information may be obtained from Susan Rushing, P.O. Box 1423, Lufkin, Texas, telephone (713) 634-2247.

**The Education Service Center, Region IV**, Board of Directors, will meet in Administrative Offices, Region IV Education Service Center, 1750 Seamist, on June 10, 1980, at 6 p.m. Further information may be obtained from Dr. Tom Pate, Jr., P.O. Box 863, Houston, Texas 77001, telephone (713) 868-1051.

**The Trinity River Authority of Texas**, Huntsville Regional Water Supply System Right-of-Way Committee, met in emergency session in the executive conference room, TRA's general office, 2723 Avenue E East, Arlington, on May 29, 1980, at 2 p.m. Further information may be obtained from Geri Elliott, P.O. Box 5768, Arlington, Texas 76011, telephone (817) 461-3151.

Doc. No. 803961

### Meetings Filed May 28, 1980

**The Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1**, Board of Directors, met at the district office, Natalia, on June 2, 1980, at 8 a.m. Further information may be obtained from Clifford Mueller, P.O. Box 180, Natalia, Texas 78059, telephone (512) 663-2132.

**The Camino Real Health Systems Agency**, Board of Directors, met in emergency session in the second floor conference room, 410 South Main, S. 212, San Antonio, on May 28, 1980, at 7 p.m. Further information may be obtained from Jose Antonio Contreras, 410 South Main, S. 212, San Antonio, Texas 78204, telephone (512) 225-4425.

**The Panhandle Regional Planning Commission**, Texas Panhandle Employment and Training Advisory Council, will meet in Room 216, Amarillo Building, Third and Polk Streets, Amarillo, on June 3, 1980, at 2:30 p.m. Further information may be obtained from Ola Kidd, P.O. Box 9257, Amarillo, Texas 79105, telephone (806) 372-3381.

**The San Antonio River Authority**, San Antonio River Basin Advisory Committee, will meet at 100 East Guenther Street, San Antonio, on June 17, 1980, at 2 p.m. Further information may be obtained from Russell L. Masters, P.O. Box 9284, Guilbeau Station, San Antonio, Texas 78204, telephone (512) 227-1373.

**The South Texas Development Council**, Regional Manpower Policy Advisory Council, will meet at the Zapata county judge's office, Zapata, on June 4, 1980, at 10 a.m. Further information may be obtained from Andres Smith, P.O. Box 2187, Laredo, Texas 78041, telephone (512) 722-3995.

Doc. No. 803985

### Meetings Filed May 29, 1980

**The Austin-Travis County Mental Health/Mental Retardation Center**, Finance and Control Committee, met at 1430 Collier Street in Austin on May 29, 1980, from 7 p.m. to 7:30 p.m. Further information may be obtained from Mary Lou Serviss, 1430 Collier Street, Austin, Texas 78704, telephone (512) 447-4141.

Doc. No. 804015

## Attorney General of Texas

### Appointment

Judy Sauer will serve as a citizen member of the Board for Lease of State Park Lands for a two-year term to expire December 14, 1981, pursuant to Section 35.012(a)(2) of the Natural Resources Code. Ms. Sauer's address is 503 Westminster, Houston, Texas 77024.

Issued in Austin, Texas, on May 27, 1980.

Doc. No. 803969      Bob Heath  
                                 Opinions Committee Chairman  
                                 Attorney General of Texas

Filed: May 27, 1980, 1:32 p.m.

For further information, please call (512) 475-5445.

## State Banking Department

### Applications to Purchase Control of State Banks

Article 342-401a, Vernon's Texas Civil Statutes, requires any person who intends to buy control of a state bank to file an application with the banking commissioner for the commissioner's approval to purchase control of a particular bank. A hearing may be held if the application is denied by the commissioner.

On May 20, 1980, the banking commissioner received an application to acquire control of Farmers State Bank in Hart by Michael C. Stinson of Fort Worth, and John W. Templer of Palmer. Additional information may be obtained from Robert E. Stewart, 2601 North Lamar, Austin, Texas 78705, telephone (512) 475-4451.

Issued in Austin, Texas, on May 20, 1980.

