

Amend SB 1863 (on third reading) by adding the following appropriately numbered ARTICLE to the bill and renumbering the remaining ARTICLES of the bill appropriately:

ARTICLE \_\_\_\_ . TRANSFER OF DRIVER EDUCATION PROGRAMS FROM THE TEXAS  
EDUCATION AGENCY TO THE TEXAS DEPARTMENT OF LICENSING AND  
REGULATION

SECTION \_\_.01. Section 1001.001, Education Code, is amended by amending Subdivisions (2), (3), (4), and (5) and adding Subdivision (13-a) to read as follows:

(2) "Approved driving safety course" means a driving safety course approved by the department [~~commissioner~~].

(3) "Commission" [~~"Commissioner"~~] means the Texas Commission of Licensing and Regulation [~~commissioner of education~~].

(4) "Course provider" means an enterprise that:

(A) maintains a place of business or solicits business in this state;

(B) is operated by an individual, association, partnership, or corporation; and

(C) has received an approval for a driving safety course from the department [~~commissioner~~] or has been designated by a person who has received that approval to conduct business and represent the person in this state.

(5) "Department" means the Texas Department of Licensing and Regulation [~~Public Safety~~].

(13-a) "Executive director" means the executive director of the department.

SECTION \_\_.02. Section 1001.002(c), Education Code, is amended to read as follows:

(c) A driver education course is exempt from this chapter, other than Section 1001.055, if the course is:

(1) conducted by a vocational driver training school operated to train or prepare a person for a field of endeavor in a business, trade, technical, or industrial occupation;

(2) conducted by a school or training program that offers only instruction of purely avocational or recreational subjects as determined by the department [~~commissioner~~];

(3) sponsored by an employer to train its own employees without charging tuition;

(4) sponsored by a recognized trade, business, or professional organization with a closed membership to instruct the members of the organization; or

(5) conducted by a school regulated and approved under another law of this state.

SECTION \_\_.03. Sections 1001.003 and 1001.004, Education Code, are amended to read as follows:

Sec. 1001.003. LEGISLATIVE INTENT REGARDING SMALL BUSINESSES. It is the intent of the legislature that commission [~~agency~~] rules that affect driver training schools that qualify as small businesses be adopted and administered so as to have the least possible adverse economic effect on the schools.

Sec. 1001.004. COST OF ADMINISTERING CHAPTER. The cost of administering this chapter shall be included in the state budget allowance for the department [~~agency~~].

SECTION \_\_.04. Sections 1001.051 and 1001.052, Education Code, are amended to read as follows:

Sec. 1001.051. JURISDICTION OVER SCHOOLS. The department [~~agency~~] has jurisdiction over and control of driver training schools regulated under this chapter.

Sec. 1001.052. RULES. The commission [~~agency~~] shall adopt [~~and administer~~] comprehensive rules governing driver training, including rules to ensure the integrity of approved driving safety courses and enhance program quality [~~driving safety courses~~].

SECTION \_\_.05. Sections 1001.053 and 1001.054, Education Code, are amended to read as follows:

Sec. 1001.053. POWERS AND DUTIES OF DEPARTMENT [~~COMMISSIONER~~]. [~~(a)~~] The department [~~commissioner~~] shall:

(1) administer [~~the policies of~~] this chapter;

(2) enforce minimum standards for driver training schools under this chapter;

(3) [~~adopt and~~] enforce rules adopted by the commission necessary to administer this chapter; and

(4) inspect [~~visit~~] a driver training school or course provider and reexamine the school or course provider for compliance

with this chapter.

~~[(b) The commissioner may designate a person knowledgeable in the administration of regulating driver training schools to administer this chapter.]~~

~~[(c) The commissioner may adopt rules to ensure the integrity of approved driving safety courses and to enhance program quality.]~~

Sec. 1001.054. RULES RESTRICTING ADVERTISING [~~OR COMPETITIVE BIDDING~~]. ~~[(a) The commissioner may not adopt a rule restricting advertising or competitive bidding by a driver training school except to prohibit a false, misleading, or deceptive practice.]~~

~~[(b) The commissioner may not include in rules to prohibit false, misleading, or deceptive practices by a driver training school a rule that restricts:~~

~~[(1) the use of an advertising medium;~~

~~[(2) the outside dimensions of a printed advertisement or outdoor display;~~

~~[(3) the duration of an advertisement; or~~

~~[(4) advertisement under a trade name.]~~

~~[(c)]~~ The commission [~~commissioner~~] by rule may restrict advertising by a branch location of a driver training school so that the location adequately identifies the primary location of the school in a solicitation.

SECTION \_\_.06. Section 1001.055, Education Code, is amended to read as follows:

Sec. 1001.055. DRIVER EDUCATION CERTIFICATES. (a) The department [~~agency~~] shall print and supply to each licensed driver education school and the Texas Education Agency shall print and supply to each [~~or~~] exempt driver education school driver education certificates to be used for certifying completion of an approved driver education course to satisfy the requirements of Section 521.204(a)(2), Transportation Code. The certificates must be numbered serially.

(b) The commission and the Texas Education Agency [~~agency~~] by rule shall each provide for the design and distribution of the certificates in a manner that, to the greatest extent possible,

prevents the unauthorized reproduction or misuse of the certificates.

(c) The department or the Texas Education Agency [~~agency~~] may charge a fee of not more than \$4 for each certificate.

