

House Bill 1560
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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ARTICLE 1. GENERAL POWERS AND DUTIES

Same as House version.

SECTION 1.01. Section 51.002, Occupations Code, is amended to read as follows:

Sec. 51.002. APPLICATION OF SUNSET ACT. ~~[(a)]~~ The Texas Commission of Licensing and Regulation and the Texas Department of Licensing and Regulation are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission and the department are abolished September 1, 2033 [2021].

~~[(b) The review of the commission and department by the Sunset Advisory Commission under this section may not include a review of any program that was transferred to the department on or after September 1, 2016.]~~

No equivalent provision.

SECTION 1.02. Section 51.054, Occupations Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) The training program must provide the person with information regarding:

SECTION 1.01. Same as House version.

SECTION 1.____. Section 51.053, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding any other law, a person may be a member of the commission if the person or the person's spouse is registered, certified, or licensed by a regulatory agency in the field of health care. [FA1(1)]

SECTION 1.02. Same as House version.

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- (1) the law governing [legislation that created the] department operations [and the commission];
- (2) the programs, functions, rules, and budget of [operated by] the department;
- (3) the scope of and limitations on the rulemaking authority of the commission [role and functions of the department];
- (4) [the rules of the department, with an emphasis on the rules that relate to disciplinary and investigatory authority;
- ~~[(5) the current budget for the department;~~
- ~~[(6)]~~ the results of the most recent formal audit of the department;
- (5) ~~[(7)]~~ the requirements of:
- (A) laws relating to [the] open meetings, [law, Chapter 551, Government Code;
- ~~[(B) the] public information, [law, Chapter 552, Government Code;~~
- ~~[(C) the] administrative procedure, and disclosing conflicts of interest [law, Chapter 2001, Government Code];~~ and
- ~~(B) [(D)]~~ other laws applicable to members of a state policy-making body in performing their duties [relating to public officials, including conflict-of-interest laws]; and
- ~~(6) [(8)]~~ any applicable ethics policies adopted by the department or the Texas Ethics Commission.
- (d) The executive director of the department shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each member of the commission. Each member of the commission shall sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

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SECTION 1.03. Section 51.209, Occupations Code, is amended by adding Subsections (a-1) and (a-2) to read as follows:

(a-1) An advisory board shall meet at the call of the executive director or the presiding officer of the commission.

(a-2) An advisory board may meet by telephone conference call, videoconference, or other similar telecommunication method, provided that each portion of the meeting that is required to be open to the public shall be audible to the public and, in the case of a meeting held by videoconference, visible to the public. If a problem occurs that causes a meeting to no longer be visible or audible to the public as required under this subsection, the meeting must be recessed until the problem is resolved. If the problem is not resolved in six hours or less, the meeting must be adjourned. The face of each participant in a meeting held by videoconference, while that participant is speaking, must be clearly visible, and the participant's voice must be audible, to each other participant and, during the open portion of the meeting, to the members of the public. A meeting held by telephone conference call, videoconference, or other similar telecommunication method is not subject to the requirements of Sections 551.127(a-3), (b), (c), (e), (f), (h), (i), and (j), Government Code.

SECTION 1.04. Subchapter D, Chapter 51, Occupations Code, is amended by adding Sections 51.2095 and 51.211 to read as follows:

Sec. 51.2095. INTERDISCIPLINARY ADVISORY BOARDS. The executive director or the presiding officer of the commission may appoint interdisciplinary advisory boards consisting of members from various businesses, industries,

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SECTION 1.03. Same as House version.

SECTION 1.04. Same as House version.

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general trades, or occupations to provide expertise related to a program regulated by the department.

Sec. 51.211. RISK-BASED INSPECTIONS. (a) The department shall conduct risk-based inspections that prioritize inspections based on key risk factors identified by the department, including:

(1) whether a license holder has previously violated a law establishing a regulatory program administered by the department or a rule or order of the commission or executive director; and

(2) the number of violations committed by a license holder.

(b) The department may use alternative inspection methods, including the use of videoconference technology or other methods instead of conducting an in-person inspection, in circumstances the department considers appropriate.

SECTION 1.05. Section 51.251, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The executive director shall establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the department for the purpose of directing complaints to the department.

SECTION 1.05. Same as House version.

SECTION 1.06. Section 51.252, Occupations Code, is amended by amending Subsections (a) and (c) and adding Subsection (b-2) to read as follows:

(a) The department shall maintain a system to promptly and efficiently act on complaints filed with the department. The department shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of

SECTION 1.06. Same as House version.

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~~the results of the review or investigation of the complaint, and its disposition [The executive director shall establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the department for the purpose of directing complaints to the department. The department shall provide to the person filing the complaint and to each person who is a subject of the complaint information about the department's policies and procedures relating to complaint investigation and resolution].~~

~~(b-2) The department shall make information available describing its procedures for complaint investigation and resolution.~~

~~(c) The department [at least quarterly and until final disposition of the complaint,] shall periodically notify the [person filing the] complaint parties [and each person who is a subject of the complaint] of the status of the complaint until final disposition [investigation] unless the notice would jeopardize an [undercover] investigation.~~

SECTION 1.07. Subchapter E, Chapter 51, Occupations Code, is amended by adding Sections 51.2521 and 51.255 to read as follows:

Sec. 51.2521. COMPLAINT INVESTIGATION. (a) The department shall assign priorities and investigate complaints based on risk to the public of the conduct alleged in the complaint.

(b) If the department determines at any time that an allegation made or formal complaint submitted by a person is inappropriate or without merit, the department shall dismiss the complaint.

Sec. 51.255. STATISTICAL ANALYSIS OF

SECTION 1.07. Same as House version.

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COMPLAINTS. (a) The department shall make available on the department's Internet website a statistical analysis of the complaints received by the department.

(b) The analysis under this section must include aggregate information on the number, source, type, and disposition of complaints received during the preceding state fiscal year and must include, as applicable, the following information for each program regulated by the department:

(1) the number of license holders;

(2) the number of complaints received against license holders;

(3) the number of complaints resolved and the manner in which they were resolved, including:

(A) the number of complaints dismissed and the reasons for dismissal;

(B) the number of contested cases referred to and heard by the State Office of Administrative Hearings;

(C) the number of cases appealed to a district court;

(D) the number of complaints resulting in disciplinary action, the disciplinary action taken, and whether the disciplinary action was imposed by an agreed settlement or default order issued by the executive director or a final order issued by the commission;

(E) a breakdown of the nature of the alleged violations in:

(i) complaints opened for investigation; and

(ii) cases that resulted in disciplinary action; and

(F) the number of complaints resolved, categorized by whether the complaint originated from department staff or from the public;

(4) the average time required to resolve a complaint;

(5) the average amount of administrative penalties assessed; and

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(6) the number and amount of refunds ordered by the commission or executive director or obtained through an informal resolution.

SECTION 1.08. Section 51.351, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) The department may take action under Section 51.353 for a violation identified during an inspection.

SECTION 1.08. Same as House version.

SECTION 1.09. Subchapter G, Chapter 51, Occupations Code, is amended by adding Section 51.359 to read as follows:

Sec. 51.359. REFUND. (a) Subject to Subsection (b), the commission or executive director may order a license holder to pay a refund to a consumer as provided in an agreed settlement, default order, or commission order instead of or in addition to imposing an administrative penalty or sanction.

(b) The amount of a refund ordered may not exceed the amount the consumer paid to the license holder for a service regulated by the department. The commission or executive director may not require payment of other damages or estimate harm in a refund order.

SECTION 1.09. Same as House version.

SECTION 1.10. Section 51.4012(a), Occupations Code, is amended to read as follows:

(a) Notwithstanding any other law, the commission may determine that a person is not eligible for a license based on the person's criminal history ~~[or other information that indicates that the person lacks the honesty, trustworthiness,~~

SECTION 1.10. Same as House version.

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~~and integrity to hold a license issued by the department].~~

SECTION 1.11. Section 51.405, Occupations Code, is amended to read as follows:

Sec. 51.405. CONTINUING EDUCATION. (a) ~~The department [commission]~~ shall recognize, prepare, or administer continuing education programs for license holders. A license holder must participate in the programs to the extent required by the commission to keep the person's license.

(b) Notwithstanding other law, the commission by rule may:

(1) establish a minimum number of hours of continuing education required for license renewal;

(2) provide for the registration and renewal of continuing education providers and the approval of continuing education courses; and

(3) assess reasonable and necessary fees on continuing education providers.

(c) In adopting rules under this section for a program regulated by the department, the commission shall consult, if applicable, with the advisory board established for the program.

SECTION 1.12. Subchapter H, Chapter 51, Occupations Code, is amended by adding Section 51.409 to read as follows:

Sec. 51.409. FINANCIAL DISCLOSURE STATEMENT.

(a) The commission by rule may require a person, other than an individual, applying for a license issued by the department to submit with the license application a financial disclosure statement. The rules may require any of the following

SECTION 1.11. Same as House version.

SECTION 1.12. Subchapter H, Chapter 51, Occupations Code, is amended by adding Section 51.409 to read as follows:

Sec. 51.409. FINANCIAL DISCLOSURE STATEMENT.

(a) The commission by rule may require a person, other than an individual, applying for a license issued by the department to submit with the license application a financial disclosure statement. The rules may require any of the following

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information to be disclosed based on the type of license for which the application is submitted:

- (1) the name of the applicable business entity;
- (2) the name of each person who has a direct financial investment in the business;
- (3) the name of each person, other than an individual, who:
 - (A) has a financial investment in the business; and
 - (B) is not otherwise disclosed under Subdivision (2);
- (4) the total amount or percentage of the financial investment made by each person described by Subdivision (2); and
- (5) the name of each of the following persons associated with the business, if the person is not otherwise disclosed under Subdivision (2) or (3):
 - (A) a partner;
 - (B) an officer;
 - (C) a director;
 - (D) a managing employee;
 - (E) an owner or person who controls the owner; and
 - (F) a person who acts as a controlling person of the business through the exercise of direct or indirect influence or control over the management of the business, the expenditure of money by the business, or a policy of the business, including:
 - (i) any management company, landlord, marketing company, or similar person who operates or contracts for the operation of the business and, if the business is a publicly traded corporation or is controlled by a publicly traded corporation, any officer or director of the corporation;
 - (ii) an individual who has a personal, familial, or other relationship with an owner, manager, landlord, tenant, or provider of a business that allows the individual to exercise actual control of the business; and
 - (iii) any other person the commission by rule requires to be

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information to be disclosed based on the type of license for which the application is submitted:

- (1) the name of the applicable business entity;
- (2) the name of each person who has a direct financial investment in the business;
- (3) the name of each person, other than an individual, who:
 - (A) has a financial investment in the business; and
 - (B) is not otherwise disclosed under Subdivision (2);
- (4) the total amount or percentage of the financial investment made by each person described by Subdivision (2); and
- (5) the name of each of the following persons associated with the business, if the person is not otherwise disclosed under Subdivision (2) or (3):
 - (A) a partner;
 - (B) an officer;
 - (C) a director;
 - (D) a managing employee;
 - (E) an owner or person who controls the owner; and
 - (F) a person who acts as a controlling person of the business through the exercise of direct or indirect influence or control over the management of the business, the expenditure of money by the business, or a policy of the business, including:
 - (i) any management company, landlord, marketing company, or similar person who operates or contracts for the operation of the business and, if the business is a publicly traded corporation or is controlled by a publicly traded corporation, any officer or director of the corporation;
 - (ii) an individual who has a personal, familial, or other relationship with an owner, manager, landlord, tenant, or provider of a business that allows the individual to exercise actual control of the business; and
 - (iii) any other person the commission by rule requires to be

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included based on the person's exercise of direct or indirect influence or control other than a shareholder or lender of the corporation.

