

By: Perry

S.B. No. 2155

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of veterinary professionals and facilities by the State Board of Veterinary Medical Examiners and the temporary administration of the board by the Department of Licensing and Regulation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 801.002, Occupations Code, is amended by adding Subdivisions (6-b) and (6-c) to read as follows:

(6-b) "Veterinary medical facility" means a location, including a building, portion of a building, or vehicle, in which the practice of veterinary medicine normally takes place or is provided.

(6-c) "Management services organization" means a business entity that provides management services to a veterinary medical facility, as defined by board rule.

SECTION 2. Sections 801.023(a) and (b), Occupations Code, are amended to read as follows:

(a) The executive director of the department shall direct and may dismiss the board's executive director ~~[of the board]~~, and has authority relating to personnel actions as if the board's executive director were an employee of the department. The presiding officer of the commission shall appoint a replacement executive director of the board if necessary.

(b) Subject to Subsection (a), the executive director of the

board is responsible for the administration of licensing, enforcement, financial services, human resources, and workforce development duties of the board, including:

- (1) accounts payable and accounts receivable;
- (2) budgeting, inventory, and asset management;
- (3) payroll;
- (4) personnel and labor issues;
- (5) purchasing;
- (6) recruitment, evaluation, selection, training, and promotion of personnel;
- (7) submitting required reports regarding finances, performance measures, strategic planning, legislative appropriations requests, operating budgets, and similar information as required by law;
- (8) legal support services, including responding to requests for public information; and
- (9) information technology and support.

SECTION 3. Section 801.101, Occupations Code, is amended to read as follows:

Sec. 801.101. EXECUTIVE DIRECTOR. The board shall appoint ~~[may employ]~~ an executive director. The executive director serves at the will of the board.

SECTION 4. Section 801.102, Occupations Code, is amended to read as follows:

Sec. 801.102. ~~[CERTAIN DUTIES OF]~~ EXECUTIVE DIRECTOR POWERS AND DUTIES. (a) The executive director shall ~~[is responsible for]~~:
(1) perform any duties assigned by the board and other

duties specified by law;

(2) administer and enforce the board's programs; and

(3) issue licenses regulated by the board.

~~[(1) safekeeping the money collected under this chapter; and~~

~~(2) properly disbursing the veterinary fund account established by this chapter.]~~

(b) The executive director may:

(1) delegate any power or duty assigned to the executive director unless prohibited by law; and

(2) issue emergency orders and cease and desist orders as provided by this chapter.

SECTION 5. Section 801.103, Occupations Code, is amended to read as follows:

Sec. 801.103. PERSONNEL. The board may employ personnel to administer this chapter and may prescribe their duties and compensation, subject to the personnel policies and budget approved by the board.

SECTION 6. Subchapter D, Chapter 801, Occupations Code, is amended by adding Section 801.150 to read as follows:

Sec. 801.150. GENERAL POWERS AND DUTIES OF BOARD. The board shall:

(1) supervise the executive director's administration of this chapter;

(2) formulate policy objectives for the board; and

(3) approve the board's operating budget and requests for legislative appropriations.

SECTION 7. Sections 801.151(a) and (b), Occupations Code, are amended to read as follows:

(a) The board shall ~~[may]~~ adopt rules as necessary to administer this chapter.

(b) The board shall ~~[may]~~ adopt rules of professional conduct appropriate to establish and maintain a high standard of integrity, skills, and practice in the veterinary medicine profession.

SECTION 8. Section 801.156, Occupations Code, is amended to read as follows:

Sec. 801.156. DATA; PUBLIC ACCESS ~~[REGISTRY]~~. (a) The board shall maintain an electronic system allowing it to provide accurate reporting of information relating to license holders and applicants, complaints, enforcement actions, investigations, and inspections ~~[a record of each license holder's:~~

~~(1) name,~~

~~(2) residence address, and~~

~~(3) business address]~~.

(b) The board shall provide on its public-facing website:

(1) a feature allowing users to verify a license holder's license status, determine whether the license holder is currently subject to disciplinary action, and review relevant disciplinary orders; and

(2) data, updated at least quarterly, summarizing the number, type, and disposition of complaints received during the fiscal year.