Doc. No. 803890      Robert E. Stewart  
                                 Banking Commissioner

Filed: May 21, 1980, 3:59 p.m.

For further information, please call (512) 475-4451.

## Comptroller of Public Accounts

### Administrative Decision

#### Summary of Administrative Decision 10,688

For copies of the following recent opinion selected and summarized by the administrative law judges, contact the administrative law judges, P.O. Box 13528, Austin, Texas 78711. Copies will be furnished without charge and edited to comply with our confidentiality statutes.

**Summary of Decision:** The purchase of an airplane from a corporation engaged in molding plastic emblems and not doing business in Texas is subject to use tax. It was concluded that this seller would be required to hold a Texas sales and use tax permit if doing business in this state, and that therefore this sale did not qualify for exemption as an occasional sale under Article 20.04(I). Sales of tangible personal

property by persons holding Texas tax permits required to hold such permits or who would be required to hold such permits if doing business here do not escape this state's sales and use tax by virtue of the property being of a different type or nature than that ordinarily sold. The particular item of property sold is essentially immaterial in determining "occasional sale." (See definition of occasional sale, Article 20.02(F).)

Additionally, even though the purchaser is located outside any city limits and the airplane is generally used in connection with purchaser's operations which are not within city limits, local use tax was due because the airplane is hangared at and operates out of an airport within the city limits of a Texas city having a local tax. This resulted in a finding of storage or use in such city.

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803986      Fred Conder  
                                 Chief Administrative Law Judge  
                                 Comptroller of Public Accounts

Filed: May 28, 1980, 9:58 a.m.

For further information, please call (512) 475-1938.

## Texas Department of Health

### Corrections of Error

Adopted Rule 301.33.10.030 contained an error as published in the May 16, 1980, issue of the *Texas Register* (5 TexReg 1915). Subsection (a) of Rule .030 should read: "The results of eye examinations and vision screening tests shall be reported annually by the governing body of each school, over the signature of the superintendent or chief administrator of the school, as specified on a form approved by the department (sample attached)."

An open meeting notice contained an error as published in the May 20, 1980, issue of the *Register* (5 TexReg 1979). The location of the June 24, 1980, meeting should read: "Room 232 (Library), Fort Worth Department of Public Health, 1800 University Drive, Fort Worth."

## Texas Health Facilities Commission

### Applications for Declaratory Ruling, Exemption Certificate, and Transfer and Amendment of Certificate

Notice is hereby given by the Texas Health Facilities Commission of application (including a general project description) for declaratory ruling, exemption certificate, transfer of certificate, and amendment of certificate accepted during the period of May 21-23, 1980.

Should any person wish to become a formal party to any of the above-stated applications, that person must file a request to become a party to the application with the chairman of the commission within 25 days after the application is accepted. The first day for calculating this 25-day period is the first calendar day following the date of acceptance of the application. The 25th day will expire at 5 p.m. on the 25th consecutive day after the date said application is accepted. If the

25th day is a Saturday, Sunday, or state holiday, the last day shall be extended to 5 p.m. of the next day that is not a Saturday, Sunday, or state holiday. A request to become a party should be mailed to the chairman of the commission, P.O. Box 15023, Austin, Texas 78761, and must be received at the commission no later than 5 p.m. of the last day allowed for filing of a request to become a party.

The contents and form of a request to become a party to an application for a declaratory ruling, exemption certificate, transfer of certificate, or amendment of certificate must meet the minimum criteria set out in Rule 315.20.01.050. Failure of a party to supply the minimum necessary information in the correct form will result in a defective request to become a party and such application will be considered uncontested.

The fact that an application is uncontested will not mean that it will be approved. The application will be approved only if the commission determines that it qualifies under the criteria of Sections 3.02 or 3.03 of Article 4418(h), Texas Revised Civil Statutes, and Rules 315.17.04.010-.030, Rules 315.17.05.010-.030, Rules 315.18.04.010-.030, and Rules 315.18.05.010-.030.