SECTION \_\_.07. The heading to Section 1001.056, Education Code, is amended to read as follows:

Sec. 1001.056. UNIFORM CERTIFICATES OF DRIVING SAFETY COURSE COMPLETION.

SECTION \_\_.08. Section 1001.056, Education Code, is amended by amending Subsections (b), (c), (d), (e), (f), and (g) and adding Subsections (b-1), (c-1), and (h) to read as follows:

(b) The department [~~agency~~] shall provide [~~print and supply to~~] each licensed course provider with course completion certificate numbers to enable the provider to print and issue department-approved uniform certificates of course completion.

(b-1) Certificate numbering under Subsection (b) [~~The certificates~~] must be serial [~~numbered serially~~].

(c) The commission [~~agency~~] by rule shall provide for the design [~~and distribution~~] of the certificates and the distribution of certificate numbers in a manner that, to the greatest extent possible, prevents the unauthorized production or the misuse of the certificates or certificate numbers.

(c-1) A course provider shall provide for the printing and issuance of original and duplicate certificates in a manner that, to the greatest extent possible, prevents the unauthorized production or the misuse of the certificates.

(d) A certificate under this section must:

(1) be in a form required by the department [~~agency~~];  
and

(2) include an identifying number by which the department [~~agency~~], a court, or the Department of Public Safety [~~department~~] may verify its authenticity with the course provider.

(e) The department [~~agency~~] may charge a fee of not more than \$4 for each course completion certificate number. A course provider that supplies a certificate for an operator shall collect from the [~~charge an~~] operator a fee equal to the amount of the fee paid to the department [~~agency~~] for the [~~a~~] certificate number.

(f) A course provider license entitles a course provider to purchase certificate numbers [~~certificates~~] for only one approved driving safety course.

(g) A course provider [~~The agency~~] shall issue a duplicate certificate by United States mail or through a commercial delivery service [~~certificates~~]. The commission [~~commissioner~~] by rule shall determine the amount of the fee collected by the course provider for issuance of a duplicate certificate under this subsection.

(h) If a duplicate certificate issued by a course provider contains information that is different from the original certificate, the course provider shall include on the duplicate certificate, in addition to the new information, the applicable information from the original certificate with the notation "changed to" indicating how the original information was changed.

SECTION \_\_.09. Section 1001.057, Education Code, is amended to read as follows:

Sec. 1001.057. ELECTRONIC TRANSMISSION OF DRIVING SAFETY COURSE INFORMATION. The department [~~agency~~] shall investigate options to develop and implement procedures to electronically transmit information relating to driving safety courses to municipal and justice courts.

SECTION \_\_.10. Subchapter B, Chapter 1001, Education Code, is amended by adding Section 1001.058 to read as follows:

Sec. 1001.058. DESIGNATION OF PERSON TO ADMINISTER CHAPTER.  
The executive director may designate a person knowledgeable in the administration of regulating driver training schools to administer this chapter for the department.

SECTION \_\_.11. Sections 1001.101 and 1001.102, Education Code, are amended to read as follows:

Sec. 1001.101. DRIVER EDUCATION COURSE CURRICULUM AND TEXTBOOKS. The commission [~~commissioner~~] by rule shall establish the curriculum and designate the textbooks to be used in a driver education course.

Sec. 1001.102. ALCOHOL AWARENESS INFORMATION. (a) The commission [~~agency~~] by rule shall require that information relating to alcohol awareness and the effect of alcohol on the effective

operation of a motor vehicle be included in the curriculum of any driver education course or driving safety course.

(b) In developing rules under this section, the commission [~~agency~~] shall consult with the Department of Public Safety [~~department~~].

SECTION \_\_.12. Sections 1001.103(b), (d), and (e), Education Code, are amended to read as follows:

(b) The department [~~agency~~] shall develop standards for a separate school certification and approve curricula for drug and alcohol driving awareness programs that include one or more courses. Except as provided by commission [~~agency~~] rule, a program must be offered in the same manner as a driving safety course.

(d) In accordance with Section 461.013(b), Health and Safety Code, the department [~~agency~~] and the Texas Department of State Health Services [~~Commission on Alcohol and Drug Abuse~~] shall enter into a memorandum of understanding for the interagency approval of the required curricula.

(e) The commission [~~Notwithstanding Section 1001.056, Subchapter D, and Sections 1001.213 and 1001.303, the commissioner~~] may establish fees in connection with the programs under this section. The fees must be in amounts reasonable and necessary to administer the department's [~~agency's~~] duties under this section.

SECTION \_\_.13. Sections 1001.104 and 1001.105, Education Code, are amended to read as follows:

Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES. (a) The department [~~agency~~] shall enter into a memorandum of understanding with the Department of Aging and Disability Services [~~Texas Rehabilitation Commission~~] and the Department of Public Safety [~~department~~] for the interagency development of curricula and licensing criteria for hospital and rehabilitation facilities that teach driver education.

(b) The department [~~agency~~] shall administer comprehensive rules governing driver education courses adopted by mutual agreement among the commission [~~agency~~], the Department of Aging and Disability Services [~~Texas Rehabilitation Commission~~], and the Department of Public Safety [~~department~~].

Sec. 1001.105. TEXAS DEPARTMENT OF INSURANCE. The

commission ~~[agency]~~ shall enter into a memorandum of understanding with the Texas Department of Insurance for the interagency development of a curriculum for driving safety courses.

SECTION \_\_.14. Sections 1001.106(b), (c), and (d), Education Code, are amended to read as follows:

(b) The commission ~~[commissioner]~~ by rule shall provide minimum standards of curriculum relating to operation of vehicles at railroad and highway grade crossings.