~~[(b) A license holder shall notify the board of a change of~~

~~business address or employer not later than the 60th day after the date the change takes effect.]~~

SECTION 9. Section 801.157, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The board shall provide information on its website directing licensed veterinarians to approved peer assistance programs.

SECTION 10. Section 801.158(a), Occupations Code, is amended to read as follows:

(a) The board or executive director may request and, if necessary, compel by subpoena:

(1) the attendance of witnesses for examination under oath; and

(2) the production for inspection or copying of books, accounts, records, papers, correspondence, documents, and other evidence relevant to an investigation of an alleged violation of this chapter.

SECTION 11. Section 801.161, Occupations Code, is amended to read as follows:

Sec. 801.161. USE OF TECHNOLOGY. (a) The board shall implement a policy requiring the board to use appropriate technological solutions to improve the board's ability to perform its functions. The policy must ensure that the public is able to interact with the board on the Internet.

(b) The board may by rule require an applicant or license holder to provide an e-mail address for purposes of receiving correspondence. An e-mail address provided under this section is

1 confidential and is not subject to disclosure under Chapter 552,
2 Government Code.

3 (c) Notwithstanding any other law, the board may by rule
4 provide that service of any notice, order, or pleading required
5 under this chapter or under Chapter 2001, Government Code, may be
6 made electronically to the e-mail address provided pursuant to
7 Subsection (b).

8 SECTION 12. Section 801.163(d), Occupations Code, is
9 amended to read as follows:

10 (d) Notwithstanding any other law, [To the extent of any
11 conflict with] Chapter 2110, Government Code, does not apply to an
12 advisory committee appointed under this section [and board rules
13 adopted under this section control].

14 SECTION 13. Subchapter D, Chapter 801, Occupations Code, is
15 amended by adding Section 801.1631 to read as follows:

16 Sec. 801.1631. INSPECTIONS AND INVESTIGATIONS. (a) The
17 board may conduct inspections or investigations as necessary to
18 enforce the laws administered by the board.

19 (b) To perform its functions under Subsection (a), the board
20 may, during reasonable business hours:

21 (1) enter a veterinary medical facility or other
22 business premises of a person regulated by the board, or of a person
23 suspected of being in violation of, or threatening to violate, a law
24 administered by the board, or a rule or order of the board or
25 executive director; and

26 (2) examine and copy records pertinent to the
27 inspection or investigation.

1 (c) The board may take a disciplinary action authorized by
2 this chapter for a violation identified during an inspection.

3 SECTION 14. Section [801.164](#), Occupations Code, is amended
4 to read as follows:

5 Sec. 801.164. RISK-BASED INSPECTIONS [~~RELATED TO~~
6 ~~CONTROLLED SUBSTANCES PRACTICES~~]. (a) The board shall [~~may conduct~~
7 ~~a risk-based inspection~~] prioritize inspections relating to key
8 risk factors identified by the board, including previous violations
9 by the license holder or [~~of a veterinarian's practice based on~~]
10 information [~~obtained from the veterinarian or another source~~]
11 concerning a [~~the~~] veterinarian's use, handling, prescribing,
12 dispensing, or delivery of controlled substances.

13 (b) The board may use alternative inspection methods,
14 including videoconference or similar technology, instead of
15 conducting an in-person inspection in circumstances the board
16 considers appropriate.

17 SECTION 15. Subchapter [D](#), Chapter [801](#), Occupations Code, is
18 amended by adding Section 801.165 to read as follows:

19 Sec. 801.165. REFUND. (a) Subject to Subsection (b), if
20 the board finds that the license holder has committed an act that is
21 grounds for license denial or disciplinary action under Section
22 [801.402](#), the board or executive director may order a license holder
23 to pay a refund to a consumer as provided in an agreed settlement,
24 default order, or board order instead of or in addition to imposing
25 an administrative penalty or sanction.

26 (b) The amount of a refund ordered under this section may
27 not exceed the amount the consumer paid to the license holder for a

1 service regulated by the board, and may not require payment of other
2 damages or estimate harm.