In the following list, the applicant and date of acceptance are listed first, the file number second, the relief sought third, and description of the project fourth. EC indicates exemption certificate, DR indicates declaratory ruling, TR indicates transfer of ownership of certificate, AMD indicates amendment of certificate, and CN indicates certificate of need.

Community Hospital of Brazosport, Freeport  
(5/12/80)

AH80-0508-008

EC—Notice of acceptance of this application was published in the May 20, 1980, issue of the *Texas Register* (5 TexReg 1988) and contained incorrect information—the Community Hospital of Brazosport was incorrectly stated as being located in Brazosport, Texas

Town Hall Estates, Hillsboro (5/12/80)

AH79-0515-007A (051280)

AMD/CN—Notice of acceptance of this application was published in the May 23, 1980, issue of the *Texas Register* (5 TexReg 2040) and contained incorrect information—the file number was incorrectly listed

Visiting Nurse Association of Dallas, Dallas

(5/22/80)

AS80-0522-003

EC—Modification of an existing branch office at 2818 Maple Avenue, Dallas, by leasing additional space on an adjacent floor to provide more space for the existing hospice program and the central district office

West Texas Home Health Agency for Hill County

Home Health Agency, Toth (5/21/80)

AS80-0519-025

EC—Relocation of applicant's office from a location 35 miles outside of San Antonio at Toth, Texas, to Oak Hill Medical Building, Suite 204B, in San Antonio

Northview Development Center, Eastland (5/21/80)

AN79-0511-013A (051980)

AMD/CN—Request to amend Certificate of Need AN79-0511-013, which authorized remodeling and construction of new space at the facility, to increase the cost of the project from \$165,000 to \$245,000 and extend the completion deadline from August 31, 1980, to April 16, 1981

Sid Peterson Memorial Hospital, Kerrville (5/21/80)  
AH80-0519-037

EC—Modification of the emergency room to provide two additional treatment rooms; enlarge the waiting room, physician's consultation room, and outpatient registration area

West Texas Home Health Agency, Lubbock (5/21/80)  
AS80-0519-031

EC—To relocate the office of West Texas Home Health Agency from No. 3 Briercroft Office Park in Lubbock to Potomac Court South, 5002C Avenue Q, in Lubbock

Webb County Rehabilitation Center for Drug Abuse,  
Laredo (5/22/80)

AO80-0520-005

EC—To relocate the Webb County Rehabilitation Center for Drug Abuse from 1015 Hidalgo in Laredo to 518 Pappas in Laredo

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803935

O. A. Cassity III

Director of Hearings

Texas Health Facilities Commission

Filed: May 23, 1980, 11:46 a.m.

For further information, please call (512) 475-6940.

Notice is hereby given by the Texas Health Facilities Commission of application (including a general project description) for declaratory ruling, exemption certificate, transfer of certificate, and amendment of certificate accepted during the period of May 22-May 27, 1980.

Should any person wish to become a formal party to any of the above-stated applications, that person must file a request to become a party to the application with the chairman of the commission within 25 days after the application is accepted. The first day for calculating this 25-day period is the first calendar day following the date of acceptance of the application. The 25th day will expire at 5 p.m. on the 25th consecutive day after the date said application is accepted. If the 25th day is a Saturday, Sunday, or state holiday, the last day shall be extended to 5 p.m. of the next day that is not a Saturday, Sunday, or state holiday. A request to become a party should be mailed to the chairman of the commission, P.O. Box 15023, Austin, Texas 78761, and must be received at the commission no later than 5 p.m. of the last day allowed for filing of a request to become a party.

The contents and form of a request to become a party to an application for a declaratory ruling, exemption certificate, transfer of certificate, or amendment of certificate must meet the minimum criteria set out in Rule 315.20.01.050. Failure of a party to supply the minimum necessary information in the correct form will result in a defective request to become a party and such application will be considered uncontested.

The fact that an application is uncontested will not mean that it will be approved. The application will be approved only if the commission determines that it qualifies under the criteria of Sections 3.02 or 3.03 of Article 4418(h), Texas Revised Civil Statutes, and Rules 315.17.04.010-.030, Rules 315.17.05.010-.030, Rules 315.18.04.010-.030, and Rules 315.18.05.010-.030.