(b) The department may deny an application for the issuance or renewal of a license or may suspend or revoke a license on the grounds that an applicant or license holder:

(1) fails to disclose a relationship for which disclosure is required by rules adopted under this section; or

(2) discloses a relationship for which disclosure is required by rules adopted under this section with a person who has failed to comply with an order of the commission or executive director.

SECTION 1.13. Section 202.505, Occupations Code, is amended to read as follows:

Sec. 202.505. REEXAMINATION IF LICENSE SUSPENDED OR REVOKED. The department may refuse to reinstate a license or to issue a new license until a podiatrist has passed the regular license examination if the commission or executive director suspended or revoked the license for:

(1) failure to satisfy continuing education requirements ~~[under Section 202.305]~~; or

(2) nonpayment of the license renewal fee.

No equivalent provision.

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included based on the person's exercise of direct or indirect influence or control other than a shareholder or lender of the corporation.

(b) The department may deny an application for the issuance or renewal of a license or may suspend or revoke a license on the grounds that an applicant or license holder:

(1) fails to disclose a relationship for which disclosure is required by rules adopted under this section; or

(2) discloses a relationship for which disclosure is required by rules adopted under this section with a person whose license was revoked or who has failed to comply with an order of the commission or executive director.

SECTION 1.13. Same as House version.

SECTION 1.14. Section 402.207(c), Occupations Code, is amended to read as follows:

(c) An apprentice permit holder shall work under the supervision of a license holder for at least one year. ~~[During the apprentice year, the apprentice permit holder shall complete 20 hours of classroom continuing education as~~

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~~required by Section 402.303 for a license holder.]~~

SECTION 1.14. Section 402.305, Occupations Code, is amended to read as follows:

Sec. 402.305. CONTINUING EDUCATION EXEMPTIONS. The department may renew the license of a license holder who does not comply with the applicable continuing education requirements ~~[of Section 402.303 or 402.304]~~ if the license holder:

- (1) was licensed for the first time during the 24 months before the reporting date; or
- (2) submits proof from an attending physician that the license holder suffered a serious or disabling illness or physical disability that prevented compliance with the continuing education requirements during the 24 months before the reporting date.

SECTION 1.15. Same as House version.

SECTION 1.15. Section 802.062(b), Occupations Code, is amended to read as follows:

(b) An [The] inspection by the department must be conducted during the facility's normal business hours, and the licensed breeder or a representative of the licensed breeder must be given a reasonable opportunity to be present during the inspection.

SECTION 1.16. Same as House version.

SECTION 1.16. Section 1151.1581, Occupations Code, is amended to read as follows:

Sec. 1151.1581. CONTINUING EDUCATION. (a) ~~[The commission shall recognize, prepare, or administer continuing~~

SECTION 1.17. Section 1151.1581, Occupations Code, is amended to read as follows:

Sec. 1151.1581. CONTINUING EDUCATION. (a) ~~[The commission shall recognize, prepare, or administer continuing~~

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~~education programs for registrants under this chapter.~~

~~[(b)]~~ The comptroller must review and approve any ~~[all]~~ continuing education programs for registrants.

~~(b) [(c)]~~ A registrant must participate in the programs to the extent required by the department to keep the person's certificate of registration.

~~[(d)]~~ The commission may set fees for continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the department's costs in administering the department's duties under this section.

~~[(e)]~~ The comptroller may set fees for any continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the comptroller's costs in administering the comptroller's duties under this section.

~~(c) [(f)]~~ As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:

~~(1)~~ at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

~~(2)~~ at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

SECTION 1.17. Section 1152.106, Occupations Code, is amended to read as follows:

Sec. 1152.106. ~~[MEETINGS;]~~ VOTE REQUIRED FOR

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~~education programs for registrants under this chapter.~~

~~[(b)]~~ The comptroller must review and approve any ~~[all]~~ continuing education programs for registrants.

~~(b) [(c)]~~ A registrant must participate in the programs to the extent required by the department to keep the person's certificate of registration.

~~[(d)]~~ The commission may set fees for continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the department's costs in administering the department's duties under this section.

~~[(e)]~~ The comptroller may set fees for any continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the comptroller's costs in administering the comptroller's duties under this section.

~~[(f)]~~ As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:

~~[(1)]~~ at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

~~[(2)]~~ at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.]

SECTION 1.18. Same as House version.

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ACTION. ~~[(a) The council shall meet at least semiannually at the call of the presiding officer or at the call of a majority of its members.~~

[(b)] A decision of the council is not effective unless it receives the affirmative vote of at least four members.

SECTION 1.18. Section 1953.106, Occupations Code, is amended to read as follows:

Sec. 1953.106. RENEWAL OF CERTIFICATE. ~~[(a)]~~ To renew a certificate of registration under this chapter, a professional sanitarian must:

- (1) pay to the department a renewal fee prescribed by the commission by rule; and
- (2) provide proof of completion of any applicable continuing education requirements prescribed by the commission by rule.

SECTION 1.19. Section 1958.104, Occupations Code, is amended to read as follows:

Sec. 1958.104. RULES REGARDING LICENSE APPLICATION. The commission shall adopt rules regarding a license application. The commission shall adopt rules that establish minimum requirements for a license, including:

- (1) the type of license;
- (2) the qualifications for the license, including any previous training required under Section 1958.106;
- (3) renewal requirements for the license~~[-, including ongoing continuing education required under Section 1958.106];~~ and
- (4) liability insurance requirements for the license.

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SECTION 1.19. Same as House version.

SECTION 1.20. Same as House version.

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SECTION 1.20. Section 1958.106, Occupations Code, is amended to read as follows:

Sec. 1958.106. TRAINING [~~CONTINUING EDUCATION~~]. (a) The commission shall adopt rules regarding training required under this chapter [~~and continuing education required for a license holder under this chapter~~].

(b) The rules may include requirements regarding training [~~and continuing education~~] providers, including rules establishing:

- (1) accreditation by the department;
- (2) curriculum requirements; and
- (3) qualifications.

SECTION 1.21. Section 2308.157, Occupations Code, is amended to read as follows:

Sec. 2308.157. REQUIREMENT FOR INITIAL RENEWAL OF INCIDENT MANAGEMENT TOWING OPERATOR'S LICENSE [~~CONTINUING EDUCATION~~]. [(a) The commission by rule shall recognize, prepare, or administer continuing education programs for license holders. Except as provided by Subsection (c), each license holder must complete a continuing education program before the license holder may renew the license holder's license.

[(b) A person recognized by the commission to offer a continuing education program must:

- [(1) register with the department; and
- [(2) comply with rules adopted by the commission relating to continuing education.

[(c)] To renew an incident management towing operator's license the first time, a license holder must complete a professional development course relating to incident

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SECTION 1.21. Same as House version.

SECTION 1.22. Same as House version.

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management towing that is approved and administered by the department [~~under this section~~].

SECTION 1.22. Section 2308.159(c), Occupations Code, is amended to read as follows:

(c) A license holder may renew a license issued under this chapter by:

- (1) submitting an application on a form prescribed by the executive director;
- (2) submitting evidence demonstrating compliance with the requirements for the license type as required by this chapter or commission rule;
- (3) paying a renewal fee; and
- (4) completing any applicable continuing education requirements [~~as required by Section 2308.157~~].

SECTION 1.23. The following provisions are repealed:

- (1) Section 1001.058(h), Education Code;
- (2) Section 469.053(e), Government Code;
- (3) Section 754.012(d), Health and Safety Code;
- (4) Section 754.0174, Health and Safety Code;
- (5) Section 755.016, Health and Safety Code;
- (6) Section 51.0021, Occupations Code;
- (7) Section 51.252(d), Occupations Code;
- (8) Section 202.305, Occupations Code;
- (9) Section 202.5085, Occupations Code;
- (10) Section 203.304, Occupations Code;
- (11) Section 203.406, Occupations Code;
- (12) Section 401.355, Occupations Code;

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SECTION 1.23. Same as House version.

SECTION 1.24. The following provisions are repealed:

- (1) Section 1001.058(h), Education Code;
- (2) Section 469.053(e), Government Code;
- (3) Section 754.012(d), Health and Safety Code;
- (4) Section 754.0174, Health and Safety Code;
- (5) Section 755.016, Health and Safety Code;
- (6) Section 51.0021, Occupations Code;
- (7) Section 51.252(d), Occupations Code;
- (8) Section 202.305, Occupations Code;
- (9) Section 202.5085, Occupations Code;
- (10) Section 203.304, Occupations Code;
- (11) Section 203.406, Occupations Code;
- (12) Section 401.355, Occupations Code;
- (13) Section 402.303, Occupations Code;

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- (13) Section 403.152, Occupations Code;
- (14) Section 455.0571, Occupations Code;
- (15) Section 506.105, Occupations Code;
- (16) Section 605.261, Occupations Code;
- (17) Section 701.303, Occupations Code;
- (18) Section 701.512, Occupations Code;

- (19) Section 802.065(e), Occupations Code;

- (20) Section 1302.208(a), Occupations Code;
- (21) Section 1305.055, Occupations Code;

- (22) Section 1901.107(a), Occupations Code;
- (23) Section 1952.1051, Occupations Code;
- (24) Section 1958.056(b), Occupations Code;
- (25) Section 2303.056(b), Occupations Code;
- (26) Section 2308.055, Occupations Code;
- (27) Section 2309.056, Occupations Code; and
- (28) Section 2309.106(a), Occupations Code.

SECTION 1.24. (a) Except as provided by Subsection (b) of this section, Section 51.054, Occupations Code, as amended by this article, applies to a member of the Texas Commission of Licensing and Regulation appointed before, on, or after the effective date of this Act.

(b) A member of the Texas Commission of Licensing and Regulation who, before the effective date of this Act, completed the training program required by Section 51.054, Occupations Code, as that law existed before the effective date of this Act, is only required to complete additional training on the subjects added by this article to the training

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- (14) Section 403.152, Occupations Code;
- (15) Section 455.0571, Occupations Code;
- (16) Section 506.105, Occupations Code;
- (17) Section 605.261, Occupations Code;
- (18) Section 701.303, Occupations Code;
- (19) Section 701.512, Occupations Code;
- (20) Section 802.062(a), Occupations Code;
- (21) Section 802.065(e), Occupations Code;
- (22) Section 1152.204, Occupations Code;
- (23) Section 1302.208(a), Occupations Code;
- (24) Section 1305.055, Occupations Code;
- (25) Section 1305.168, Occupations Code;
- (26) Section 1901.107(a), Occupations Code;
- (27) Section 1952.1051, Occupations Code;
- (28) Section 1958.056(b), Occupations Code;
- (29) Section 2303.056(b), Occupations Code;
- (30) Section 2308.055, Occupations Code;
- (31) Section 2309.056, Occupations Code; and
- (32) Section 2309.106(a), Occupations Code.

SECTION 1.25. (a) Except as provided by Subsection (b) of this section, Section 51.054, Occupations Code, as amended by this article, applies to a member of the Texas Commission of Licensing and Regulation appointed before, on, or after September 1, 2021.

(b) A member of the Texas Commission of Licensing and Regulation who, before September 1, 2021, completed the training program required by Section 51.054, Occupations Code, as that law existed before September 1, 2021, is only required to complete additional training on the subjects added by this article to the training program required by Section

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program required by Section 51.054, Occupations Code. A member described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission held on or after December 1, 2021, until the member completes the additional training.

ARTICLE 2. DEREGULATION

SECTION 2.01. The following provisions of the Occupations Code are repealed:

- (1) Chapter 1703; and
- (2) Section 2052.002(11-a).

SECTION 2.02. Section 54.0405(d), Family Code, is amended to read as follows:

(d) A polygraph examination required as a condition of probation under Subsection (a) must be administered by an individual who is [~~;~~
[~~(1)~~] specified by the local juvenile probation department supervising the child [~~;~~ and
[~~(2)~~] licensed as a polygraph examiner under Chapter 1703, Occupations Code].