3 (c) This section does not grant the board jurisdiction over
4 a complaint based solely on the cost of a veterinary service.

5 SECTION 16. Subchapter D, Chapter 801, Occupations Code, is
6 amended by adding Section 801.166 to read as follows:

7 Sec. 801.166. RECIPROCITY AGREEMENTS. The board, with
8 approval of the governor, may enter into an agreement with another
9 state to allow for licensing by reciprocity.

10 SECTION 17. Section 801.205, Occupations Code, is amended
11 to read as follows:

12 Sec. 801.205. GENERAL RULES REGARDING COMPLAINT
13 INVESTIGATION AND DISPOSITION. The board shall adopt rules
14 relating to the investigation and disposition of complaints filed
15 with the board. The rules must:

- 16 (1) distinguish between categories of complaints;
17 (2) ensure that complaints are not dismissed without
18 appropriate consideration; and
19 (3) require that the board be advised of a complaint
20 that is dismissed. [+

21 ~~[(4) ensure that the person who filed the complaint~~
22 ~~has the opportunity to explain the allegations made in the~~
23 ~~complaint, and~~

24 ~~[(5) prescribe guidelines concerning the categories~~
25 ~~of complaints that require the use of a private investigator and the~~
26 ~~procedures for the board to obtain the services of a private~~
27 ~~investigator.]~~

SECTION 18. Section 801.2051, Occupations Code, is amended to read as follows:

Sec. 801.2051. PRIORITY OF COMPLAINTS. The board shall assign priorities and investigate complaints based on risk posed to the public by the conduct alleged in the complaint. The board shall prioritize complaints regarding persons engaged in the practice of veterinary medicine without a license ~~[to resolve the more serious complaints first]~~.

SECTION 19. Section 801.2052, Occupations Code, is amended to read as follows:

Sec. 801.2052. DISMISSAL OF BASELESS OR UNFOUNDED COMPLAINT. (a) If the board determines at any time that an allegation or complaint submitted by a person is baseless, unfounded, or does not fall within the board's regulatory jurisdiction, the board shall dismiss the complaint. ~~[If, before the 180th day after the date the board's official investigation of a complaint is commenced, the board determines in accordance with rules adopted under this section that a complaint filed with the board is baseless or unfounded, the board shall:~~

~~(1) dismiss the complaint, and~~

~~(2) include a statement in the record of the complaint that the complaint was dismissed because the complaint was baseless or unfounded.]~~

(b) The board shall adopt rules to implement this section and establish criteria for determining that a complaint is baseless or unfounded.

SECTION 20. Section 801.2055, Occupations Code, is amended

1 by adding Subsection (c-1) and amending Subsection (d) to read as
2 follows:

3 (c-1) The board may contract with a qualified individual to
4 assist in reviewing or investigating complaints requiring medical
5 expertise. Except for an act involving fraud, conspiracy, or
6 malice, an individual with whom the board contracts under this
7 subsection is immune from liability or from disciplinary action
8 under this chapter and may not be subject to a suit for damages for
9 any act arising from the performance of the individual's duties in:

10 (1) participating in an informal conference to
11 determine the facts of a complaint;

12 (2) offering an expert opinion or technical guidance
13 on an alleged violation of this chapter or of a rule or order issued
14 by the board or executive director;

15 (3) testifying at a hearing regarding a complaint; or

16 (4) making an evaluation, report, or recommendation
17 regarding a complaint.

18 (d) A veterinarian board member who reviews a complaint
19 under this section may not ~~[participate in]~~ deliberate or vote in
20 any subsequent disciplinary proceeding related to the complaint.