In the following list, the applicant and date of acceptance are listed first, the file number second, the relief sought third, and description of the project fourth. EC indicates exemption certificate, DR indicates declaratory ruling, TR indicates transfer of ownership of certificate, AMD indicates amendment of certificate, and CN indicates certificate of need.

The Institute for Rehabilitation and Research  
(TIRR), Houston (5/22/80)

AA80-0521-013

EC—Remodel a 1,843 square foot area presently occupied by Management Information Systems Department, Scheduling Office, SCIC Data Center, Administrator of Rehabilitation Services Division and three physicians offices in order to house 13 physicians and secretaries in the same area and relocate the above stated services

Gulf Coast Medical Foundation, Wharton (5/22/80)

AH80-0522-005

EC—Expansion of existing emergency department by the addition of a third major treatment room

Coronado Community Hospital, Inc.,

Pampa (5/27/80)

AH80-0522-010

EC—Acquire a Cavitron Model 8000-V, phaco emulsifier for use in performance of ophthalmology surgical procedures

Coronado Community Hospital, Inc.,

Pampa (5/27/80)

AH80-0522-014

EC—Acquire an international medical stress lab for use in exercise tests

Coronado Community Hospital, Inc.,

Pampa (5/27/80)

AH80-0522-016

EC—Acquire a Dupont ACA III to provide automated single chemistry patient profiles

Coronado Community Hospital, Inc.,

Pampa (5/27/80)

AH80-0522-016

EC—Acquire a Dupont ACA III to provide automated single chemistry patient profiles.

Coronado Community Hospital, Inc.,

Pampa (5/27/80)

AH80-0522-008

EC—Acquire an IMC holter monitor and quickscan to provide EKG analysis

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803997

O. A. Cassity III  
Director of Hearings  
Texas Health Facilities Commission

Filed: May 28, 1980, 11:41 a.m.

For further information, please call (512) 475-6940.

## Notice of Petition for Certificate of Need Reissuance

Notice is hereby given by the Texas Health Facilities Commission of application (including a general project description) for petitions of reissuance of certificate of need which have been filed with the commission.

The commission may require a hearing on a petition for reissuance of certificate of need when it is determined that good cause exists for such a hearing. A request for a hearing on a petition for reissuance of certificate of need must be submitted to the commission within 15 days after publication of notice and show reason why a hearing should be held. Requests for a hearing are to be mailed to the chairman of the commission, P.O. Box 15023, Austin, Texas 78761, and must be postmarked no later than the day prior to the last day allowed for filing requests for hearing.

The petition will be approved only if the commission determines that it qualifies under the criteria of Section 3.13 of Article 4418(h), Texas Revised Civil Statutes, and Rules 315.18.02.010-.040 and 315.19.02.012-.020.

In the following list, the applicant is listed first, the file number second, and the relief sought and description of the project third.

Sarah Roberts French Home, San Antonio  
AN79-0323-011R (052280)

Reissuance CN—Petition for reissuance of CN AN79-0323-011 which authorized construction and addition of 40 ICF-III beds, provision of physical therapy areas, support areas, beauty shop, exam rooms and recreation areas

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803998

O. A. Cassity III  
Director of Hearings  
Texas Health Facilities Commission

Filed: May 28, 1980, 11:41 a.m.

For further information, please call (512) 475-6940.



## Texas Housing Agency Notice of Opening for Executive Administrator

The newly created Texas Housing Agency in Austin has an excellent opportunity for an administrator with knowledge and skill in housing programs and mortgage financing. Reporting directly to the Board of Directors, the administrator will be responsible for planning, developing, and administering a program of bond sales, financing, and housing development to address lower income family housing needs in Texas. The preferred candidate will have a graduate degree in business administration, finance, or law, and a minimum of 10 years responsible experience relating to the agency's programs, five years of which must have involved administrative, managerial, or legal duties. The salary is to \$32,000. Interested candidates may submit resume no later than June 6, 1980, to the Texas Housing Agency, Search Committee, P.O. Box 13166, Austin, Texas 78711.