(c) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section ~~[Sections 1001.454,~~ 1001.456 of this code ~~, and 1001.553]~~ do not apply to a violation of this section or a rule adopted under this section.

(d) Section 51.352, Occupations Code, and Sections ~~[1001.455(a)(6),]~~ 1001.501~~[, 1001.551, 1001.552,~~ and 1001.554 of this code do not apply to a violation of this section.

SECTION \_\_.15. Section 1001.107, Education Code, is amended to read as follows:

Sec. 1001.107. INFORMATION RELATING TO LITTER PREVENTION.

(a) The commission ~~[commissioner]~~ by rule shall require that information relating to litter prevention be included in the curriculum of each driver education and driving safety course.

(b) In developing rules under this section, the commission ~~[commissioner]~~ shall consult the Department of Public Safety ~~[department]~~.

SECTION \_\_.16. Sections 1001.108(a) and (c), Education Code, are amended to read as follows:

(a) The commission ~~[commissioner]~~ by rule shall require that information relating to anatomical gifts be included in the curriculum of each driver education course and driving safety course.

(c) In developing rules under this section, the commission ~~[commissioner]~~ shall consult with the Department of Public Safety ~~[department]~~ and the ~~[Texas]~~ Department of State Health Services.

SECTION \_\_.17. Section 1001.151, Education Code, is amended to read as follows:

Sec. 1001.151. APPLICATION, LICENSE, AND REGISTRATION FEES. (a) The commission ~~[commissioner]~~ shall establish ~~[collect]~~

application, license, and registration fees. The fees must be in amounts sufficient to cover administrative costs and are nonrefundable. The department shall collect the application, license, and registration fees.

(b) The commission shall establish a fee for:

(1) an initial driver education school license and ~~[is \$1,000 plus \$850]~~ for each branch location; ~~[+]~~

(2) ~~[(c) The fee for]~~ an initial driving safety school license; ~~[is an appropriate amount established by the commissioner not to exceed \$200.]~~

(3) ~~[(d) The fee for]~~ an initial course provider license ~~[is an appropriate amount established by the commissioner not to exceed \$2,000]~~, except that the commission ~~[agency]~~ may waive the fee if revenue received from the course provider is sufficient to cover the cost of licensing the course provider; ~~[+]~~

(4) the ~~[(e) The]~~ annual renewal ~~[fee]~~ for a course provider, driving safety school, driver education school, or branch location ~~[is an appropriate amount established by the commissioner not to exceed \$200]~~, except that the commission ~~[agency]~~ may waive the fee if revenue generated by the issuance of ~~[uniform certificates of]~~ course completion certificate numbers and driver education certificates is sufficient to cover the cost of administering this chapter and Article 45.0511, Code of Criminal Procedure; ~~[+]~~

(5) ~~[(f) The fee for]~~ a change of address of ~~[+]~~  
~~[(1)]~~ a driver education school, ~~[is \$180, and]~~  
~~[(2)]~~ a driving safety school, or course provider; ~~[is \$50.]~~

(6) ~~[(g) The fee for]~~ a change of name of:

(A) ~~[(1)]~~ a driver education school or course provider or an owner of a driver education school or course provider ~~[is \$100]; or [and]~~

(B) ~~[(2)]~~ a driving safety school or owner of a driving safety school; ~~[is \$50.]~~

(7) ~~[(h) The application fee for]~~ each additional driver education or driving safety course at a driver training school; ~~[is \$25.]~~



(8) an ~~[(i) The]~~ application of a ~~[fee for:~~  
~~[(1) each]~~ director, ~~[is \$30, and~~  
~~[(2) each]~~ assistant director, or administrative  
staff member; ~~[is \$15.]~~

(9) an ~~[(j) Each]~~ application for approval of a  
driving safety course that has not been evaluated by the  
department; and

(10) an application for approval to teach an approved  
driving safety course by an alternative method ~~[commissioner must~~  
~~be accompanied by a nonrefundable fee of \$9,000].~~

(c) ~~[(k)]~~ An application for an original driver education  
or driving safety instructor license must be accompanied by a  
processing fee ~~[of \$50]~~ and an annual license fee ~~[of \$25]~~, except  
that the department ~~[commissioner]~~ may not collect the processing  
fee from an applicant for a driver education instructor license who  
is currently teaching a driver education course in a public school  
in this state.

(d) ~~[(l)]~~ The commission ~~[commissioner]~~ shall establish the  
amount of the fee for a duplicate license.

SECTION \_\_.18. Section 1001.153, Education Code, is amended  
to read as follows:

Sec. 1001.153. COMPLAINT INVESTIGATION FEE. (a) The  
commission ~~[commissioner]~~ shall establish the amount of the fee to  
investigate a driver training school or course provider to resolve  
a complaint against the school or course provider.

(b) The fee may be charged only if:

(1) the complaint could not have been resolved solely  
by telephone or in writing;

(2) a representative of the department ~~[agency]~~  
visited the school or course provider as a part of the complaint  
resolution process; and

(3) the school or course provider was found to be at  
fault.

SECTION \_\_.19. Section 1001.202(b), Education Code, is  
amended to read as follows:

(b) A driving safety school may use multiple classroom  
locations to teach a driving safety course if each location:

(1) is approved by the parent school and the department ~~[agency]~~;

(2) has the same name as the parent school; and

(3) has the same ownership as the parent school.