21 SECTION 21. Section 801.2056, Occupations Code, is amended
22 to read as follows:

23 Sec. 801.2056. COMPLAINTS NOT REQUIRING MEDICAL EXPERTISE.
24 ~~[(a)]~~ The board shall adopt rules relating to the evaluation and
25 disposition of complaints not requiring medical expertise. [The
26 ~~board may delegate to a committee of board staff the authority to~~
27 ~~dismiss or enter into an agreed settlement of a complaint that does~~

1 ~~not require medical expertise. The disposition determined by the~~
2 ~~committee must be approved by the board at a public meeting.~~

3 ~~[(b) A complaint delegated under this section shall be~~
4 ~~referred for informal proceedings under Section 801.408 if:~~

5 ~~[(1) the committee determines that the complaint~~
6 ~~should not be dismissed or settled;~~

7 ~~[(2) the committee is unable to reach an agreed~~
8 ~~settlement; or~~

9 ~~[(3) the license holder who is the subject of the~~
10 ~~complaint requests that the complaint be referred for informal~~
11 ~~proceedings.]~~

12 SECTION 22. Section 801.207, Occupations Code, is amended
13 to read as follows:

14 Sec. 801.207. CONFIDENTIALITY ~~[PUBLIC RECORD, EXCEPTION]~~.

15 (a) Except as otherwise provided by this section, a complaint and
16 investigation concerning a person to whom this chapter applies, and
17 all information and materials subpoenaed or compiled by the board
18 in connection with the complaint and investigation, are
19 confidential and not subject to:

20 (1) disclosure under Chapter 552, Government Code; or
21 (2) disclosure, discovery, subpoena, or other means of
22 legal compulsion for their release to any person. ~~[Except as~~
23 ~~provided by Subsection (b), a board record is a public record and is~~
24 ~~available for public inspection during normal business hours.]~~

25 (b) Notwithstanding Subsection (a), the board may disclose
26 information regarding a complaint or investigation to:

27 (1) a person providing testimony or review on the

1 board's behalf in a disciplinary proceeding;

2 (2) a respondent or the respondent's authorized
3 representative;

4 (3) a professional licensing, credentialing, or
5 disciplinary entity;

6 (4) a peer assistance program approved by the board
7 pursuant to Section 801.157;

8 (5) a law enforcement agency; or

9 (6) a person engaged in bona fide research, if all
10 individual-identifying information has been deleted. [Except as
11 provided by Subsection (b-1), each complaint, investigation file
12 and record, and other investigation report and all other
13 investigative information in the possession of or received or
14 gathered by the board or the board's employees or agents relating to
15 a license holder, an application for license, or a criminal
16 investigation or proceeding is privileged and confidential and is
17 not subject to discovery, subpoena, or other means of legal
18 compulsion for release to anyone other than the board or the board's
19 employees or agents involved in discipline of a license holder.]

20 (b-1) Not later than the 14th day before the date of an
21 informal proceeding under Section 801.408, the board shall provide
22 to the license holder who is the subject of the complaint a copy of
23 the record of any review conducted under Section 801.2055 of a
24 complaint requiring medical expertise. The board shall redact the
25 name of each veterinarian who conducted the review.

26 (c) Except as provided by Subsection (b-1), the board shall
27 protect the identity of a complainant to the extent possible.

1 (d) Not later than the 30th day after the date of receipt of
2 a written request from a license holder who is the subject of a
3 formal complaint initiated and filed under this subchapter or from
4 the license holder's counsel of record, and subject to any other
5 privilege or restriction set forth by rule, statute, or legal
6 precedent, and unless good cause is shown for delay, the board shall
7 provide the license holder with access to all information in its
8 possession that the board intends to offer into evidence in
9 presenting its case in chief at the contested hearing on the
10 complaint. The board is not required to provide:

- 11 (1) a board investigative report or memorandum;
12 (2) the identity of a nontestifying complainant; or
13 (3) attorney-client communications, attorney work
14 product, or other materials covered by a privilege recognized by
15 the Texas Rules of Civil Procedure or the Texas Rules of Evidence.

16 (e) Furnishing information under Subsection (d) does not
17 constitute a waiver of privilege or confidentiality under this
18 chapter or other applicable law.

19 (f) The board may not be compelled to release or disclose
20 complaint and investigation information or materials to a person
21 listed in Subsection (b) if the board has not issued a notice of
22 alleged violation related to the information or materials.

23 (g) Notices of alleged violation and disciplinary orders,
24 including warnings and reprimands, issued by the board are not
25 confidential and are subject to disclosure in accordance with
26 Chapter 552, Government Code.