The Texas Housing Agency is an equal opportunity employer.

Issued in Austin, Texas, on May 27, 1980.

Doc. No. 803963      Sid Wieser, Chairman  
Board of Directors  
Texas Housing Agency

Filed: May 27, 1980, 10:25 a.m.  
For further information, please call (512) 475-2431.



## Texas Department of Human Resources

### Consultant Proposal Request

**Notice of Invitation for Proposals.** The Texas Department of Human Resources (TDHR) seeks to contract with public agencies and private companies for the provision of nonambulance medical transportation services to Medicaid recipients.

**Description of Services Requested.** Proposals will be accepted from parties interested in providing this transportation service through a contract with TDHR in one or more of the following counties: Bastrop, Bell, Blanco, Bosque, Brazos, Burleson, Burnet, Caldwell, Coryell, Falls, Fayette, Freestone, Grimes, Hamilton, Hays, Hill, Lampasas, Lee, Leon, Limestone, Llano, Madison, McLennan, Milam, Mills, Robertson, San Saba, Travis, Washington, and Williamson.

All proposals will be evaluated in a standard manner and will be rated according to technical ability, administrative capability, and cost of service.

**Person to Contact.** For further details and a copy of the request for proposal please contact Kenny Hosen, regional medical transportation contract monitor, Texas Department of Human Resources, 1106 Clayton Lane, Suite 318, Austin, Texas 78723, (512) 458-1161, ext. 116, no later than July 1, 1980 for provision of service in the counties of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Travis and Williamson. For all other counties listed, please contact Mr. Hosen by September 1, 1980.

Issued in Austin, Texas, on May 28, 1980.

Doc. No. 803993      Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Filed: May 28, 1980, 10:38 a.m.  
For further information, please call (512) 441-3355.

### Request for Proposal

The Texas Department of Human Resources (DHR) seeks to contract with public agencies and private corporations for the provision of specified services to eligible alternate care recipients. Proposals will be accepted from parties interested in providing any of these services through a contract with DHR on a demonstration basis in a geographical area which meets specifications described in the request for proposals. Contracts for these services will cover a 25-month period from July 15, 1980, to August 31, 1982, except for congregate care, which will cover a 13-month period ending August 31, 1981.

#### **Descriptions of Services Requested.**

(1) Congregate care. Congregate care means 24-hour services provided in either a personal care home or a congregate apartment setting. Services provided include protective supervision, personal care, room and board (in personal care homes), housekeeping, laundry, recreation, room service (in congregate apartments), and transportation. DHR will contract for six project sites. Three sites will be personal care homes; three will be congregate apartments. In certain projects, clients will pay their own room and board. In other pilots, DHR will provide monetary supplements depending on the residents' applied income. A sliding scale will be used.

(2) Emergency response service. Emergency response service means a 24-hour, seven-days-a-week electronic monitoring system for functionally impaired, elderly, or disabled clients living alone in the community. The service makes use of a cordless call button which is worn or carried by the client and is pressed in the event of an emergency to signal for help through a device attached to the telephone. DHR will contract for three projects.

(3) Respite care and emergency care. These two services will be contracted in a single package for service to be provided in a single site. Respite care means the provision of temporary 24-hour shelter and care in an institution, congregate apartment, or foster home. Services include room and board, protective supervision, personal care, nursing care, housekeeping, laundry, recreation, and transportation.



Emergency care means the provision of temporary 24-hour shelter and care in an institution, congregate apartment, or foster home. Services include room and board, protective supervision, personal care, nursing care, housekeeping, laundry, recreation, and transportation. DHR will contract for four sites.

**Contact Person.** Parties desiring more details may secure a request for proposal packet by contacting Cris Ros-Dukler, acting director, Alternate Care Program, Texas Department of Human Resources, 527-A, P.O. Box 2960, Austin, Texas 78769, telephone (512) 441-3355, extension 4002.

**Technical Information Workshop.** The department will hold a technical information workshop to provide explanations of department forms, policies, procedures, and standards and to answer questions on these RFPs on June 10, 1980, at 1708 East Anderson Lane, Austin, Texas. No questions will be answered outside of this workshop.