SECTION \_\_.20. Sections 1001.203, 1001.204, 1001.205, and 1001.206, Education Code, are amended to read as follows:

Sec. 1001.203. APPLICATION. To operate or do business in this state, a driver training school must apply to the department ~~[commissioner]~~ for the appropriate license. The application must:

(1) be in writing;

(2) be in the form prescribed by the department ~~[commissioner]~~;

(3) include all required information; and

(4) be verified.

Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION SCHOOL LICENSE. The department ~~[commissioner]~~ shall approve an application for a driver education school license if, on investigation of the premises of the school, it is determined that the school:

(1) has courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the courses, curricula, and instruction are offered;

(2) has adequate space, equipment, instructional material, and instructors to provide training of good quality in the classroom and behind the wheel;

(3) has directors, instructors, and administrators who have adequate educational qualifications and experience;

(4) provides to each student before enrollment:

(A) a copy of:

(i) the refund policy;

(ii) the schedule of tuition, fees, and other charges; and

(iii) the regulations relating to absence, grading policy, and rules of operation and conduct; and

(B) the department's name, mailing address, ~~[and]~~ telephone number, and Internet website address ~~[of the~~

~~agency~~] for the purpose of directing complaints to the department ~~[agency]~~;

(5) maintains adequate records as prescribed by the department ~~[commissioner]~~ to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(6) on completion of training, issues each student a certificate indicating the course name and satisfactory completion;

(7) complies with all county, municipal, state, and federal regulations, including fire, building, and sanitation codes and assumed name registration;

(8) is financially sound and capable of fulfilling its commitments for training;

(9) has administrators, directors, owners, and instructors who are of good reputation and character;

(10) maintains and publishes as part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued from the school at any time before completion;

(11) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department ~~[commissioner]~~;

(12) does not use a name similar to the name of another ~~[existing]~~ school licensed in this state or of a tax-supported educational institution in this state, unless specifically approved in writing by the executive director ~~[commissioner]~~;

(13) submits to the department ~~[agency]~~ for approval the applicable course hour lengths and curriculum content for each course offered by the school;

(14) does not owe an administrative penalty for a violation of ~~[under]~~ this chapter; and

(15) meets any additional criteria required by the department ~~[agency]~~.

Sec. 1001.205. REQUIREMENTS FOR DRIVING SAFETY SCHOOL LICENSE. The department ~~[commissioner]~~ shall approve an

application for a driving safety school license if on investigation the department [~~agency~~] determines that the school:

(1) has driving safety courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the course, curricula, and instruction are developed by the course provider;

(2) has adequate space, equipment, instructional material, and instructors to provide training of good quality;

(3) has instructors and administrators who have adequate educational qualifications and experience;

(4) maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(5) complies with all county, municipal, state, and federal laws, including fire, building, and sanitation codes and assumed name registration;

(6) has administrators, owners, and instructors who are of good reputation and character;

(7) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(8) does not use a name similar to the name of another [~~existing~~] school licensed in this state or of a tax-supported educational establishment in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(9) maintains and uses the approved contract and policies developed by the course provider;

(10) does not owe an administrative penalty for a violation of [~~under~~] this chapter;

(11) will not provide a driving safety course to a person for less than \$25; and

(12) meets additional criteria required by the department [~~commissioner~~].

Sec. 1001.206. REQUIREMENTS FOR COURSE PROVIDER LICENSE. The department [~~commissioner~~] shall approve an application for a course provider license if on investigation the department [~~agency~~]

determines that:

- (1) the course provider has an approved course that at least one licensed driving safety school is willing to offer;
- (2) the course provider has adequate educational qualifications and experience;
- (3) the course provider will:
  - (A) develop and provide to each driving safety school that offers the approved course a copy of:
    - (i) the refund policy; and
    - (ii) the regulations relating to absence, grading policy, and rules of operation and conduct; and
  - (B) provide to the driving safety school the department's name, mailing address, ~~[and]~~ telephone number, and Internet website address ~~[of the agency]~~ for the purpose of directing complaints to the department ~~[agency]~~;
- (4) a copy of the information provided to each driving safety school under Subdivision (3) will be provided to each student by the school before enrollment;
- (5) not later than the 15th working day after the date the person successfully completes the course, the course provider will mail a uniform certificate of course completion to the person indicating the course name and successful completion;
- (6) the course provider maintains adequate records as prescribed by the department ~~[commissioner]~~ to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;
- (7) the course provider complies with all county, municipal, state, and federal laws, including assumed name registration and other applicable requirements;
- (8) the course provider is financially sound and capable of fulfilling its commitments for training;
- (9) the course provider is of good reputation and character;
- (10) the course provider maintains and publishes as a part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued

from the school at any time before completion;

(11) the course provider does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department ~~[commissioner]~~;

(12) the course provider does not use a name similar to the name of another ~~[existing]~~ school licensed in this state or of a tax-supported educational institution in this state, unless specifically approved in writing by the executive director ~~[commissioner]~~;

(13) the course provider does not owe an administrative penalty for a violation of ~~[under]~~ this chapter; and

(14) the course provider meets additional criteria required by the department ~~[commissioner]~~.

SECTION \_\_.21. Sections 1001.207(a) and (b), Education Code, are amended to read as follows:

(a) Before a driver education school may be issued a license, the school must file a corporate surety bond with the department ~~[commissioner]~~ in the amount of:

(1) \$10,000 for the primary location of the school; and

(2) \$5,000 for each branch location.