27 (h) Notwithstanding any other provision of this section, if

1 an investigation would be jeopardized by the disclosure of
2 information relating to a complaint or investigation, the board may
3 temporarily withhold or otherwise refrain from disclosing to any
4 person any information or materials that the board would otherwise
5 be required to disclose.

6 SECTION 23. Section 801.208(d), Occupations Code, is
7 amended to read as follows:

8 (d) The notification may not include information that is
9 confidential under Section 801.207[(b)].

10 SECTION 24. Section 801.253, Occupations Code, as amended
11 by Acts 2011, 82nd Leg., R.S., Ch. 940 (H.B. 414), Sec. 9, is
12 reenacted and amended to read as follows:

13 (a) The board shall conduct licensing examinations for
14 veterinarians as provided by board rule. ~~[The board shall conduct~~
15 ~~the examination at a time and place the board determines is~~
16 ~~convenient for applicants.]~~

17 (b) The board shall provide notice of a licensing
18 examination on its internet website ~~[by publication in a newspaper~~
19 ~~or periodical.~~

20 ~~[(c) The board shall examine each qualified applicant who~~
21 ~~attends the examination].~~

22 SECTION 25. Section 801.406, Occupations Code, is amended
23 to read as follows:

24 Sec. 801.406. REINSTATEMENT AFTER ~~[REQUIRED DISCIPLINARY~~
25 ~~ACTION FOR]~~ CERTAIN FELONY CONVICTIONS. (a) If a person's license
26 has been revoked:

27 (1) by operation of law pursuant to Section 53.021(b),

1 Occupations Code, upon imprisonment after a conviction of a felony
2 under Chapter 481 or 483 of the Health and Safety Code; or

3 (2) by the board upon conviction of a license holder of
4 an offense under Section 485.033, Health and Safety Code, or of any
5 offense under Chapter 481 or 483 of that code, [On conviction of a
6 license holder of a felony under Section 485.033, Health and Safety
7 Code, or Chapter 481 or 483 of that code, the board shall, after
8 conducting an administrative hearing in which the fact of
9 conviction is determined, impose a penalty as provided by Section
10 801.401. The board shall set the amount of the penalty to match the
11 seriousness of the conviction.

12 [(c) The] the board may reinstate or reissue the [a] license
13 [suspended or revoked under this section] only upon determining [on
14 an express determination based on substantial evidence contained in
15 an investigative report indicating] that reinstatement or
16 reissuance of the license is in the best interests of [+]

17 [(1)] the public[+] and

18 [(2)] the person whose license has been [suspended or]
19 revoked.

20 SECTION 26. Section 801.407(d), Occupations Code, is
21 amended to read as follows:

22 (d) The board shall by rule prescribe notice procedures for
23 proceedings under this subchapter [The board may conduct
24 deliberations relating to a disciplinary action during executive
25 session. At the conclusion of those deliberations, the board shall
26 vote and announce its decision to the license holder in open
27 session].

SECTION 27. Section 801.408, Occupations Code, is amended to read as follows:

Sec. 801.408. INFORMAL PROCEEDINGS. (a) The board by rule shall adopt procedures governing:

(1) informal disposition of a contested case under Section 2001.056, Government Code; and

(2) an informal proceeding held in compliance with Section 2001.054, Government Code.

(b) Rules adopted under Subsection (a) must:

(1) provide the complainant and the license holder an opportunity to be heard; and

(2) require the presence of a member of the board's legal staff [~~general counsel~~] or a representative of the attorney general during an informal proceeding to advise the board or the board's employees.

(c) A committee of two or more veterinarian board members and one or more public board members must be present at an informal proceeding for a complaint that requires medical expertise. The committee shall recommend enforcement action at the informal proceeding.