**Closing Date for Offers.** Proposals must be received by Cris Ros-Dukler no later than 5 p.m. on June 30, 1980, at the DHR office located at 1708 East Anderson Lane, Austin, Texas.

**Evaluation Criteria for Awarding Contracts.** The department will evaluate all proposals on a comparative scoring basis based on technical requirements, plan of service delivery, location, and cost.

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803957 Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Filed: May 23, 1980, 4:28 p.m.  
For further information, please call (512) 441-3355.

## Texas Industrial Commission Consultant Proposal Requests

**Description of Services To Be Performed.** The Texas Industrial Commission intends to contract (No. EU 80-1) for the preparation of two industrial energy conservation workbooks with the following titles:

- Energy Management Vol. I—Programs and Energy Audits
- Energy Management Vol. II—Employee Motivation and Participation

The contract will include preparation of three sets of 35mm color slides to support a seminar which will be based upon the above workbooks.

**Deadlines.** The timing for the preparation of the above work is as follows:

- July 24—Contractor delivers detailed outlines of workbook texts
- September 10—Contractor delivers completed drafts of workbooks and presents seminar to a review board selected from representatives of typical small industries
- September 24—Contractor delivers workbooks, camera-ready

October 22—Contractor makes first scheduled presentation of seminar and delivers three sets of supporting 35mm color slides

**Preliminary Determination.** The Texas Industrial Commission has made a preliminary determination that Arthur Young and Company with principal office located in Dallas, is suited to act as the prime contractor for the project. This determination is based upon the following criteria:

- (1) demonstrated proficiency in preparing manuals and workbooks on energy conservation and management for use by small industries and small businesses;
- (2) experience in preparing and performing employee training and motivational programs;
- (3) experience in performing diverse industrial energy audits;
- (4) experience in preparing and presenting energy conservation and energy management seminars to small industries and small businesses;
- (5) depth of personnel staffing in management services and industrial engineering.

Other firms which believe they have similar qualifications and wish to be considered in the selection process are encouraged to submit their qualifications in writing to Al Rodriguez, manager, Business Development Department, Texas Industrial Commission, P.O. Box 12728, Capitol Station, Austin, Texas 78711. Written responses will be accepted through June 6, 1980.

Doc. No. 803927

**Description of Services To Be Performed.** The Texas Industrial Commission intends to contract (No. EU 80-2) for the technical program coordinator of the 1981 Conference on Industrial Energy Conservation Technology and Exhibition.

The responsibilities of the above scope work are:

- (1) Serve as the technical program coordinator. This includes assistance in the selection of the members of the Technical Program Committee who are representative of the academic, industrial, and governmental sectors of Texas to develop the conference technical session's approval.
- (2) By committee action, prepare a detailed agenda for the technical session's approval.
- (3) Send out correspondence for a call for papers based on the detailed technical agenda.
- (4) Select and orient session chairmen.
- (5) Review abstracts submitted and recommend authors for presentation for each topic.
- (6) Arrange the technical sessions in the sequence established by the Technical Program Committee and the topics selected for each session.
- (7) Plan the technical sessions and any field trips (if appropriate) based on times allotted to these sessions.
- (8) Send letter of instructions along with mats to the authors selected for publication of the abstracts. Edit these abstracts and submit to the Texas Industrial Commission.
- (9) Send letter of instructions along with mats to the authors selected for publication of the final papers presented at the conference. Edit the final papers and submit to the Texas Industrial Commission.

(10) Serve as the point of contact for selected authors prior to the conference and during the execution of the conference.

(11) Establish a technical session "milestone" chart, in coordination with the conference director, which will be followed to insure a smooth, well-coordinated program.

(12) Select the conference rooms available at the Houston Hyatt Regency Hotel for the technical sessions based on the anticipated attendance at each of the sessions (using as a guide the attendance data obtained at the 1980 technical conference).