SECTION 2.03. Sections 411.0074(c) and (d), Government Code, are amended to read as follows:

(c) The polygraph examination required by this section may only be administered by a polygraph examiner [~~licensed under~~

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51.054, Occupations Code. A member described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission held on or after December 1, 2021, until the member completes the additional training.

Same as House version.

SECTION 2.01. Same as House version.

SECTION 2.02. Same as House version.

SECTION 2.03. Same as House version.

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~~Chapter 1703, Occupations Code,~~ who:

- (1) is a peace officer commissioned by the department; or
- (2) has a minimum of two years of experience conducting preemployment polygraph examinations for a law enforcement agency.
- (d) The department and the polygraph examiner shall maintain the confidentiality of the results of a polygraph examination administered under this section, except that [~~the department and the polygraph examiner may disclose the results in accordance with Section 1703.306, Occupations Code; and~~]
[~~(2) notwithstanding Section 1703.306, Occupations Code,~~] the department may disclose any admission of criminal conduct made during the course of an examination to another appropriate governmental entity.

SECTION 2.04. Section 245.053(d), Human Resources Code, is amended to read as follows:

- (d) A polygraph examination required as a condition of release under Subsection (a) must be administered by an individual who is [~~and~~]
[~~(1)~~] specified by the department [~~and~~]
[~~(2) licensed as a polygraph examiner under Chapter 1703, Occupations Code~~].

SECTION 2.05. Section 2052.107, Occupations Code, is amended to read as follows:

Sec. 2052.107. OTHER COMBATIVE SPORTS LICENSES. Unless a person holds a license or registration issued under this chapter, the person may not act as a combative sports:

SECTION 2.04. Same as House version.

SECTION 2.05. Same as House version.

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(1) professional contestant;
(2) manager of a professional contestant;
(3) referee; or
(4) judge [;
~~[(5) second;~~
~~[(6) matchmaker; or~~
~~[(7) event coordinator].~~

SECTION 2.06. On the effective date of this Act, the Polygraph Advisory Committee is abolished.

SECTION 2.07. On the effective date of this Act, a pending regulatory action, including a complaint investigation, disciplinary action, or administrative penalty proceeding, of the Texas Department of Licensing and Regulation with respect to a license, permit, or certification issued under a law repealed by this article, is terminated.

SECTION 2.08. On the effective date of this Act, a license, permit, or certification issued under a law repealed by this article expires.

SECTION 2.09. Not later than January 1, 2023, the Texas Department of Licensing and Regulation, in consultation with the Auctioneer Advisory Board and the advisory committee established under Section 1001.058, Education Code, shall study the regulation of auctioneering and driver training and

SECTION 2.06. On September 1, 2021, the Polygraph Advisory Committee is abolished.

SECTION 2.07. On September 1, 2021, a pending regulatory action, including a complaint investigation, disciplinary action, or administrative penalty proceeding, of the Texas Department of Licensing and Regulation with respect to a license, permit, or certification issued under a law repealed by this article, is terminated.

SECTION 2.08. On September 1, 2021, a license, permit, or certification issued under a law repealed by this article expires.

SECTION 2.09. Not later than January 1, 2023, the Texas Department of Licensing and Regulation, in consultation with the Auctioneer Advisory Board, shall study the regulation of auctioneering and prepare a report with any findings and recommendations to improve public safety and the

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prepare a report with any findings and recommendations to improve public safety and the department's processes and to eliminate inefficiencies, including any necessary legislative changes. In conducting the study, the department may consult with any interested organizations, associations, and stakeholders. The department shall submit the report to the standing legislative committees with jurisdiction over the department.

ARTICLE 3. BARBERING AND COSMETOLOGY

SECTION 3.01. Section 1603.001, Occupations Code, is amended to read as follows:

Sec. 1603.001. GENERAL DEFINITIONS. ~~(a)~~ In this chapter:

(1) "Advisory board" means the Barbering and Cosmetology Advisory Board.

(2) "Commission" means the Texas Commission of Licensing and Regulation.

(3) ~~(2)~~ "Department" means the Texas Department of Licensing and Regulation.

(4) "Establishment" means a place:

(A) in which barbering or cosmetology is practiced; and

(B) that is required to hold a license issued under Subchapter E-2.

(5) ~~(3)~~ "Executive director" means the executive director of the department.

(6) "Manager" means the person who controls or directs the business of an establishment or directs the work of a person

SENATE VERSION (IE)

department's processes and to eliminate inefficiencies, including any necessary legislative changes. In conducting the study, the department may consult with any interested organizations, associations, and stakeholders. The department shall submit the report to the standing legislative committees with jurisdiction over the department.

Same as House version.

SECTION 3.01. Same as House version.

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employed in an establishment.

(7) "School" means a public secondary school, public postsecondary school, or private postsecondary school:

(A) in which barbering or cosmetology is taught; and

(B) that is required to hold a license issued under Subchapter E-3.

~~[(b) Unless the context clearly indicates otherwise, the definitions in Chapters 1601 and 1602 apply to this chapter.]~~

SECTION 3.02. Subchapter A, Chapter 1603, Occupations Code, is amended by adding Sections 1603.0011, 1603.0012, and 1603.0013 to read as follows:

Sec. 1603.0011. PRACTICE OF BARBERING OR COSMETOLOGY. (a) The practices of barbering and cosmetology consist of performing or offering to perform for compensation any of the following services:

(1) treating a person's hair by:

(A) providing any method of treatment as a primary service, including arranging, beautifying, bleaching, cleansing, coloring, cutting, dressing, dyeing, processing, shaping, singeing, straightening, styling, tinting, or waving;

(B) providing a necessary service that is preparatory or ancillary to a service under Paragraph (A), including bobbing, clipping, cutting, or trimming a person's hair or shaving a person's neck with a safety razor; or

(C) cutting the person's hair as a separate and independent service for which a charge is directly or indirectly made separately from charges for any other service;

(2) treating a person's mustache or beard by arranging, beautifying, coloring, processing, styling, trimming, or shaving with a safety razor;

SECTION 3.02. Same as House version.

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(3) cleansing, stimulating, or massaging a person's scalp, face, neck, shoulders, or arms:

(A) by hand or by using a device, apparatus, or appliance; and

(B) with or without the use of any cosmetic preparation, antiseptic, tonic, lotion, or cream;

(4) beautifying a person's face, neck, shoulders, or arms using a cosmetic preparation, antiseptic, tonic, lotion, powder, oil, clay, cream, or appliance;

(5) administering facial treatments;

(6) removing superfluous hair from a person's body using depilatories, preparations or chemicals, tweezers, or other devices or appliances of any kind or description;

(7) treating a person's nails by:

(A) cutting, trimming, polishing, tinting, coloring, cleansing, manicuring, or pedicuring; or

(B) attaching false nails;

(8) massaging, cleansing, treating, or beautifying a person's hands or feet; or

(9) weaving a person's hair by using any method to attach commercial hair to a person's hair or scalp.

(b) In addition to the services described by Subsection (a), the practice of barbering includes performing or offering to perform for compensation the service of shaving a person's face, neck, mustache, or beard with a razor of any type.

(c) In addition to the services described by Subsection (a), the practice of cosmetology includes performing or offering to perform for compensation the service of applying semipermanent, thread-like extensions composed of single fibers to a person's eyelashes.

(d) Advertising or representing to the public in any manner that a person is licensed to perform a barbering or cosmetology service under this chapter, or that a location or

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place of business is an establishment or school, constitutes the practice of barbering or cosmetology.

(e) In this section, "safety razor" means a razor that is fitted with a guard close to the cutting edge of the razor that is intended to:

(1) prevent the razor from cutting too deeply; and

(2) reduce the risk and incidence of accidental cuts.

Sec. 1603.0012. SERVICES NOT CONSTITUTING BARBERING OR COSMETOLOGY. Barbering and cosmetology do not include:

(1) threading, which involves removing unwanted hair from a person by using a piece of thread that is looped around the hair and pulled to remove the hair and includes the incidental trimming of eyebrow hair; or

(2) servicing a person's wig, toupee, or artificial hairpiece on a person's head or on a block after the initial retail sale in any manner described by Section 1603.0011(a)(1).

Sec. 1603.0013. APPLICATION OF CHAPTER. This chapter does not apply to a person who:

(1) does not represent or advertise to the public directly or indirectly that the person is authorized by the department to practice barbering or cosmetology and the person is:

(A) licensed in this state to practice medicine, dentistry, podiatry, chiropractic, or nursing and operating within the scope of the person's license;

(B) a commissioned or authorized medical or surgical officer of the United States armed forces; or

(C) an inmate in the institutional division of the Texas Department of Criminal Justice who performs barbering or cosmetology during the person's incarceration;

(2) provides a service in an emergency;

(3) is in the business of or receives compensation for makeup

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applications only;

(4) provides a cosmetic service as a volunteer or an employee performing regular duties at a licensed nursing or convalescent custodial or personal care home to a patient residing in the home;

(5) owns, operates, or manages a licensed nursing or convalescent custodial or personal care home that allows a person with an operator license to perform cosmetic services for patients residing in the home on an occasional but not daily basis;

(6) provides an incidental cosmetic service, or owns, operates, or manages the location where that service is provided, if the primary purpose of the service is to enable or assist the recipient of the service to participate as the subject of:

(A) a photographic sitting at a permanent establishment that charges a fee exclusively for a photographic sitting;

(B) a television appearance; or

(C) the filming of a motion picture; or

(7) performs only natural hair braiding, including braiding a person's hair, trimming hair extensions only as applicable to the braiding process, and attaching commercial hair by braiding and without the use of chemicals or adhesives.

SECTION 3.03. Section 1603.002, Occupations Code, is amended to read as follows:

Sec. 1603.002. REGULATION OF BARBERING AND COSMETOLOGY BY DEPARTMENT OF LICENSING AND REGULATION. The department shall administer this chapter. This chapter [~~and Chapters 1601 and 1602.~~— A reference in this chapter to the commission's or department's

SECTION 3.03. Same as House version.

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~~powers or duties applies only in relation to those chapters, except that this section] does not limit the department's or commission's general powers under Chapter 51.~~

SECTION 3.04. Subchapter B, Chapter 1603, Occupations Code, is amended to read as follows:

SUBCHAPTER B. ~~[ADVISORY BOARDS FOR]~~
BARBERING AND COSMETOLOGY ADVISORY BOARD

Sec. 1603.051. ADVISORY BOARD; MEMBERSHIP. The Barbering and Cosmetology Advisory Board consists of nine members appointed by the presiding officer of the commission, with the commission's approval, as follows:

- (1) four members who each hold an individual practitioner license under Subchapter E-1, including:
 - (A) at least one holder of a Class A barber license; and
 - (B) at least one holder of a cosmetology operator license;
- (2) two members who each hold an establishment license;
- (3) two members who each hold a school license; and
- (4) one member who represents the public.

Sec. 1603.052. DUTIES OF ADVISORY BOARD. (a) The advisory board ~~[boards established under Chapters 1601 and 1602]~~ shall advise the commission and the department on:

- (1) education and curricula for applicants;
- (2) the content of examinations;
- (3) proposed rules and standards on technical issues related to barbering and cosmetology; and
- (4) other issues affecting ~~[administering this chapter and Chapters 1601 and 1602 regarding]~~ barbering and ~~[or]~~ cosmetology ~~[, as applicable].~~

(b) The advisory board shall respond to questions from the

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SECTION 3.04. Same as House version.

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commission and the department regarding barbering and cosmetology.

Sec. 1603.053. TERMS; VACANCY. (a) Members of the advisory board serve staggered six-year terms, with the terms of three members expiring January 31 of each odd-numbered year.

(b) If a vacancy occurs during a member's term, the presiding officer of the commission, with the commission's approval, shall appoint a replacement to fill the unexpired term.