~~[(d) A committee of board staff may recommend enforcement action at an informal proceeding for a complaint that does not require medical expertise or may refer the complaint to the committee of board members under Subsection (c).]~~

~~[(e) At an informal proceeding under this section, and on agreement with the license holder, the board may order the license holder to refund an amount not to exceed the amount a client paid to~~

1 ~~the license holder instead of or in addition to imposing an~~
2 ~~administrative penalty under this chapter. The board may not~~
3 ~~require payment of other damages or estimate harm under this~~
4 ~~subsection.]~~

5 (d) [~~(f)~~] Before an informal disposition is effective, the
6 board must review and approve at a public meeting an informal
7 disposition of the complaint recommended by board members or board
8 staff.

9 SECTION 28. Subchapter I, Chapter 801, Occupations Code, is
10 amended by adding Section 801.4011 to read as follows:

11 Sec. 801.4011. DEFERRED ACTION. (a) For any action or
12 complaint for which the board proposes to impose on a person a
13 sanction other than a reprimand or a denial, suspension, or
14 revocation of a license, the board may:

15 (1) defer the final action the board has proposed if
16 the person conforms to conditions imposed by the board, including
17 any condition the board could impose as a condition of probation
18 under Section 801.401; and

19 (2) if the person successfully meets the imposed
20 conditions, dismiss the complaint.

21 (b) Except as provided by this subsection, a deferred action
22 by the board is not confidential and is subject to disclosure in
23 accordance with Chapter 552, Government Code. If the person
24 successfully meets the conditions imposed by the board in deferring
25 final action and the board dismisses the action or complaint, the
26 deferred action of the board is confidential to the same extent as a
27 complaint is confidential under Section 801.207.

SECTION 29. Subchapter J, Chapter 801, Occupations Code, is amended by adding Section 801.4521 to read as follows:

Sec. 801.4521. IMPOSITION OF SANCTION. A proceeding under this subchapter imposing an administrative penalty may be combined with a proceeding to impose an administrative sanction. If a sanction is imposed in a proceeding under this subchapter, the requirements of this subchapter apply to the imposition of the sanction.

SECTION 30. Section 801.453(a), Occupations Code, is amended to read as follows:

(a) On a determination by a committee described by Section 801.408(c) [~~or (d)~~] that a violation of this chapter or a rule adopted or order issued under this chapter occurred, the committee may issue a report to the board stating:

- (1) the facts on which the determination is based; and
- (2) the committee's recommendation on the imposition of an administrative penalty, including a recommendation on the amount of the penalty.

SECTION 31. Section 801.454, Occupations Code, is amended to read as follows:

Sec. 801.454. PENALTY TO BE PAID OR HEARING REQUESTED [~~ON COMMITTEE'S RECOMMENDATIONS~~]. (a) Not later than the 20th day after the date a person receives a [~~the~~] notice of alleged violation, the person may in writing:

- (1) accept the board's [~~committee's~~] determination and recommended administrative penalty; or
- (2) request a hearing on the occurrence of the

violation, the amount of the penalty, or both.

(b) If the person accepts the board's ~~[committee's]~~ determination and recommended penalty, the board by order shall approve the determination and require the person to pay the recommended penalty ~~[may:~~

~~[(1) approve the determination and impose the recommended penalty,~~

~~[(2) modify the determination or recommended penalty,~~
~~or~~

~~[(3) reject the determination or recommended penalty].~~

SECTION 32. Section 801.455, Occupations Code, is amended to read as follows:

Sec. 801.455. HEARING ~~[ON COMMITTEE'S RECOMMENDATIONS]~~.

(a) If a respondent requests a hearing pursuant to Section 801.407, the hearing shall be conducted by the State Office of Administrative Hearings ~~[If the person requests a hearing or fails to respond timely to the notice, the executive director shall set a hearing and give notice of the hearing to the person].~~

(b) The State Office of Administrative Hearings shall consider the board's applicable substantive rules and policies when conducting a hearing under this subchapter ~~[A hearing set by the executive director under Subsection (a) shall be held by an administrative law judge of the State Office of Administrative Hearings].~~

(c) The administrative law judge shall:

(1) make findings of fact and conclusions of law; and

1 (2) promptly issue to the board a proposal for a
2 decision as to the occurrence of the violation, any recommended
3 license sanction, and the amount of any proposed administrative
4 penalty.