**Preliminary Determination.** The Texas Industrial Commission has made a preliminary determination that Milton Williams with principal office located in Austin, is suited to act as the prime contractor for this project. This determination is based on the following criteria. In addition to the technical tasks mentioned above, Mr. Williams has conducted two successful national conferences that involved 800 plus participants. He was responsible for the evaluation of technical papers, selection of authors and session chairmen, and has edited the final papers. The expertise and knowledge gained from conducting a conference of this magnitude are essential in the conduct of the 1981 conference.

Other firms which believe they have similar qualifications and wish to be considered in the selection process by the review committee at the Texas Industrial Commission are encouraged to submit their qualifications in writing to Al Rodriguez, manager, Business Development Department, Texas Industrial Commission, P.O. Box 12728, Capitol Station, Austin, Texas 78711. Written responses will be accepted through 5 p.m. June 6, 1980.

Issued in Austin, Texas, on May 21, 1980.

Doc. No. 803928 Tim Schaffner, Manager  
Accounting and Finance  
Texas Industrial Commission

Filed: May 23, 1980, 9:32 a.m.

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

## Board of Polygraph Examiners

### Correction of Error

An open meeting notice of the Board of Polygraph Examiners contained an error as published in the May 27, 1980, issue of the *Texas Register* (5 TexReg 2117). The last sentence of the agenda should read: "Discuss status of Sunset Committee actions as pertains to polygraph and conduct any other polygraph-related business deemed appropriate by the chairman."

## State Property Tax Board

### Consultant Contract Award

In accordance with its invitation of April 1, 1980, as published in the *Texas Register* (5 TexReg 1303), the State Property Tax Board has awarded the consultant contract to Gene Lunsford, 2001 Friendly, Mt. Pleasant, Texas 75455. Mr. Lunsford is to assist the board in identifying, defining,

and documenting the elements and procedures necessary to be included in the valuation process of mineral, utility, and industrial properties.

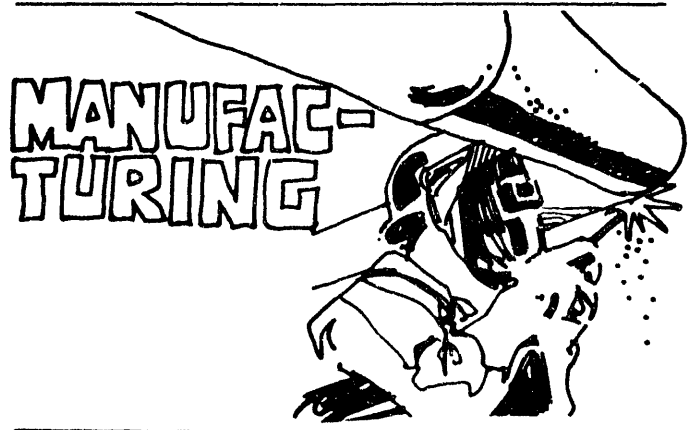
The contract is not to exceed \$18,000 with the contract beginning May 12, 1980, and ending August 31, 1980. All reports are to be due by July 12, 1980, with Mr. Lunsford available to the board through August 31, 1980.

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803919 Walter E. Lillie  
General Counsel  
State Property Tax Board

Filed: May 22, 1980, 3:54 p.m.

For further information, please call (512) 837-8622.



## Public Utility Commission of Texas

### PUCT Task Force on Cogeneration

The Public Utility Commission of Texas is establishing a task force of utility company and industry representatives to develop recommendations on state regulatory policies toward cogeneration. Invitations to serve on the task force have been sent to all Texas electric and gas utilities and approximately 30 industries with direct interest or involvement in cogeneration. Representatives of the Texas Industrial Commission, the Attorney General, the Texas Air Control Board, the Texas Energy and Natural Resources Advisory Council, and the Railroad Commission have been invited to assist the task force in its deliberations.

The first meeting of the task force will be Wednesday, June 4, at 2 p.m. in the Driskill Hotel in Austin, and will continue on Thursday, June 5, from 8 a.m. to 9:45 a.m. at the Public Utility Commission of Texas, 7800 Shoal Creek Boulevard, Suite 400N. Other interested persons who may wish to participate in the task force meetings should contact Paul Smolen at the PUC, (512) 458-0207.

Issued in Austin, Texas, on May 23, 1980.