Sec. 1603.054. PRESIDING OFFICER. The presiding officer of the commission shall appoint one of the advisory board members to serve as the presiding officer of the advisory board for a term of two years.

SECTION 3.05. Section 1603.101, Occupations Code, is amended to read as follows:

Sec. 1603.101. RULES. The commission shall adopt rules consistent with this chapter for[:

~~(1)~~ the administration of this chapter and the operations of the department in regulating barbering and cosmetology[; and

~~(2) the administration of Chapters 1601 and 1602].~~

SECTION 3.06. Section 1603.103(a), Occupations Code, is amended to read as follows:

(a) Until the department determines, by inspection, that the person has established the school in compliance with this chapter, ~~[Chapter 1601, or Chapter 1602,]~~ a person may not operate a school licensed ~~[or permitted]~~ under this chapter[; ~~Chapter 1601, or Chapter 1602].~~

SECTION 3.05. Same as House version.

SECTION 3.06. Same as House version.

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SECTION 3.07. The heading to Section 1603.104, Occupations Code, is amended to read as follows:
Sec. 1603.104. ~~PERIODIC~~ INSPECTIONS.

SECTION 3.08. Sections 1603.104(a) and (d), Occupations Code, are amended to read as follows:

(a) The department may enter and inspect at any time during business hours:

(1) the place of business of any person regulated under this chapter~~[, Chapter 1601, or Chapter 1602]~~; or

(2) any place in which the department has reasonable cause to believe that a ~~[certificate,]~~ license~~;~~ or permit holder is practicing in violation of this chapter~~[, Chapter 1601, or Chapter 1602]~~ or in violation of a rule or order of the commission or executive director.

(d) An inspector who discovers a violation of this chapter~~;~~ ~~Chapter 1601, or Chapter 1602]~~ or of a rule or order of the commission or executive director shall~~;~~

~~[(1)]~~ provide written notice of the violation to the license~~;~~ ~~certificate,]~~ or permit holder on a form prescribed by the department~~;~~ ~~and~~

~~[(2)]~~ file a complaint with the executive director].

SECTION 3.09. Section 1603.1045, Occupations Code, is amended to read as follows:

Sec. 1603.1045. CONTRACT TO PERFORM INSPECTIONS. The department may contract with a person to perform for the department inspections of a school or establishment ~~[, shop, or other facility under this chapter, Chapter 1601, or Chapter 1602].~~

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SECTION 3.07. Same as House version.

SECTION 3.08. Same as House version.

SECTION 3.09. Same as House version.

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SECTION 3.10. Subchapter C, Chapter 1603, Occupations Code, is amended by adding Section 1603.106 to read as follows:

Sec. 1603.106. CERTAIN BUILDING AND FACILITY STANDARDS PROHIBITED. The commission may not establish building or facility standards for a school that are not related to health and safety, including a requirement that a building or facility of the school have a specific:

- (1) square footage of floor space;
- (2) number of chairs; or
- (3) number of sinks.

SECTION 3.11. Section 1603.151, Occupations Code, is amended to read as follows:

Sec. 1603.151. NOTIFICATION OF PUBLIC INTEREST INFORMATION AND PARTICIPATION. The commission by rule shall establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the department for the purpose of directing complaints to the department regarding barbering and cosmetology. The department may provide for that notice:

- (1) on each registration form, application, or written contract for services of a person regulated under this chapter~~[, Chapter 1601, or Chapter 1602]~~;
- (2) on a sign prominently displayed in the place of business of each person regulated under this chapter~~[, Chapter 1601, or Chapter 1602]~~; or
- (3) in a bill for service provided by a person regulated under

SECTION 3.10. Same as House version.

SECTION 3.11. Same as House version.

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this chapter[, Chapter 1601, or Chapter 1602].

SECTION 3.12. The heading to Subchapter E, Chapter 1603, Occupations Code, is amended to read as follows:

SUBCHAPTER E. GENERAL [~~CERTIFICATE,~~
LICENSE~~]~~ AND PERMIT
PROVISIONS [~~REQUIREMENTS~~]

SECTION 3.13. Subchapter E, Chapter 1603, Occupations Code, is amended by adding Section 1603.2001 to read as follows:

Sec. 1603.2001. RULES FOR ISSUANCE OF LICENSE OR PERMIT. (a) The commission by rule shall establish requirements for the issuance of:

(1) a license for an individual practitioner, ~~instructor,~~ establishment, or school; and

(2) a student permit.

(b) Requirements established by the commission under Subsection (a) for an individual practitioner ~~or instructor~~ may include requirements regarding an applicant's:

(1) minimum age;

(2) education level; and

(3) completed hours of instruction.

(c) In establishing a requirement under this section for the issuance of a license, the commission shall consider whether the requirement is the least restrictive requirement possible to ensure public safety without creating a barrier to entry into the licensed occupation.

(d) Requirements established under this section:

(1) for an individual practitioner specialty license may not be

SECTION 3.12. Same as House version.

SECTION 3.13. Subchapter E, Chapter 1603, Occupations Code, is amended by adding Section 1603.2001 to read as follows:

Sec. 1603.2001. RULES FOR ISSUANCE OF LICENSE OR PERMIT. (a) The commission by rule shall establish requirements for the issuance of:

(1) a license for an individual practitioner, establishment, or school; and

(2) a student permit.

(b) Requirements established by the commission under Subsection (a) for an individual practitioner may include requirements regarding an applicant's:

(1) minimum age;

(2) education level; and

(3) completed hours of instruction.

(c) In establishing a requirement under this section for the issuance of a license, the commission shall consider whether the requirement is the least restrictive requirement possible to ensure public safety without creating a barrier to entry into the licensed occupation.

(d) Requirements established under this section:

(1) for an individual practitioner specialty license may not be

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more stringent than requirements for a Class A barber license or a cosmetology operator license; and

(2) for a specialty establishment license may not be more stringent than requirements for an establishment license.

(e) The commission, as appropriate, may establish standardized requirements within license categories.

SECTION 3.14. Sections 1603.201 and 1603.202, Occupations Code, are amended to read as follows:

Sec. 1603.201. APPLICATION FORM. An application for a [~~certificate,~~] license[;] or permit under this chapter must be made on a form prescribed [~~and provided~~] by the department.

Sec. 1603.202. DUPLICATE [~~CERTIFICATE,~~] LICENSE[;] OR PERMIT. The department shall issue a duplicate [~~certificate,~~] license[;] or permit to an applicant who:

(1) submits an application for a duplicate [~~certificate,~~] license[;] or permit to the department; and

(2) pays the required fee.

SECTION 3.15. Subchapter E, Chapter 1603, Occupations Code, is amended by adding Section 1603.2025 to read as follows:

Sec. 1603.2025. TEMPORARY LICENSE. (a) The department may issue a temporary license.

(b) The commission by rule may establish requirements for the issuance of a temporary license.

(c) A temporary license expires on the 60th day after the date the license is issued. A temporary license may not be renewed.

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more stringent than requirements for a Class A barber license or a cosmetology operator license; and

(2) for a specialty establishment license may not be more stringent than requirements for an establishment license.

(e) The commission shall establish standardized requirements within license categories.

SECTION 3.14. Same as House version.

SECTION 3.15. Same as House version.

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SECTION 3.16. Sections 1603.203 and 1603.204, Occupations Code, are amended to read as follows:

Sec. 1603.203. PROVISIONAL [~~CERTIFICATE OR~~] LICENSE. (a) The department may issue a provisional [~~certificate or~~] license to an applicant currently licensed in another jurisdiction who seeks a [~~certificate or~~] license in this state and who:

(1) has been licensed in good standing in the profession for which the person seeks the [~~certificate or~~] license for at least two years in another jurisdiction, including a foreign country, that has requirements substantially equivalent to the requirements of this chapter [~~, Chapter 1601, or Chapter 1602, as appropriate~~]; and

(2) has passed a national or other examination recognized by the department [~~commission~~] relating to the practice of that profession.

(b) A provisional [~~certificate or~~] license is valid until the date the department approves or denies the provisional [~~certificate or~~] license holder's application. The department shall issue a [~~certificate or~~] license to the provisional [~~certificate or~~] license holder if:

(1) the provisional [~~certificate or~~] license holder is eligible to hold a [~~certificate or~~] license under this chapter [~~Chapter 1601 or Chapter 1602~~]; or

(2) the provisional [~~certificate or~~] license holder passes the part of the examination [~~under Chapter 1601 or Chapter 1602~~] that relates to the applicant's knowledge and understanding of the laws and rules relating to the practice of the profession in this state and:

(A) the department verifies that the provisional [~~certificate or~~] license holder meets the education [~~academic~~] and experience requirements for the [~~certificate or~~] license; and

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SECTION 3.16. Same as House version.

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(B) the provisional [~~certificate or~~] license holder satisfies any other [~~certificate or~~] license requirements.

(c) The department must approve or deny a provisional [~~certificate or~~] license holder's application for a [~~certificate or~~] license not later than the 180th day after the date the provisional [~~certificate or~~] license is issued. The department may extend the 180-day period if the results of an examination have not been received by the department before the end of that period.

Sec. 1603.204. SUBSTANTIALLY EQUIVALENT [~~RECIPROCAL CERTIFICATE,~~] LICENSE[~~, OR PERMIT~~].

(a) A person who holds a license[~~, certificate, or permit~~] to practice barbering or cosmetology from another state or country that has standards or work experience requirements that are substantially equivalent to the requirements of this chapter [~~, Chapter 1601, or Chapter 1602~~] may apply for a license[~~, certificate, or permit~~] to perform the same acts of barbering or cosmetology in this state that the person practiced in the other state or country.

(b) The person must:

(1) submit an application for the license[~~, certificate, or permit~~] to the department; and

(2) pay fees in an amount prescribed by the commission, including any applicable license[~~, certificate, or permit~~] fee.

(c) A person issued a license[~~, certificate, or permit~~] under this section:

(1) may perform the acts of barbering or cosmetology authorized by [~~stated on~~] the license[~~, certificate, or permit~~]; and

(2) is subject to the renewal procedures and fees provided in this chapter [~~, Chapter 1601, or Chapter 1602~~] for the performance of those acts of barbering or cosmetology.

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SECTION 3.17. Sections 1603.208(a)(2) and (3), Occupations Code, are amended to read as follows:

(2) "Digitally prearranged remote service" means a barbering or cosmetology service performed for compensation by a person holding a license~~[, certificate of registration, or permit]~~ under Subchapter E-1 ~~[Chapter 1601 or 1602 or this chapter]~~ that is:

(A) prearranged through a digital network; and

(B) performed at a location other than an establishment ~~[a place of business that is]~~ licensed ~~[or permitted]~~ under Subchapter E-2 ~~[Chapter 1601 or 1602 or this chapter]~~.

(3) "Remote service business" means a corporation, partnership, sole proprietorship, or other entity that, for compensation, enables a client to schedule a digitally prearranged remote service with a person holding a license~~[, certificate of registration, or permit]~~ under Subchapter E-1 ~~[Chapter 1601 or 1602 or this chapter]~~.

SECTION 3.18. Sections 1603.208(c), (d), (f), (g), and (i), Occupations Code, are amended to read as follows:

(c) Sections 1603.2110 and 1603.2111 ~~[1601.453, 1601.455, 1602.251(e), and 1602.407]~~ do not apply to a digitally prearranged remote service scheduled through a remote service business.

(d) A person who holds a license~~[, certificate of registration, or permit]~~ to practice barbering or cosmetology and who performs a digitally prearranged remote service shall:

(1) comply with this section and the rules adopted under this section; and

SECTION 3.17. Same as House version.

SECTION 3.18. Sections 1603.208(c), (d), (f), (g), and (i), Occupations Code, are amended to read as follows:

(c) Sections 1603.2108 and 1603.2109 ~~[1601.453, 1601.455, 1602.251(e), and 1602.407]~~ do not apply to a digitally prearranged remote service scheduled through a remote service business.