5 SECTION 33. Section 801.456(a), Occupations Code, is
6 amended to read as follows:

7 (a) Based on the findings of fact, conclusions of law, and
8 proposal for a decision under Section 801.455(c), the board by
9 order may determine that:

10 (1) a violation has occurred and impose a license
11 sanction, ~~[an]~~ administrative penalty, or both; or

12 (2) a violation did not occur.

13 SECTION 34. Section 801.457(a), Occupations Code, is
14 amended to read as follows:

15 (a) Not later than the 30th day after the date the board's
16 order becomes final, the person shall:

17 (1) pay the administrative penalty;

18 (2) pay the penalty and file a petition for judicial
19 review contesting the order ~~[fact of the violation, the amount of~~
20 ~~the penalty, or both]~~; or

21 (3) without paying the penalty, file a petition for
22 judicial review contesting the order ~~[fact of the violation, the~~
23 ~~amount of the penalty, or both]~~.

24 SECTION 35. Section 801.508, Occupations Code, is amended
25 to read as follows:

26 Sec. 801.508. CEASE AND DESIST ORDER. The board or
27 executive director may issue a cease and desist order upon

1 determining that it is necessary to prevent a violation of this
2 chapter, or of a rule adopted or order issued by the board.

3 ~~[(a) If it appears to the board that a person is engaging in~~
4 ~~an act or practice that constitutes the practice of veterinary~~
5 ~~medicine without a license or the practice of equine dentistry~~
6 ~~without a license under this chapter, the board, after notice and~~
7 ~~opportunity for a hearing, may issue a cease and desist order~~
8 ~~prohibiting the person from engaging in the activity.~~

9 ~~[(b) A violation of an order under this section constitutes~~
10 ~~grounds for imposing an administrative penalty under Subchapter J.]~~

11 SECTION 36. Subchapter **K**, Chapter **801**, Occupations Code, is
12 amended by adding Section 801.510 to read as follows:

13 Sec. 801.510. ISSUANCE OF EMERGENCY ORDERS. (a) Upon
14 determining that an emergency exists requiring immediate action to
15 protect the public health and safety, the board or executive
16 director may issue an emergency order to:

17 (1) suspend or revoke a license or other authorization
18 issued under a program regulated by the board; or

19 (2) halt operation of an unsafe veterinary medical
20 facility.

21 (b) The board or executive director may issue an emergency
22 order with or without notice and hearing. If an emergency order is
23 issued under this section without a hearing, the board shall set the
24 time and place for a hearing conducted by the State Office of
25 Administrative Hearings to affirm, modify, or set aside the
26 emergency order not later than the 17th day after the date the order
27 was issued. The order shall be affirmed to the extent that

1 reasonable cause existed to issue the order.

2 (c) A proceeding under this section is a contested case
3 under Chapter 2001, Government Code.

4 SECTION 37. Chapter 801, Occupations Code, is amended by
5 designating Sections 801.601 through 801.604 as Subchapter M and
6 adding a subchapter heading to read as follows:

7 SUBCHAPTER M. VETERINARY MEDICAL FACILITIES

8 Sec. 801.601. REGISTRATION OF VETERINARY MEDICAL
9 FACILITIES REQUIRED. (a) Veterinary medicine, including
10 veterinary medicine practiced remotely by electronic means, shall
11 be practiced only in or from a veterinary medical facility that is
12 registered with the board or that is exempted by rule from the
13 registration requirement. Unless exempted by this section or by
14 board rule adopted pursuant to this section, every individual
15 facility must be registered with the board.

16 (b) Subsection (a) does not apply to a facility maintained
17 or operated by the federal government.

18 (c) A mobile facility affiliated with a registered
19 veterinary medical facility is exempt from separate registration if
20 identified in the application for registration filed pursuant to
21 this subchapter.

22 (d) The board may by rule provide exemptions to the
23 registration requirement for facilities if it determines that
24 imposing or enforcing the requirement:

25 (1) is not cost-effective for the board;

26 (2) is not feasible with current board resources or
27 standards; or

1 (3) will not substantially benefit or protect
2 consumers.