Doc. No. 803990 Philip F. Ricketts  
Commission Secretary and  
Director of Hearings  
Public Utility Commission of Texas

Filed: May 28, 1980, 10:17 a.m.

For further information, please call (512) 458-0100.

## South Plains Association of Governments

### Consultant Proposal Request

The following consultant proposal request is submitted as required under Section 6(a) of Article 6252-11c, Vernon's Texas Civil Statutes.

**Description of Services To Be Performed.** The South Plains Employment and Training Consortium is inviting proposals from agencies or organizations interested in conducting a comprehensive analysis of the labor market in the Texas counties of Garza, Hale, and Lubbock. Proposal packets are available in the office of the project director, South Plains Employment and Training Consortium, 1709 26th Street, Lubbock, Texas 79411, telephone (806) 763-6493.

**Proposal Deadline.** The deadline for submission of proposals is 5 p.m., June 2, 1980.

**Persons to Contact.** Persons interested in submitting a proposal should contact Juanita Forbes or Tom Dressler at the address shown above. Final awarding of the contract will be made by the South Plains Association of Governments Board of Directors in consultation with its Private Industry Council.

Issued in Lubbock, Texas, on May 20, 1980.

Doc. No. 803962      Jerry D. Casstevens  
Executive Director  
South Plains Association of  
Governments

Filed: May 27, 1980, 10:26 pm.

For further information, please call (806) 763-6493.

**TAC Titles Affected in This Issue**

The following is a list of the chapters of each title of the *Texas Administrative Code* affected by documents published in this issue of the *Register*. The listings are arranged in the same order as the table of contents of the *Texas Administrative Code*.

**TITLE 19. EDUCATION**

**Part II. Texas Education Agency**

- Noncodified (226.41.05.010) ..... 2133
- Noncodified (226.45.01.020-.160) ..... 2138

**TITLE 22. EXAMINING BOARDS**

**Part V. State Board of Dental Examiners**

- Noncodified (382.31.01.002) ..... 2187
- Noncodified (382.31.02.001) ..... 2187

**Part VI. State Board of Registration for Professional Engineers**

- Noncodified (383.01.03.008) ..... 2191
- Noncodified (383.01.06.001) ..... 2191
- Noncodified (383.01.09.008) ..... 2192

**Part XVIII. Texas State Board of Podiatry Examiners**

- Noncodified (396.15.00.003, .004, .007) ..... 2147
- Noncodified (396.20.00.006) ..... 2148

**Part XXII. Texas State Board of Public Accountancy**

- Noncodified (401.60.01.100-.700) ..... 2148
- Noncodified (401.60.02.100-.700) ..... 2150
- Noncodified (401.60.03.100, .200) ..... 2151

**Part XXIII. Texas Real Estate Commission**

- Noncodified (402.03.15.005) ..... 2151

**TITLE 31. NATURAL RESOURCES AND CONSERVATION**

**Part II. Texas Parks and Wildlife Department**

- 31 TAC §65.261 (127.70.16.001) ..... 2132

**TITLE 34. PUBLIC FINANCE**

**Part I. Comptroller of Public Accounts**

- 34 TAC §§3.211-3.224 (026.02.14.101-.103, .105-.113) ..... 2152
- 34 TAC §3.214 (026.02.14.104) ..... 2187

**TITLE 40. SOCIAL SERVICES AND ASSISTANCE**

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

- Noncodified (326.15.53.001, .002, .014, .016, .019) ..... 2188
- Noncodified (326.50.75.072-.078) ..... 2189
- Noncodified (326.79.01.002, .003) ..... 2147
- Noncodified (326.79.14.006) ..... 2147

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- TITLE 1. ADMINISTRATION
- TITLE 4. AGRICULTURE
- TITLE 7. BANKING AND SECURITIES
- TITLE 10. COMMUNITY DEVELOPMENT
- TITLE 13. CULTURAL RESOURCES
- TITLE 16. ECONOMIC REGULATION
- TITLE 19. EDUCATION
- TITLE 22. EXAMINING BOARDS
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- TITLE 43. TRANSPORTATION