(d) A person who holds a license~~[, certificate of registration, or permit]~~ to practice barbering or cosmetology and who performs a digitally prearranged remote service shall:

(1) comply with this section and the rules adopted under this section; and

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- (2) practice within the scope of the person's license[; ~~certificate of registration, or permit~~].
- (f) Before a person licensed[; ~~registered, or permitted~~] to practice barbering or cosmetology performs a digitally prearranged remote service for a client requesting the service, a remote service business must [~~shall~~] provide through the entity's digital network:
- (1) the following information regarding the person who will perform the service:
- (A) the person's first and last name;
- (B) the [~~number of the~~] person's license number[; ~~certificate of registration, or permit, as applicable~~]; and
- (C) a photograph of the person;
- (2) the following information regarding the business:
- (A) Internet website address; and
- (B) telephone number; and
- (3) the department's Internet website address and telephone number and notice that the client may contact the department to file a complaint against the business or person.
- (g) Within a reasonable time after completion of a digitally prearranged remote service, the remote service business shall issue to the client who requested the service a receipt that includes:
- (1) the date the service was provided;
- (2) a description of the service;
- (3) the first and last name of the person who performed the service;
- (4) the [~~number of the~~] person's license number[; ~~certificate of registration, or permit, as applicable~~];
- (5) the following information regarding the business:
- (A) Internet website address; and
- (B) telephone number; and

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- (2) practice within the scope of the person's license[; ~~certificate of registration, or permit~~].
- (f) Before a person licensed[; ~~registered, or permitted~~] to practice barbering or cosmetology performs a digitally prearranged remote service for a client requesting the service, a remote service business must [~~shall~~] provide through the entity's digital network:
- (1) the following information regarding the person who will perform the service:
- (A) the person's first and last name;
- (B) the [~~number of the~~] person's license number[; ~~certificate of registration, or permit, as applicable~~]; and
- (C) a photograph of the person;
- (2) the following information regarding the business:
- (A) Internet website address; and
- (B) telephone number; and
- (3) the department's Internet website address and telephone number and notice that the client may contact the department to file a complaint against the business or person.
- (g) Within a reasonable time after completion of a digitally prearranged remote service, the remote service business shall issue to the client who requested the service a receipt that includes:
- (1) the date the service was provided;
- (2) a description of the service;
- (3) the first and last name of the person who performed the service;
- (4) the [~~number of the~~] person's license number[; ~~certificate of registration, or permit, as applicable~~];
- (5) the following information regarding the business:
- (A) Internet website address; and
- (B) telephone number; and

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(6) the department's Internet website address and telephone number and notice that the client may contact the department to file a complaint against the business or person.

(i) A remote service business shall terminate a person's access to the business's digital network if the business or department determines the person violated:

(1) this chapter; or

(2) a rule adopted under this chapter[;

~~[(3) Chapter 1601 or 1602; or~~

~~[(4) a rule adopted under Chapter 1601 or 1602].~~

SECTION 3.19. Subchapter E, Chapter 1603, Occupations Code, is amended by adding Section 1603.209 to read as follows:

Sec. 1603.209. INFECTIOUS AND CONTAGIOUS DISEASES. (a) A person holding a license or permit issued under Subchapter E-1 may not perform any practice of barbering or cosmetology if the person knows the person is suffering from an infectious or contagious disease for which the person is not entitled to protection under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).

(b) A person holding an establishment or school license may not employ a person to perform any practice of barbering or cosmetology or to instruct in the practice of barbering or cosmetology if the license holder knows that the person is suffering from an infectious or contagious disease for which the person is not entitled to protection under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).

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(6) the department's Internet website address and telephone number and notice that the client may contact the department to file a complaint against the business or person.

(i) A remote service business shall terminate a person's access to the business's digital network if the business or department determines the person violated:

(1) this chapter; or

(2) a rule adopted under this chapter[;

~~[(3) Chapter 1601 or 1602; or~~

~~[(4) a rule adopted under Chapter 1601 or 1602].~~

SECTION 3.19. Same as House version.

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SECTION 3.20. Chapter 1603, Occupations Code, is amended by adding Subchapters E-1, E-2, and E-3 to read as follows:

SUBCHAPTER E-1. INDIVIDUAL PRACTITIONER AND INSTRUCTOR LICENSES; STUDENT PERMIT; PRACTICE

Sec. 1603.2101. INDIVIDUAL PRACTITIONER LICENSE OR STUDENT PERMIT REQUIRED; USE OF CERTAIN TERMS WITHOUT LICENSE PROHIBITED. (a) A person may not perform or offer or attempt to perform any act of barbering or cosmetology unless the person holds a license or permit issued under this subchapter to perform that act.

(b) Unless the person holds an appropriate license issued under this subchapter, a person may not directly or indirectly use or cause to be used as a professional or business identification, title, name, representation, asset, or means of advantage or benefit:

- (1) the term "barber" or "barbering";
- (2) the term "cosmetologist" or "cosmetology"; or
- (3) any combination, variation, or abbreviation of the terms listed in Subdivisions (1) and (2).

Sec. 1603.2102. ISSUANCE OF INDIVIDUAL PRACTITIONER LICENSE. The department shall issue an individual practitioner license to an applicant who:

- (1) meets the applicable eligibility requirements;
- (2) passes the applicable examination;
- (3) pays the required fee;
- (4) has not committed an act that constitutes a ground for denial of the license; and
- (5) submits an application on a form prescribed by the department.

Sec. 1603.2103. INDIVIDUAL PRACTITIONER

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SECTION 3.20. Chapter 1603, Occupations Code, is amended by adding Subchapters E-1, E-2, and E-3 to read as follows:

SUBCHAPTER E-1. INDIVIDUAL PRACTITIONER LICENSES; STUDENT PERMIT; PRACTICE

Sec. 1603.2101. INDIVIDUAL PRACTITIONER LICENSE OR STUDENT PERMIT REQUIRED; USE OF CERTAIN TERMS WITHOUT LICENSE PROHIBITED. (a) A person may not perform or offer or attempt to perform any act of barbering or cosmetology unless the person holds a license or permit issued under this subchapter to perform that act.

(b) Unless the person holds an appropriate license issued under this subchapter, a person may not directly or indirectly use or cause to be used as a professional or business identification, title, name, representation, asset, or means of advantage or benefit:

- (1) the term "barber" or "barbering";
- (2) the term "cosmetologist" or "cosmetology"; or
- (3) any combination, variation, or abbreviation of the terms listed in Subdivisions (1) and (2).

Sec. 1603.2102. ISSUANCE OF INDIVIDUAL PRACTITIONER LICENSE. The department shall issue an individual practitioner license to an applicant who:

- (1) meets the applicable eligibility requirements;
- (2) passes the applicable examination;
- (3) pays the required fee;
- (4) has not committed an act that constitutes a ground for denial of the license; and
- (5) submits an application on a form prescribed by the department.

Sec. 1603.2103. INDIVIDUAL PRACTITIONER

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LICENSES. (a) A person holding:

(1) a Class A barber license may perform any barbering service;

(2) a cosmetology operator license may perform any cosmetology service;

(3) a manicurist license may perform any service described by Section 1603.0011(a)(7) or (8);

(4) an esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), or (6) or (c);

(5) a manicurist/esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), (6), (7), or (8) or (c);

(6) a hair weaving specialist license may perform any service described by Section 1603.0011(a)(9);

(7) a hair weaving specialist/esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), (6), or (9) or (c); and

(8) an eyelash extension specialist license may perform any service described by Section 1603.0011(c).

(b) The commission by rule shall provide for the issuance of:

(1) a Class A barber license to a person who holds a cosmetology operator license; and

(2) a cosmetology operator license to a person who holds a Class A barber license.

Sec. 1603.2104. INSTRUCTOR LICENSE REQUIRED. (a) A person may not teach or offer or attempt to teach any act of barbering or cosmetology unless the person holds an instructor license issued under this subchapter to perform that act.

(b) A person holding an instructor license may perform any act of barbering or cosmetology authorized by the license and may instruct a person in any act of barbering or cosmetology authorized by the license.

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LICENSES. (a) A person holding:

(1) a Class A barber license may perform any barbering service;

(2) a cosmetology operator license may perform any cosmetology service;

(3) a manicurist license may perform any service described by Section 1603.0011(a)(7) or (8);

(4) an esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), or (6) or (c);

(5) a manicurist/esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), (6), (7), or (8) or (c);

(6) a hair weaving specialist license may perform any service described by Section 1603.0011(a)(9);

(7) a hair weaving specialist/esthetician license may perform any service described by Section 1603.0011(a)(3), (4), (5), (6), or (9) or (c); and

(8) an eyelash extension specialist license may perform any service described by Section 1603.0011(c).

(b) The commission by rule shall provide for the issuance of:

(1) a Class A barber license to a person who holds a cosmetology operator license; and

(2) a cosmetology operator license to a person who holds a Class A barber license.

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Sec. 1603.2105. ISSUANCE OF INSTRUCTOR LICENSE.

(a) The department shall issue an instructor license to an applicant who:

(1) meets the applicable eligibility requirements;

(2) has completed:

(A) a course consisting of at least 750 hours of instruction in barbering or cosmetology courses and methods of teaching in a barber or cosmetology school; or

(B) at least one year of work experience as the holder of a Class A barber license or cosmetology operator license and:

(i) has completed 500 hours of instruction in barbering or cosmetology courses and methods of teaching in a commission-approved training program;

(ii) has completed 15 semester hours in education courses from an accredited college or university in the 10-year period preceding the date of the application; or

(iii) has a degree in education from an accredited college or university;

(3) passes the applicable examination;

(4) pays the required fee;

(5) has not committed an act that constitutes a ground for denial of the license; and

(6) submits an application on a form prescribed by the department.

(b) The commission shall adopt rules for the licensing of specialty instructors to teach specialty courses in the practice of barbering or cosmetology.

Sec. 1603.2106. WAIVER OF CERTAIN LICENSE REQUIREMENTS. (a) The department may waive any requirement for a license issued under this subchapter for an applicant holding a license from another jurisdiction that has license requirements substantially equivalent to those of this

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Sec. 1603.2104. WAIVER OF CERTAIN LICENSE REQUIREMENTS. (a) The department may waive any requirement for a license issued under this subchapter for an applicant holding a license from another jurisdiction that has license requirements substantially equivalent to those of this

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state.

(b) The department shall issue a license to an applicant under Subsection (a) if the applicant:

(1) submits an application on a form prescribed by the department;

(2) pays the application fee; and

(3) provides proof that the applicant holds a current license to engage in the same or a similar activity issued by another jurisdiction that has license requirements substantially equivalent to those of this state.

(c) The department may not require a personal interview as part of the application process under this section.

(d) A license issued under this section may be renewed as provided by Subchapter G.

Sec. 1603.2107. STUDENT PERMIT. (a) A student enrolled in a school licensed under Subchapter E-3 must hold a permit stating the student's name and the name of the school.

(b) The department shall issue a student permit to an applicant who submits an application to the department for a student permit accompanied by the required fee.

(c) A separate application is required for each enrollment. The application fee applies only to the first enrollment. The department may not charge the application fee for any later enrollment.

Sec. 1603.2108. TRANSFER OF LICENSE OR PERMIT PROHIBITED. A license or permit issued under this subchapter is not transferable.

Sec. 1603.2109. DISPLAY OF LICENSE OR PERMIT. (a) The holder of a license issued under this subchapter shall:

(1) display the original license and an attached photograph of the license holder in a conspicuous place near the license holder's work chair in the establishment in which the holder is

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state.