3 Sec. 801.602. REGISTRATION ELIGIBILITY AND APPLICATION.

4 (a) To register a veterinary medical facility, the business entity
5 providing services at the facility shall submit the application
6 provided by the board and pay the applicable fee established by the
7 board pursuant to Section 801.154. The application must be signed
8 by a person with authority to act on behalf of the entity.

9 (b) The facility shall, in its application for
10 registration:

11 (1) indicate the type of business entity that provides
12 services at the facility, and provide information regarding the
13 owners, partners, and operators of the entity, including a
14 management services organization that contracts with the facility,
15 as required by board rule; and

16 (2) provide the names and license or registration
17 numbers of all persons who provide services at the facility and are
18 regulated by the board.

19 (c) An application under this section shall require the
20 facility to designate a medical director. The designated medical
21 director must:

22 (1) be licensed by the board as a veterinarian and
23 remain in good standing;

24 (2) regularly practice veterinary medicine at or from
25 the facility; and

26 (3) co-sign the application for registration; and

27 (4) agree to accept all correspondence from the board

1 on behalf of the facility.

2 (d) A veterinary medical facility whose designated medical
3 director ceases to be affiliated with the facility shall designate
4 a new medical director within 30 days of the change.

5 (e) The term of a registration issued under this section and
6 the process for renewal of a registration shall be provided by board
7 rule.

8 Sec. 801.603. STANDARDS FOR OPERATION OF VETERINARY MEDICAL
9 FACILITIES. (a) The board shall adopt and enforce rules relating
10 to standards of operation of veterinary medical facilities. The
11 rules must include standards regarding:

12 (1) safety and sanitation;

13 (2) storage and security of pharmaceuticals and
14 controlled substances;

15 (3) patient care;

16 (4) retention of documentation, including medical
17 records, controlled substance logs, and employment records; and

18 (5) compliance with other state laws related to health
19 and safety.

20 (b) Rules adopted under Subsection (a) must distinguish
21 between categories of veterinary facilities, including mobile
22 facilities that are not affiliated with another registered
23 veterinary facility, to ensure that appropriate standards are
24 established for each category of facility.

25 Sec. 801.604. SANCTIONS AND ADMINISTRATIVE PENALTIES. The
26 owner or owners of a business entity that provides services at a
27 veterinary medical facility, or a management services organization

1 that provides services to a veterinary medical facility, shall be
2 subject to administrative penalties, license sanctions, or both,
3 if:

- 4 (1) the facility does not hold a current registration;
- 5 (2) the facility violates a standard adopted pursuant
6 to Section 801.603;
- 7 (3) facility personnel deny access to the board or its
8 agents to conduct an inspection or investigation; or
- 9 (4) the facility fails to comply with a board order.

10 SECTION 38. The following provisions of Chapter 801,
11 Occupations Code, are repealed:

- 12 (1) Section 801.206;
- 13 (2) Section 801.253(a) as amended by Acts 2011, 82nd
14 Leg., R.S., Ch. 411 (S.B. 811), Sec. 3;
- 15 (3) Section 801.307(a-1) as added by Acts 2019, 86th
16 Leg., R.S., Ch. 449 (S.B. 1947), Sec. 2;
- 17 (5) Section 801.459;
- 18 (6) Section 801.461; and
- 19 (7) Section 801.505.

20 SECTION 39. As soon as practicable after the effective date
21 of this Act, the State Board of Veterinary Medical Examiners shall
22 adopt the rules and procedures necessary to implement the
23 provisions of this Act other than those contained in Subchapter M,
24 Chapter 801, Occupations Code, as added by this Act.

25 SECTION 40. No later than March 1, 2027, the State Board of
26 Veterinary Medical Examiners shall adopt the rules and procedures
27 necessary to implement the provisions contained in Subchapter M,

1 Chapter 801, Occupations Code, as added by this Act.

2 SECTION 41. A veterinary medical facility shall register
3 with the board not later than September 1, 2027.

4 SECTION 42. (a) Except as provided by Subsection (b) of this
5 section, this Act takes effect September 1, 2025.

6 (b) Subchapter M, Chapter 801, Occupations Code, as added by
7 this Act, takes effect September 1, 2026.