(b) A bond issued under Subsection (a) must be:

(1) issued in a form approved by the department ~~[commissioner]~~;

(2) issued by a company authorized to do business in this state;

(3) payable to the state to be used only for payment of a refund due to a student or potential student;

(4) conditioned on the compliance of the school and its officers, agents, and employees with this chapter and rules adopted under this chapter; and

(5) issued for a period corresponding to the term of the license.

SECTION \_\_.22. Section 1001.209(b), Education Code, is amended to read as follows:

(b) A bond issued under Subsection (a) must be:

(1) issued by a company authorized to do business in

this state;

(2) payable to the state to be used:

(A) for payment of a refund due a student of the course provider's approved course;

(B) to cover the payment of unpaid fees or penalties assessed by the department [~~agency~~]; or

(C) to recover any [~~the~~] cost associated with providing [~~of uniform certificates of~~] course completion certificate numbers, including the cancellation of certificate numbers [~~the agency demands be returned or any cost associated with the certificates~~];

(3) conditioned on the compliance of the course provider and its officers, agents, and employees with this chapter and rules adopted under this chapter; and

(4) issued for a period corresponding to the term of the license.

SECTION \_\_.23. Section 1001.210, Education Code, is amended to read as follows:

Sec. 1001.210. ALTERNATE FORM OF SECURITY. Instead of the bond required by Section 1001.207 or 1001.209, a driver education school or course provider may provide another form of security that is:

(1) [~~(A)~~] approved by the department [~~commissioner~~]; and

(2) [~~(B)~~] in the amount required for a comparable bond under Section 1001.207 or 1001.209.

SECTION \_\_.24. Sections 1001.211(a) and (b), Education Code, are amended to read as follows:

(a) The department [~~commissioner~~] shall issue a license to an applicant for a license under this subchapter if:

(1) the application is submitted in accordance with this subchapter; and

(2) the applicant meets the requirements of this chapter.

(b) A license must be in a form determined by the department [~~commissioner~~] and must show in a clear and conspicuous manner:

(1) the date of issuance, effective date, and term of

the license;

(2) the name and address of the driver training school or course provider;

(3) the authority for and conditions of approval;

(4) the executive director's [~~commissioner's~~] signature; and

(5) any other fair and reasonable representation that is consistent with this chapter and that the department [~~commissioner~~] considers necessary.

SECTION \_\_.25. Section 1001.212, Education Code, is amended to read as follows:

Sec. 1001.212. NOTICE OF DENIAL OF LICENSE. The department [~~commissioner~~] shall provide a person whose application for a license under this subchapter is denied a written statement of the reasons for the denial.

SECTION \_\_.26. Sections 1001.213(c) and (d), Education Code, are amended to read as follows:

(c) The commission may establish [~~Instead of the~~] fees [~~required by Section 1001.151, the fee~~] for a new driver education school or course provider license under Subsection (b) and [~~is \$500, plus \$200~~] for each branch location that are different from the amounts established under Section 1001.151[7] if:

(1) the new owner is substantially similar to the previous owner; and

(2) there is no significant change in the management or control of the driver education school or course provider.

(d) The department [~~commissioner~~] is not required to reinspect a school or a branch location after a change of ownership.

SECTION \_\_.27. Section 1001.214, Education Code, is amended to read as follows:

Sec. 1001.214. DUPLICATE LICENSE. A duplicate license may be issued to a driver training school or course provider if:

(1) the original license is lost or destroyed; and

(2) an affidavit of that fact is filed with the department [~~agency~~].

SECTION \_\_.28. Sections 1001.251, 1001.252, and 1001.253, Education Code, are amended to read as follows:



Sec. 1001.251. LICENSE REQUIRED FOR INSTRUCTOR. (a) A person may not teach or provide driver education, either as an individual or in a driver education school, or conduct any phase of driver education, unless the person holds a driver education instructor license issued by the department [~~agency~~].

(b) A person may not teach or provide driving safety training, either as an individual or in a driving safety school, or conduct any phase of driving safety education, unless the person holds a driving safety instructor license issued by the department [~~agency~~]. This subsection does not apply to an instructor of a driving safety course that does not provide a uniform certificate of course completion to its graduates.

Sec. 1001.252. SIGNATURE AND SEAL ON LICENSE REQUIRED. A license under this subchapter must be signed by the executive director [~~commissioner~~].

Sec. 1001.253. DRIVER EDUCATION INSTRUCTOR TRAINING. (a) The department [~~commissioner~~] shall establish standards for certification of professional and paraprofessional personnel who conduct driver education programs in driver education schools.

(b) A driver education instructor license authorizing a person to teach or provide behind-the-wheel training may not be issued unless the person has successfully completed six semester hours of driver and traffic safety education or a program of study in driver education approved by the department [~~commissioner~~] from an approved driver education school.

(c) A person who holds a driver education instructor license authorizing behind-the-wheel training may not be approved to assist a classroom instructor in the classroom phase of driver education unless the person has successfully completed the three additional semester hours of training required for a classroom instructor or a program of study in driver education approved by the department [~~commissioner~~].

(d) Except as provided by Section 1001.254, a driver education instructor license authorizing a person to teach or provide classroom training may not be issued unless the person:

(1) has completed nine semester hours of driver and traffic safety education or a program of study in driver education

approved by the department [~~commissioner~~] from an approved driver education school; and

(2) holds a teaching certificate and any additional certification required to teach driver education.