(b) The department shall issue a license to an applicant under Subsection (a) if the applicant:

(1) submits an application on a form prescribed by the department;

(2) pays the application fee; and

(3) provides proof that the applicant holds a current license to engage in the same or a similar activity issued by another jurisdiction that has license requirements substantially equivalent to those of this state.

(c) The department may not require a personal interview as part of the application process under this section.

(d) A license issued under this section may be renewed as provided by Subchapter G.

Sec. 1603.2105. STUDENT PERMIT. (a) A student enrolled in a school licensed under Subchapter E-3 must hold a permit stating the student's name and the name of the school.

(b) The department shall issue a student permit to an applicant who submits an application to the department for a student permit accompanied by the required fee.

(c) A separate application is required for each enrollment. The application fee applies only to the first enrollment. The department may not charge the application fee for any later enrollment.

Sec. 1603.2106. TRANSFER OF LICENSE OR PERMIT PROHIBITED. A license or permit issued under this subchapter is not transferable.

Sec. 1603.2107. DISPLAY OF LICENSE OR PERMIT. (a) The holder of a license issued under this subchapter shall:

(1) display the original license and an attached photograph of the license holder in a conspicuous place near the license holder's work chair in the establishment in which the holder is

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working; or
(2) make available at the reception desk of the establishment in which the holder is working, in the manner prescribed by the department:
(A) the original license and an attached photograph of the license holder; or
(B) a digital image of the license and photograph of the license holder.
(b) The holder of a student permit issued under this subchapter shall display the permit in a reasonable manner at the school in which the permit holder is enrolled.
Sec. 1603.2110. LOCATION OF PRACTICE. A person holding a license or permit issued under this subchapter may practice barbering or cosmetology only at a licensed establishment or school.
Sec. 1603.2111. SERVICE AT UNLICENSED LOCATION.
(a) In this section, "licensed facility" means:
(1) an establishment licensed under Subchapter E-2; or
(2) a school licensed under Subchapter E-3.
(b) A person holding a license under this subchapter may perform a service within the scope of the license at a location other than a licensed facility for a client:
(1) who, because of illness or physical or mental incapacitation, is unable to receive the service at a licensed facility; or
(2) in preparation for and at the location of a special event, including a wedding.
(c) An appointment for a service performed under this section must be made through a licensed facility.
SUBCHAPTER E-2. ESTABLISHMENT LICENSES; OPERATION
Sec. 1603.2201. LICENSE REQUIRED. (a) A person may

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working; or
(2) make available at the reception desk of the establishment in which the holder is working, in the manner prescribed by the department:
(A) the original license and an attached photograph of the license holder; or
(B) a digital image of the license and photograph of the license holder.
(b) The holder of a student permit issued under this subchapter shall display the permit in a reasonable manner at the school in which the permit holder is enrolled.
Sec. 1603.2108. LOCATION OF PRACTICE. A person holding a license or permit issued under this subchapter may practice barbering or cosmetology only at a licensed establishment or school.
Sec. 1603.2109. SERVICE AT UNLICENSED LOCATION.
(a) In this section, "licensed facility" means:
(1) an establishment licensed under Subchapter E-2; or
(2) a school licensed under Subchapter E-3.
(b) A person holding a license under this subchapter may perform a service within the scope of the license at a location other than a licensed facility for a client:
(1) who, because of illness or physical or mental incapacitation, is unable to receive the service at a licensed facility; or
(2) in preparation for and at the location of a special event, including a wedding.
(c) An appointment for a service performed under this section must be made through a licensed facility.
SUBCHAPTER E-2. ESTABLISHMENT LICENSES; OPERATION
Sec. 1603.2201. LICENSE REQUIRED. (a) A person may

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not own, operate, or manage an establishment in which an act of barbering or cosmetology is practiced unless the person holds a license issued under this subchapter to operate the establishment.

(b) A person may not lease space on the premises of a licensed establishment to engage in the practice of barbering or cosmetology as an independent contractor unless the person holds a license issued under Subchapter E-1.

Sec. 1603.2202. ISSUANCE OF LICENSE. The department shall issue the applicable establishment license under this subchapter to an applicant if:

(1) the applicant:

(A) owns or rents the establishment;

(B) verifies the application;

(C) complies with the application requirements of this chapter;

(D) pays the required inspection and license fees; and

(E) has not committed an act that constitutes a ground for denial of a license; and

(2) the establishment:

(A) meets the commission's minimum health standards for an establishment; and

(B) complies with all commission rules.

Sec. 1603.2203. ESTABLISHMENT LICENSES. (a) An establishment licensed as:

(1) an establishment may provide any barbering or cosmetology service;

(2) a manicurist specialty establishment may provide any service described by Section 1603.0011(a)(7) or (8);

(3) an esthetician specialty establishment may provide any service described by Section 1603.0011(a)(3), (4), (5), or (6) or (c);

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not own, operate, or manage an establishment in which an act of barbering or cosmetology is practiced unless the person holds a license issued under this subchapter to operate the establishment.

(b) A person may not lease space on the premises of a licensed establishment to engage in the practice of barbering or cosmetology as an independent contractor unless the person holds a license issued under Subchapter E-1.

Sec. 1603.2202. ISSUANCE OF LICENSE. The department shall issue the applicable establishment license under this subchapter to an applicant if:

(1) the applicant:

(A) owns or rents the establishment;

(B) verifies the application;

(C) complies with the application requirements of this chapter;

(D) pays the required inspection and license fees; and

(E) has not committed an act that constitutes a ground for denial of a license; and

(2) the establishment:

(A) meets the commission's minimum health standards for an establishment; and

(B) complies with all commission rules.

Sec. 1603.2203. ESTABLISHMENT LICENSES. (a) An establishment licensed as:

(1) an establishment may provide any barbering or cosmetology service;

(2) a manicurist specialty establishment may provide any service described by Section 1603.0011(a)(7) or (8);

(3) an esthetician specialty establishment may provide any service described by Section 1603.0011(a)(3), (4), (5), or (6) or (c);

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(4) a manicurist/esthetician specialty establishment may provide any service described by Section 1603.0011(a)(3), (4), (5), (6), (7), or (8) or (c);

(5) a hair weaving specialty establishment may provide any service described by Section 1603.0011(a)(9);

(6) an eyelash extension specialty establishment may provide any service described by Section 1603.0011(c);

(7) a mini-establishment may provide any barbering or cosmetology service; and

(8) a mobile establishment may provide any barbering or cosmetology service.

(b) In this section:

(1) "Mini-establishment" includes a room or suite of rooms that is one of a number of connected establishments in a single premises that open onto a common hallway or another configuration of operations as authorized by the department in which a person practices under a license issued under Subchapter E-1.

(2) "Mobile establishment" means a facility that is readily movable and where barbering, cosmetology, or both are practiced other than at a fixed location.

Sec. 1603.2204. TRANSFER OF LICENSE PROHIBITED. A license issued under this subchapter is not transferable.

Sec. 1603.2205. USE OF ESTABLISHMENT AS SLEEPING QUARTERS PROHIBITED. (a) An owner or manager of a licensed establishment may not permit a person to sleep in a room used as part of the establishment.

(b) A person may not perform an act for which a license is required in a room in an establishment that is used as sleeping quarters.

SUBCHAPTER E-3. SCHOOL LICENSES; OPERATION

Sec. 1603.2301. LICENSE REQUIRED. A person may not

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(4) a manicurist/esthetician specialty establishment may provide any service described by Section 1603.0011(a)(3), (4), (5), (6), (7), or (8) or (c);

(5) a hair weaving specialty establishment may provide any service described by Section 1603.0011(a)(9);

(6) an eyelash extension specialty establishment may provide any service described by Section 1603.0011(c);

(7) a mini-establishment may provide any barbering or cosmetology service; and

(8) a mobile establishment may provide any barbering or cosmetology service.

(b) In this section:

(1) "Mini-establishment" includes a room or suite of rooms that is one of a number of connected establishments in a single premises that open onto a common hallway or another configuration of operations as authorized by the department in which a person practices under a license issued under Subchapter E-1.

(2) "Mobile establishment" means a facility that is readily movable and where barbering, cosmetology, or both are practiced other than at a fixed location.

Sec. 1603.2204. TRANSFER OF LICENSE PROHIBITED. A license issued under this subchapter is not transferable.

Sec. 1603.2205. USE OF ESTABLISHMENT AS SLEEPING QUARTERS PROHIBITED. (a) An owner or manager of a licensed establishment may not permit a person to sleep in a room used as part of the establishment.

(b) A person may not perform an act for which a license is required in a room in an establishment that is used as sleeping quarters.

SUBCHAPTER E-3. SCHOOL LICENSES; OPERATION

Sec. 1603.2301. LICENSE REQUIRED. A person may not

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operate a school for instruction in the practice of barbering or cosmetology unless the person holds a license issued under this subchapter to operate the school.

Sec. 1603.2302. ISSUANCE OF LICENSE. The department shall issue a license under this subchapter to an applicant who, as applicable:

(1) submits an application on a form prescribed by the department;

(2) pays the required fee;

(3) provides to the department adequate proof of financial responsibility;

(4) meets the health and safety standards established by the commission; and

(5) satisfies any other requirements of this chapter or commission rule.

Sec. 1603.2303. SCHOOL LICENSES; INSTRUCTORS; ENFORCEMENT. (a) The holder of a public secondary school license, public postsecondary school license, or private postsecondary school license:

(1) may provide instruction in the barbering or cosmetology services for which the license holder has been approved by the department; and

(2) may only employ to provide the instruction described by Subdivision (1) a person who holds an instructor license issued under Subchapter E-1 to teach the acts of barbering or cosmetology for which the person will provide instruction.

(b) The department may take any disciplinary or other enforcement action against a person who violates Subsection (a)(2).

Sec. 1603.2304. CHANGE OF SCHOOL OWNERSHIP OR LOCATION. (a) If a licensed school changes ownership:

(1) the outgoing owner shall notify the department of the

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operate a school for instruction in the practice of barbering or cosmetology unless the person holds a license issued under this subchapter to operate the school.

Sec. 1603.2302. ISSUANCE OF LICENSE. The department shall issue a license under this subchapter to an applicant who, as applicable:

(1) submits an application on a form prescribed by the department;

(2) pays the required fee;

(3) provides to the department adequate proof of financial responsibility;

(4) meets the health and safety standards established by the commission; and

(5) satisfies any other requirements of this chapter or commission rule.

Sec. 1603.2303. SCHOOL LICENSES; INSTRUCTORS; ENFORCEMENT. (a) The holder of a public secondary school license, public postsecondary school license, or private postsecondary school license:

(1) may provide instruction in the barbering or cosmetology services for which the license holder has been approved by the department; and

(2) may only employ to provide the instruction described by Subdivision (1) a person who holds a license issued under Subchapter E-1 to perform the acts of barbering or cosmetology for which the person will provide instruction.

(b) The department may take any disciplinary or other enforcement action against a person who violates Subsection (a)(2).

Sec. 1603.2304. CHANGE OF SCHOOL OWNERSHIP OR LOCATION. (a) If a licensed school changes ownership:

(1) the outgoing owner shall notify the department of the

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change not later than the 10th day before the date the change takes effect; and

(2) the new owner shall obtain a license under this subchapter in accordance with commission rule.

(b) A school may not change the location of the school unless the school obtains approval from the department before the change by showing that the proposed location meets the requirements of this chapter and commission rules.

Sec. 1603.2305. SIGNS REQUIRED. The holder of a school license shall place a sign on the front outside portion of the school's building in a prominent place that reads "SCHOOL--STUDENT PRACTITIONERS" in:

(1) at least 10-inch block letters; or

(2) a manner prescribed by the department.

Sec. 1603.2306. INFORMATION PROVIDED TO PROSPECTIVE STUDENT. The holder of a school license shall provide to each prospective student, as applicable:

(1) a course outline;

(2) a schedule of the tuition and other fees assessed;

(3) the school's refund policy required under Section 1603.3602;

(4) the school's grading policy and rules relating to incomplete grades;

(5) the school's rules of operation and conduct, including rules relating to absences;

(6) the department's name, mailing address, and telephone number for the purpose of directing complaints to the department; and

(7) the current job placement rates and employment rates of students who complete a course of instruction.

Sec. 1603.2307. COURSE LENGTH AND CURRICULUM CONTENT. (a) A school shall design course length and

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change not later than the 10th day before the date the change takes effect; and

(2) the new owner shall obtain a license under this subchapter in accordance with commission rule.

(b) A school may not change the location of the school unless the school obtains approval from the department before the change by showing that the proposed location meets the requirements of this chapter and commission rules.

Sec. 1603.2305. SIGNS REQUIRED. The holder of a school license shall place a sign on the front outside portion of the school's building in a prominent place that reads "SCHOOL--STUDENT PRACTITIONERS" in:

(1) at least 10-inch block letters; or

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Sec. 1603.2306. INFORMATION PROVIDED TO PROSPECTIVE STUDENT. The holder of a school license shall provide to each prospective student, as applicable:

(1) a course outline;

(2) a schedule of the tuition and other fees assessed;

(3) the school's refund policy required under Section 1603.3602;

(4) the school's grading policy and rules relating to incomplete grades;

(5) the school's rules of operation and conduct, including rules relating to absences;

(6) the department's name, mailing address, and telephone number for the purpose of directing complaints to the department; and

(7) the current job placement rates and employment rates of students who complete a course of instruction.

Sec. 1603.2307. COURSE LENGTH AND CURRICULUM CONTENT. (a) A school shall design course length and

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curriculum content to reasonably ensure that a student develops the job skills and knowledge necessary for employment.

(b) A school must submit to the department for approval the course length and curriculum content for each course offered by the school. The school may not implement a course length and curriculum content without the approval of the department.

(c) Before issuing or renewing a license under this subchapter, the department must require the school to account for each course length and curriculum content.

Sec. 1603.2308. REQUIRED COURSES. (a) A school shall instruct students in the theory and practice of subjects necessary and beneficial to the practice of barbering and cosmetology.

(b) The commission by rule shall establish the subjects in which students shall receive instruction.

(c) A school may not increase, decrease, or withhold for any reason the number of hours earned by a student.

Sec. 1603.2309. DAILY ATTENDANCE RECORDS. (a) A school shall maintain an attendance record showing the students' daily attendance.

(b) The department may inspect a school's attendance records at any time.

Sec. 1603.2310. INSTRUCTOR-TO-STUDENT RATIO. A licensed school must have at least one instructor for every 25 students on the school's premises.

Sec. 1603.2311. REPORTS TO DEPARTMENT. (a) A licensed school shall maintain a monthly progress report regarding each student attending the school. The report must certify the daily attendance record of each student and the number of hours earned by each student during the previous

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curriculum content to reasonably ensure that a student develops the job skills and knowledge necessary for employment.

(b) A school must submit to the department for approval the course length and curriculum content for each course offered by the school. The school may not implement a course length and curriculum content without the approval of the department.

(c) Before issuing or renewing a license under this subchapter, the department must require the school to account for each course length and curriculum content.

Sec. 1603.2308. REQUIRED COURSES. (a) A school shall instruct students in the theory and practice of subjects necessary and beneficial to the practice of barbering and cosmetology.

(b) The commission by rule shall establish the subjects in which students shall receive instruction.

(c) A school may not increase, decrease, or withhold for any reason the number of hours earned by a student.

Sec. 1603.2309. DAILY ATTENDANCE RECORDS. (a) A school shall maintain an attendance record showing the students' daily attendance.

(b) The department may inspect a school's attendance records at any time.

Sec. 1603.2310. INSTRUCTOR-TO-STUDENT RATIO. A licensed school must have at least one instructor for every 25 students on the school's premises.

Sec. 1603.2311. REPORTS TO DEPARTMENT. (a) A licensed school shall maintain a monthly progress report regarding each student attending the school. The report must certify the daily attendance record of each student and the number of hours earned by each student during the previous

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month.

(b) On a student's completion of a prescribed course of instruction, the school shall notify the department that the student has completed the required number of hours and is eligible to take the appropriate examination.

(c) The holder of a school license shall provide to the department on request:

(1) the current course completion rates of students who attend a course of instruction offered by the school; and

(2) job placement rates and employment rates of students who complete a course of instruction.

Sec. 1603.2312. ADDITIONAL DUTIES OF LICENSE HOLDER. The holder of a school license shall:

(1) maintain a sanitary premises;

(2) establish regular class and instruction hours and grades;

(3) hold examinations before issuing diplomas; and

(4) maintain a copy of the school's curriculum in a conspicuous place and verify that the curriculum is being followed.

Sec. 1603.2313. TRANSFER OF HOURS OF INSTRUCTION. (a) A student at a licensed school may transfer completed hours of instruction to another licensed school in this state.

(b) In order for the hours of instruction to be transferred, a transcript showing the completed courses and number of hours certified by the school in which the instruction was given must be submitted to the department.

(c) In evaluating a student's transcript, the department shall determine whether the agreed tuition has been paid. If the tuition has not been paid, the department shall notify the student that the student's transcript cannot be certified to the school to which the student seeks a transfer until proof is

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month.

(b) On a student's completion of a prescribed course of instruction, the school shall notify the department that the student has completed the required number of hours and is eligible to take the appropriate examination.

(c) The holder of a school license shall provide to the department on request:

(1) the current course completion rates of students who attend a course of instruction offered by the school; and

(2) job placement rates and employment rates of students who complete a course of instruction.

Sec. 1603.2312. ADDITIONAL DUTIES OF LICENSE HOLDER. The holder of a school license shall:

(1) maintain a sanitary premises;

(2) establish regular class and instruction hours and grades;

(3) hold examinations before issuing diplomas; and

(4) maintain a copy of the school's curriculum in a conspicuous place and verify that the curriculum is being followed.

Sec. 1603.2313. TRANSFER OF HOURS OF INSTRUCTION. (a) A student at a licensed school may transfer completed hours of instruction to another licensed school in this state.

(b) In order for the hours of instruction to be transferred, a transcript showing the completed courses and number of hours certified by the school in which the instruction was given must be submitted to the department.

(c) In evaluating a student's transcript, the department shall determine whether the agreed tuition has been paid. If the tuition has not been paid, the department shall notify the student that the student's transcript cannot be certified to the school to which the student seeks a transfer until proof is

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provided that the tuition has been paid.

(d) On evaluation and approval, the department shall certify in writing to the student and to the school to which the student seeks a transfer that:

(1) the stated courses and hours have been successfully completed; and

(2) the student is not required to repeat the hours of instruction.

Sec. 1603.2314. IDENTIFICATION OF AND WORK PERFORMED BY STUDENT. (a) Each licensed school shall maintain in a conspicuous place a list of the names and identifying pictures of the students who are enrolled in the school's courses.

(b) A school may not receive compensation for work done by a student unless the student has completed 10 percent of the required number of hours for a license under Subchapter E-1.

(c) If a school violates this section, the license of the school may be revoked or suspended.

SECTION 3.21. Section 1603.252(b), Occupations Code, is amended to read as follows:

(b) The executive director shall determine uniform standards for acceptable performance on an examination for a license under Subchapter E-1 [~~or certificate under Chapter 1601 and for a license or certificate under Chapter 1602~~].

SECTION 3.22. Sections 1603.253 and 1603.255, Occupations Code, are amended to read as follows:

Sec. 1603.253. WRITTEN EXAMINATION. The department [~~commission~~] shall select an examination for each

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provided that the tuition has been paid.

(d) On evaluation and approval, the department shall certify in writing to the student and to the school to which the student seeks a transfer that:

(1) the stated courses and hours have been successfully completed; and

(2) the student is not required to repeat the hours of instruction.

Sec. 1603.2314. IDENTIFICATION OF AND WORK PERFORMED BY STUDENT. (a) Each licensed school shall maintain in a conspicuous place a list of the names and identifying pictures of the students who are enrolled in the school's courses.

(b) A school may not receive compensation for work done by a student unless the student has completed 10 percent of the required number of hours for a license under Subchapter E-1.

(c) If a school violates this section, the license of the school may be revoked or suspended.

SECTION 3.21. Same as House version.

SECTION 3.22. Same as House version.

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written examination required under this chapter~~[, Chapter 1601, or Chapter 1602]~~. The written examination must be:

- (1) validated by an independent testing professional; or
- (2) purchased from a national testing service.

Sec. 1603.255. EARLY EXAMINATION. The commission by rule ~~[department]~~ may allow for the early written examination of a student ~~[who has completed the following number of hours of instruction in a department-approved training program:~~

- ~~[(1) 1,000 hours for a student seeking a Class A barber certificate in a private barber school;~~
- ~~[(2) 900 hours for a student seeking an operator license in a private cosmetology school; or~~
- ~~[(3) 900 hours for a student seeking a Class A barber certificate or operator license in a publicly funded barber or cosmetology school].~~

SECTION 3.23. Sections 1603.256(a) and (c), Occupations Code, are amended to read as follows:

(a) The commission may require a practical examination as it considers necessary for a license ~~[or certificate]~~ issued under Subchapter E-1 ~~[Chapter 1601 or 1602]~~.

(c) The following persons may administer a practical examination ~~[required under this subchapter]~~:

- (1) the department;
- (2) a person with whom the department contracts under Section 1603.252;
- (3) a licensed ~~[barber]~~ school~~[, private beauty culture school, or a public secondary or postsecondary beauty culture school]~~ that is approved by the department to administer the examination under Section 1603.252; or

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SECTION 3.23. Same as House version.

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(4) the Windham School District.

SECTION 3.24. Subchapter G, Chapter 1603, Occupations Code, is amended to read as follows:

SUBCHAPTER G. [~~CERTIFICATE,~~] LICENSE[~~,—AND PERMIT~~] RENEWAL

Sec. 1603.3001. LICENSE TERMS. (a) Except as provided by Subsection (b), a license other than a temporary license expires on the second anniversary of the date the license is issued.

(b) A school license expires on the first anniversary of the date the license is issued.

Sec. 1603.3002. RENEWAL RULES. (a) The commission by rule may establish requirements for the renewal of a license issued under this chapter, including continuing education requirements.

(b) The commission may establish separate requirements for:

(1) the initial renewal of a license; and

(2) subsequent renewals of a license.

(c) Before establishing continuing education requirements under this section, the commission must consider the potential impact of continuing education with respect to:

(1) identifying and assisting trafficked persons; and

(2) providing license holders with opportunities to acquire new skills.

Sec. 1603.3003. ISSUANCE OF RENEWAL LICENSE.

The department shall issue a renewal license on receipt of:

(1) a renewal application in the form prescribed by the department; and

(2) any renewal fee.

Sec. 1603.3004. RENEWAL WHILE IN ARMED FORCES.

SECTION 3.24. Same as House version.

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(a) The department may not require the holder of a license issued under Subchapter E-1 who is serving on active duty in the United States armed forces to renew the person's license.

(b) The department shall issue a renewal license on application and payment of the required renewal fee not later than the 90th day after the date the person is released or discharged from active duty in the United States armed forces.

Sec. 1603.301. DENIAL OF RENEWAL DUE TO ADMINISTRATIVE PENALTY. The department may deny a person's request to renew a [~~certificate,~~] license[~~, or permit~~] issued under this chapter[~~, Chapter 1601, or Chapter 1602~~] if the person has not paid an administrative penalty imposed under Subchapter F, Chapter 51. This section does not apply if:

- (1) the person's time to pay or request a hearing has not expired under Section 51.304;
- (2) the person has requested a hearing under Section 51.304, but the person's time to pay has not expired under Section 51.307; or
- (3) the penalty is stayed.