(e) A driver education instructor who has completed the educational requirements prescribed by Subsection (d)(1) may not teach instructor training classes unless the instructor has successfully completed a supervising instructor development program consisting of at least six additional semester hours or a program of study in driver education approved by the department [~~commissioner~~] that includes administering driver education programs and supervising and administering traffic safety education.

(f) A driver education school may submit for department [~~agency~~] approval a curriculum for an instructor development program for driver education instructors. The program must:

(1) be taught by a person who has completed a supervising instructor development program under Subsection (e); and

(2) satisfy the requirements of this section for the particular program or type of training to be provided.

SECTION \_\_.29. Section 1001.254(a), Education Code, is amended to read as follows:

(a) A temporary driver education instructor license may be issued authorizing a person to teach or provide classroom driver education training if the person:

(1) has completed the educational requirements prescribed by Section 1001.253(d)(1);

(2) holds a Texas teaching certificate with an effective date before February 1, 1986;

(3) meets all license requirements, other than successful completion of the examination required under rules adopted by the State Board for Educator Certification to revalidate the teaching certificate; and

(4) demonstrates, in a manner prescribed by the department [~~commissioner~~], the intention to comply with the examination requirement at the first available opportunity.

SECTION \_\_.30. Sections 1001.255(a), (b), and (c), Education Code, are amended to read as follows:

(a) The department [~~agency~~] shall regulate as a driver education school a driver education instructor who:

(1) teaches driver education courses in a county having a population of 50,000 or less; and

(2) does not teach more than 200 students annually.

(b) An instructor described by Subsection (a) must submit to the department [~~agency~~] an application for an initial or renewal driver education school license, together with all required documentation and information.

(c) The department [~~commissioner~~] may waive initial or renewal driver education school license fees or the fee for a director or administrative staff member.

SECTION \_\_.31. Section 1001.256, Education Code, is amended to read as follows:

Sec. 1001.256. DUPLICATE LICENSE. A duplicate license may be issued to a driver education instructor or driving safety instructor if:

(1) the original license is lost or destroyed; and

(2) an affidavit of that fact is filed with the department [~~agency~~].

SECTION \_\_.32. The heading to Subchapter G, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER G. LICENSE EXPIRATION [~~AND RENEWAL~~]

SECTION \_\_.33. Sections 1001.351(a) and (b), Education Code, are amended to read as follows:

(a) Not later than the 15th working day after the course completion date, a course provider or a person at the course provider's facilities shall issue and send [~~mail~~] a uniform certificate of course completion by United States mail or through a commercial delivery service to a person who successfully completes an approved driving safety course.

(b) A course provider shall electronically submit to the department [~~agency~~] in the manner established by the department [~~agency~~] data identified by the department [~~agency~~] relating to uniform certificates of course completion issued by the course

provider.

SECTION \_\_.34. Sections 1001.354(a) and (b), Education Code, are amended to read as follows:

(a) A driving safety course may be taught at a driving safety school if the school is approved by the department ~~[agency]~~.

(b) A driving safety school may teach an approved driving safety course by an alternative method ~~[that does not require students to be present in a classroom]~~ if the department ~~[commissioner]~~ approves the alternative method. The department ~~[commissioner]~~ may approve the alternative method if:

(1) the department ~~[commissioner]~~ determines that the approved driving safety course can be taught by the alternative method; and

(2) the alternative method includes testing and security measures that are at least as secure as the measures available in the usual classroom setting.

SECTION \_\_.35. Sections 1001.404(b) and (c), Education Code, are amended to read as follows:

(b) The department ~~[commissioner]~~ shall establish annually the rate of interest for a refund at a rate sufficient to provide a deterrent to the retention of student money.

(c) The department ~~[agency]~~ may except a driver education school or course provider from the payment of interest if the school or course provider makes a good-faith effort to refund tuition, fees, and other charges but is unable to locate the student to whom the refund is owed. On request of the department ~~[agency]~~, the school or course provider shall document the effort to locate a student.

SECTION \_\_.36. Sections 1001.451 and 1001.452, Education Code, are amended to read as follows:

Sec. 1001.451. PROHIBITED PRACTICES. A person may not:

(1) use advertising designed to mislead or deceive a prospective student;

(2) fail to notify the department ~~[commissioner]~~ of the discontinuance of the operation of a driver training school before the fourth working day after the date of cessation of classes and make available accurate records as required by this chapter;

(3) issue, sell, trade, or transfer:

(A) a uniform certificate of course completion or driver education certificate to a person or driver training school not authorized to possess the certificate;

(B) a uniform certificate of course completion to a person who has not successfully completed an approved, six-hour driving safety course; or

(C) a driver education certificate to a person who has not successfully completed a department-approved [~~commissioner-approved~~] driver education course;

(4) negotiate a promissory instrument received as payment of tuition or another charge before the student completes 75 percent of the course, except that before that time the instrument may be assigned to a purchaser who becomes subject to any defense available against the school named as payee; or

(5) conduct any part of an approved driver education course or driving safety course without having an instructor physically present in appropriate proximity to the student for the type of instruction being given.

Sec. 1001.452. COURSE OF INSTRUCTION. A driver training school may not maintain, advertise, solicit for, or conduct a course of instruction in this state before the later of:

(1) the 30th day after the date the school applies for a driver training school license; or

(2) the date the school receives a driver training school license from the department [~~commissioner~~].

SECTION \_\_.37. Sections 1001.453(d) and (e), Education Code, are amended to read as follows:

(d) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section [~~Sections 1001.454,~~ 1001.456(a) of this code [~~7, and 1001.553~~] do not apply to a violation of this section or a rule adopted under this section.

(e) Section 51.352, Occupations Code, and Sections [~~1001.455(a)(6),~~ 1001.501[~~7, 1001.551, 1001.552,~~ and 1001.554 of this code do not apply to a violation of this section.

SECTION \_\_.38. Section 1001.456, Education Code, is amended to read as follows:

Sec. 1001.456. OTHER DISCIPLINARY ACTIONS. (a) If the department [~~agency~~] believes that a driver education school or instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

- (1) order a peer review;
- (2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or
- (3) suspend the right to purchase driver education certificates.

(b) If the department [~~agency~~] believes that a course provider, driving safety school, or driving safety instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

- (1) order a peer review of the course provider, driving safety school, or driving safety instructor;
- (2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or
- (3) suspend the right to purchase [~~uniform certificates of~~] course completion certificate numbers.

(c) A peer review ordered under this section must be conducted by a team of knowledgeable persons selected by the department [~~agency~~]. The team shall provide the department [~~agency~~] with an objective assessment of the content of the school's or course provider's curriculum and its application. The school or course provider shall pay the costs of the peer review.

(d) A suspension of enrollment under Subsection (a)(2) or (b)(2) means a ruling by the executive director [~~commissioner~~] that restricts a school from:

- (1) accepting enrollments or reenrollments;
- (2) advertising;
- (3) soliciting; or
- (4) directly or indirectly advising prospective students of its program or course offerings.

SECTION \_\_.39. The heading to Subchapter L, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER L. PENALTIES [~~AND ENFORCEMENT PROVISIONS~~]

SECTION \_\_.40. Sections 1001.555(a), (b), and (c), Education Code, are amended to read as follows:

(a) A person commits an offense if the person knowingly sells, trades, issues, or otherwise transfers, or possesses with intent to sell, trade, issue, or otherwise transfer, a uniform certificate of course completion, including a duplicate certificate, a course completion certificate number, including a duplicate number, or a driver education certificate to an individual, firm, or corporation not authorized to possess the certificate or number.

(b) The department [~~agency~~] shall contract with the Department of Public Safety [~~department~~] to provide undercover and investigative assistance in the enforcement of Subsection (a).

(c) A person commits an offense if the person knowingly possesses a uniform certificate of course completion, including a duplicate certificate, a course completion certificate number, including a duplicate number, or a driver education certificate and is not authorized to possess the certificate or number.

SECTION \_\_.41. Article 45.0511(b), Code of Criminal Procedure, is amended to read as follows:

(b) The judge shall require the defendant to successfully complete a driving safety course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~] or a course under the motorcycle operator training and safety program approved by the designated state agency under Chapter 662, Transportation Code, if:

(1) the defendant elects driving safety course or motorcycle operator training course dismissal under this article;

(2) the defendant has not completed an approved driving safety course or motorcycle operator training course, as appropriate, within the 12 months preceding the date of the offense;

(3) the defendant enters a plea under Article 45.021 in person or in writing of no contest or guilty on or before the answer date on the notice to appear and:

(A) presents in person or by counsel to the court a request to take a course; or

(B) sends to the court by certified mail, return receipt requested, postmarked on or before the answer date on the notice to appear, a written request to take a course;

(4) the defendant has a valid Texas driver's license or permit;

(5) the defendant is charged with an offense to which this article applies, other than speeding 25 miles per hour or more over the posted speed limit; and

(6) the defendant provides evidence of financial responsibility as required by Chapter 601, Transportation Code.

SECTION \_\_.42. Section 51.308, Education Code, is amended to read as follows:

Sec. 51.308. DRIVER EDUCATION. A driver education course for the purpose of preparing students to obtain a driver's license may be offered by an institution of higher education, as defined by Section 61.003, with the approval of the Texas [~~Central~~] Education Agency.

SECTION \_\_.43. Section 521.1655(a), Transportation Code, is amended to read as follows:

(a) A driver education school licensed under Chapter 1001, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29c), Vernon's Texas Civil Statutes)~~] may administer to a student of that school the vision, highway sign, and traffic law parts of the examination required by Section 521.161.

SECTION \_\_.44. Section 521.203, Transportation Code, is amended to read as follows:

Sec. 521.203. RESTRICTIONS ON CLASS A AND B LICENSES. The department may not issue a Class A or Class B driver's license to a person who:

(1) is under 17 years of age;

(2) is under 18 years of age unless the person has completed a driver training course approved by the Texas Department of Licensing and Regulation or the Texas [~~Central~~] Education Agency; or

(3) has not provided the department with an affidavit, on a form prescribed by the department, that states that no vehicle that the person will drive that requires a Class A or Class B



license is a commercial motor vehicle as defined by Section 522.003.

SECTION \_\_.45. Section 521.204(a), Transportation Code, is amended to read as follows:

(a) The department may issue a Class C driver's license to an applicant under 18 years of age only if the applicant:

(1) is 16 years of age or older;

(2) has submitted to the department a driver education certificate issued under Chapter 1001, Education Code [~~Section 9A, Texas Driver and Traffic Safety Education Act (Article 4413(29c), Vernon's Texas Civil Statutes)~~], that states that the person has completed and passed a driver education course approved by the department under Section 521.205 or by the Texas Education Agency or the Texas Department of Licensing and Regulation;

(3) has obtained a high school diploma or its equivalent or is a student:

(A) currently enrolled in a public school, home school, or private school who attended school and, for each class in which the student was enrolled [~~for at least 80 days~~] in the fall or spring semester preceding the date of the driver's license application, met the minimum attendance required for class credit under Section 25.092, Education Code; or

(B) who has been enrolled for at least 45 days, and is enrolled as of the date of the application, in a program to prepare persons to pass the high school equivalency exam and during that period of enrollment has met all attendance requirements for the program; and

(4) has passed the examination required by Section 521.161.

SECTION \_\_.46. Sections 521.205(b) and (d), Transportation Code, are amended to read as follows:

(b) The department may not approve a course unless it determines that the course materials are at least equal to those required in a course approved by the Texas Department of Licensing and Regulation or the Texas Education Agency, except that the department may not require that:

(1) the classroom instruction be provided in a room

with particular characteristics or equipment; or

(2) the vehicle used for the behind-the-wheel instruction have equipment other than the equipment otherwise required by law for operation of the vehicle on a highway while the vehicle is not being used for driver training.

(d) Completion of a driver education course approved under this section has the same effect under this chapter as completion of a driver education course approved by the Texas Department of Licensing and Regulation or the Texas Education Agency.

SECTION \_\_.47. Sections 521.222(a) and (c), Transportation Code, are amended to read as follows:

(a) The department or a driver education school licensed under Chapter 1001, Education Code, or a driver education school approved under Section 29.902 or 51.308, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29c), Vernon's Texas Civil Statutes)~~] may issue an instruction permit, including a Class A or Class B driver's license instruction permit, to a person who:

(1) is 15 years of age or older but under 18 years of age;

(2) has satisfactorily completed and passed the classroom phase of an approved driver education course, which may be a course approved under Section 521.205;

(3) meets the requirements imposed under Section 521.204(3); and

(4) has passed each examination required under Section 521.161 other than the driving test.

(c) A driver education school licensed under Chapter 1001, Education Code, may issue an instruction permit to a person 18 years of age or older who has successfully passed:

(1) a six-hour adult classroom driver education course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~]; and

(2) each part of the driver's examination required by Section 521.161 other than the driving test.

SECTION \_\_.48. Sections 1001.001(1), 1001.152, 1001.303, 1001.304, 1001.454, 1001.455, 1001.457, 1001.458, 1001.459,

1001.460, 1001.461, 1001.551, 1001.552, and 1001.553, Education Code, Section 542.202(b)(3), Transportation Code, and Subchapter B, Chapter 543, Transportation Code, are repealed.

SECTION \_\_.49. (a) As soon as practicable after the effective date of this Act, the Texas Education Agency and the Texas Department of Licensing and Regulation shall develop a transition plan for transferring the functions performed by the Texas Education Agency under Chapter 1001, Education Code, to the Texas Department of Licensing and Regulation. The transition plan must include a timetable with specific steps and deadlines needed to complete the transfer.

(b) In accordance with the transition plan developed by the Texas Education Agency and the Texas Department of Licensing and Regulation under Subsection (a) of this section, on September 1, 2005:

(1) all functions and activities relating to Chapter 1001, Education Code, performed by the Texas Education Agency immediately before that date are transferred to the Texas Department of Licensing and Regulation;

(2) a rule or form adopted by the commissioner of education that relates to Chapter 1001, Education Code, is a rule or form of the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable, and remains in effect until amended or replaced by that commission or department;

(3) a reference to the Texas Education Agency in a law or administrative rule that relates to Chapter 1001, Education Code, means the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable;

(4) a complaint, investigation, or other proceeding before the Texas Education Agency that is related to Chapter 1001, Education Code, is transferred without change in status to the Texas Department of Licensing and Regulation, and the Texas Department of Licensing and Regulation assumes, as appropriate and without a change in status, the position of the Texas Education Agency in an action or proceeding to which the Texas Education Agency is a party;

(5) all money, contracts, leases, property, and obligations of the Texas Education Agency related to Chapter 1001, Education Code, are transferred to the Texas Department of Licensing and Regulation;

(6) all property in the custody of the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation; and

(7) the unexpended and unobligated balance of any money appropriated by the legislature for the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation.

(c) In accordance with the transition plan developed by the Texas Education Agency and the Texas Department of Licensing and Regulation under Subsection (a) of this section, on September 1, 2005, all full-time equivalent employee positions at the Texas Education Agency that primarily concern the administration of Chapter 1001, Education Code, become positions at the Texas Department of Licensing and Regulation. When filling the positions, the Texas Department of Licensing and Regulation shall give first consideration to an applicant who, as of August 31, 2005, was a full-time employee at the Texas Education Agency primarily involved in administering Chapter 1001, Education Code.

(d) Before September 1, 2005, the Texas Education Agency may agree with the Texas Department of Licensing and Regulation to transfer any property of the Texas Education Agency to the Texas Department of Licensing and Regulation to implement the transfer required by this article.

(e) In the period beginning with the effective date of this Act and ending on September 1, 2005, the Texas Education Agency shall continue to perform functions and activities under Chapter 1001, Education Code, as if that chapter had not been amended by this article, and the former law is continued in effect for that purpose.

SECTION \_\_.50. The changes in law made by this article apply only to a fee charged on or after September 1, 2005. A fee charged before September 1, 2005, is governed by the law in effect immediately before that date, and the former law is continued in

effect for that purpose.

SECTION \_\_.51. The changes in law made by this article apply only to a license issued or renewed on or after September 1, 2005. An issuance or renewal that occurs before September 1, 2005, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.