SECTION 3.25. The heading to Subchapter H, Chapter 1603, Occupations Code, is amended to read as follows:
SUBCHAPTER H. PRACTICE PROVISIONS
APPLICABLE TO MORE THAN ONE LICENSE TYPE
[~~CHAPTERS 1601 AND 1602~~]

SECTION 3.26. Section 1603.351, Occupations Code, is amended to read as follows:
Sec. 1603.351. MINIMUM CURRICULUM FOR

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SECTION 3.25. Same as House version.

SECTION 3.26. Same as House version.

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SCHOOLS; DISTANCE EDUCATION. (a) The commission shall prescribe the minimum curriculum, including the subjects and the number of hours in each subject, taught by a licensed school [~~licensed under this chapter, Chapter 1601, or Chapter 1602~~].

(a-1) Notwithstanding any other law, the commission may adopt rules to:

(1) authorize a licensed school [~~licensed under this chapter, Chapter 1601, or Chapter 1602~~] to account for any hours of instruction completed under this chapter [~~those chapters~~] on the basis of clock hours or credit hours; and

(2) establish standards for determining the equivalency and conversion of clock hours to credit hours and credit hours to clock hours.

(b) The commission may adopt rules allowing distance education only for the theory portion of the curriculum taught by a licensed school [~~licensed under this chapter, Chapter 1601, or Chapter 1602~~].

(c) Distance education does not satisfy the requirements of the practical portion of the curriculum taught by a licensed school [~~licensed under this chapter, Chapter 1601, or Chapter 1602~~].

SECTION 3.27. Sections 1603.352(a) and (b), Occupations Code, are amended to read as follows:

(a) A person who holds a license[~~, certificate,~~] or permit issued under this chapter[~~, Chapter 1601, or Chapter 1602~~] and who performs a [~~barbering service described by Section 1601.002(1)(E) or (F) or a cosmetology~~] service described by Section 1603.0011(a)(7) or (8) [~~1602.002(a)(8) or (9)~~] shall, before performing the service, clean, disinfect, and sterilize

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with an autoclave or dry heat sterilizer or sanitize with an ultraviolet sanitizer, in accordance with the sterilizer or sanitizer manufacturer's instructions, each metal instrument, including metal nail clippers, cuticle pushers, cuticle nippers, and other metal instruments, used to perform the service.

(b) The owner or manager of a licensed establishment or [barber shop, barber] school[, beauty shop, specialty shop, beauty culture school, or other facility licensed under this chapter, Chapter 1601, or Chapter 1602,] is responsible for providing an autoclave, a dry heat sterilizer, or an ultraviolet sanitizer for use in the establishment [shop] or school as required by Subsection (a).

SECTION 3.28. Subchapter H, Chapter 1603, Occupations Code, is amended by adding Sections 1603.353, 1603.354, 1603.355, 1603.356, 1603.357, and 1603.358 to read as follows:

Sec. 1603.353. EMPLOYMENT OF LICENSE HOLDER.

(a) A licensed school may not employ a person holding a license issued under Subchapter E-1 solely to perform the practices of barbering or cosmetology for which the person is licensed.

(b) A person holding a license for an establishment may not employ or lease to a person to practice barbering or cosmetology at the establishment unless the person holds a license issued under Subchapter E-1.

Sec. 1603.354. NECESSARY EQUIPMENT. The owner, operator, or manager of a licensed establishment or school shall equip the establishment or school with the facilities, supplies, appliances, furnishings, and materials necessary to enable a person employed on the premises to comply with this

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chapter.

Sec. 1603.355. DISPLAY OF LICENSE. A licensed school or establishment shall display the license in a conspicuous place in the school or establishment for which the license is issued.

Sec. 1603.356. DISPLAY OF HUMAN TRAFFICKING INFORMATION. (a) A licensed school or establishment shall display a sign approved by or acceptable to the commission or the department concerning services and assistance available to victims of human trafficking.

(b) The sign required by this section must:

(1) be in English, Spanish, Vietnamese, and any other language required by commission rule; and

(2) include a toll-free telephone number of a nationally recognized information and referral hotline for victims of human trafficking.

(c) The commission by rule shall establish requirements regarding the posting of signs under this section.

Sec. 1603.357. DISPLAY OF SANITATION RULES. A licensed school or establishment shall display a copy of the commission's sanitation rules.

Sec. 1603.358. OPERATION OF ESTABLISHMENT AND SCHOOL ON SINGLE PREMISES. A person may not operate an establishment on the same premises as a school unless the facilities are separated by walls of permanent construction without an opening between the facilities.

SECTION 3.29. Chapter 1603, Occupations Code, is amended by adding Subchapter H-1 to read as follows:

SUBCHAPTER H-1. FINANCIAL PROVISIONS APPLICABLE TO PRIVATE POSTSECONDARY

SECTION 3.29. Chapter 1603, Occupations Code, is amended by adding Subchapter H-1 to read as follows:

SUBCHAPTER H-1. FINANCIAL PROVISIONS APPLICABLE TO PRIVATE POSTSECONDARY

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Sec. 1603.3601. CANCELLATION AND SETTLEMENT POLICY. The holder of a private postsecondary school license shall maintain a cancellation and settlement policy that provides a full refund of money paid by a student if the student:

(1) cancels the enrollment agreement or contract not later than midnight of the third day after the date the agreement or contract is signed by the student, excluding Saturdays, Sundays, and legal holidays; or

(2) entered into the enrollment agreement or contract because of a misrepresentation made:

(A) in the advertising or promotional materials of the school;
or

(B) by an owner or representative of the school.

Sec. 1603.3602. REFUND POLICY. (a) The holder of a private postsecondary school license shall maintain a refund policy to provide for the refund of any unused parts of tuition, fees, and other charges paid by a student who, at the expiration of the cancellation period established under Section 1603.3601:

(1) fails to enter the course of training;

(2) withdraws from the course of training; or

(3) is terminated from the course of training before completion of the course.

(b) The refund policy must provide that:

(1) the refund is based on the period of the student's enrollment, computed on the basis of course time expressed in scheduled hours, as specified by an enrollment agreement, contract, or other document acceptable to the department;

(2) the effective date of the termination for refund purposes is the earliest of:

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Sec. 1603.3601. CANCELLATION AND SETTLEMENT POLICY. The holder of a private postsecondary school license shall maintain a cancellation and settlement policy that provides a full refund of money paid by a student if the student:

(1) cancels the enrollment agreement or contract not later than midnight of the third day after the date the agreement or contract is signed by the student, excluding Saturdays, Sundays, and legal holidays; or

(2) entered into the enrollment agreement or contract because of a misrepresentation made:

(A) in the advertising or promotional materials of the school;
or

(B) by an owner or representative of the school.

Sec. 1603.3602. REFUND POLICY. (a) The holder of a private postsecondary school license shall maintain a refund policy to provide for the refund of any unused parts of tuition, fees, and other charges paid by a student who, at the expiration of the cancellation period established under Section 1603.3601:

(1) fails to enter the course of training;

(2) withdraws from the course of training; or

(3) is terminated from the course of training before completion of the course.

(b) The refund policy must provide that:

(1) the refund is based on the period of the student's enrollment, computed on the basis of course time expressed in scheduled hours, as specified by an enrollment agreement, contract, or other document acceptable to the department;

(2) the effective date of the termination for refund purposes is the earliest of:

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(A) the last date of attendance, if the student is terminated by the school;
(B) the date the license holder receives the student's written notice of withdrawal; or
(C) 10 school days after the last date of attendance; and
(3) the school may retain not more than \$100 if:
(A) tuition is collected before the course of training begins; and
(B) the student does not begin the course of training before the cancellation period established under Section 1603.3601 expires.
Sec. 1603.3603. WITHDRAWAL OR TERMINATION OF STUDENT. (a) If a student at a private postsecondary school begins a course of training that is scheduled to run not more than 12 months and, during the last 50 percent of the course, withdraws from the course or is terminated by the school, the school:
(1) may retain 100 percent of the tuition and fees paid by the student; and
(2) is not obligated to refund any additional outstanding tuition.
(b) If a student at a private postsecondary school begins a course of training that is scheduled to run not more than 12 months and, before the last 50 percent of the course, withdraws from the course or is terminated by the school, the school shall refund:
(1) 90 percent of any outstanding tuition for a withdrawal or termination that occurs during the first week or first 10 percent of the course, whichever period is shorter;
(2) 80 percent of any outstanding tuition for a withdrawal or termination that occurs after the first week or first 10 percent of the course, whichever period is shorter, but within the first

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(A) the last date of attendance, if the student is terminated by the school;
(B) the date the license holder receives the student's written notice of withdrawal; or
(C) 10 school days after the last date of attendance; and
(3) the school may retain not more than \$100 if:
(A) tuition is collected before the course of training begins; and
(B) the student does not begin the course of training before the cancellation period established under Section 1603.3601 expires.
Sec. 1603.3603. WITHDRAWAL OR TERMINATION OF STUDENT. (a) If a student at a private postsecondary school begins a course of training that is scheduled to run not more than 12 months and, during the last 50 percent of the course, withdraws from the course or is terminated by the school, the school:
(1) may retain 100 percent of the tuition and fees paid by the student; and
(2) is not obligated to refund any additional outstanding tuition.
(b) If a student at a private postsecondary school begins a course of training that is scheduled to run not more than 12 months and, before the last 50 percent of the course, withdraws from the course or is terminated by the school, the school shall refund:
(1) 90 percent of any outstanding tuition for a withdrawal or termination that occurs during the first week or first 10 percent of the course, whichever period is shorter;
(2) 80 percent of any outstanding tuition for a withdrawal or termination that occurs after the first week or first 10 percent of the course, whichever period is shorter, but within the first

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three weeks of the course;

(3) 75 percent of any outstanding tuition for a withdrawal or termination that occurs after the first three weeks of the course but not later than the completion of the first 25 percent of the course; and

(4) 50 percent of any outstanding tuition for a withdrawal or termination that occurs not later than the completion of the first 50 percent of the course.

(c) A refund owed under this section must be paid not later than the 30th day after the date the student becomes eligible for the refund.

Sec. 1603.3604. INTEREST ON REFUND. (a) If tuition is not refunded within the period required by Section 1603.3603, the private postsecondary school shall pay interest on the amount of the refund for the period beginning the first day after the date the refund period expires and ending the day preceding the date the refund is made.

(b) If tuition is refunded to a lending institution, the interest shall be paid to that institution and applied against the student's loan.

(c) The commissioner of education shall annually set the interest rate at a rate sufficient to deter a school from retaining money paid by a student.

(d) The department may exempt a school from the payment of interest if the school makes a good faith effort to refund the tuition but is unable to locate the student. The school shall provide to the department on request documentation of the effort to locate the student.

Sec. 1603.3605. REENTRY OF STUDENT AFTER WITHDRAWAL. If a student voluntarily withdraws or is terminated after completing 50 percent of the course at a private postsecondary school, the school shall allow the

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three weeks of the course;

(3) 75 percent of any outstanding tuition for a withdrawal or termination that occurs after the first three weeks of the course but not later than the completion of the first 25 percent of the course; and

(4) 50 percent of any outstanding tuition for a withdrawal or termination that occurs not later than the completion of the first 50 percent of the course.

(c) A refund owed under this section must be paid not later than the 30th day after the date the student becomes eligible for the refund.

Sec. 1603.3604. INTEREST ON REFUND. (a) If tuition is not refunded within the period required by Section 1603.3603, the private postsecondary school shall pay interest on the amount of the refund for the period beginning the first day after the date the refund period expires and ending the day preceding the date the refund is made.

(b) If tuition is refunded to a lending institution, the interest shall be paid to that institution and applied against the student's loan.

(c) The commissioner of education shall annually set the interest rate at a rate sufficient to deter a school from retaining money paid by a student.

(d) The department may exempt a school from the payment of interest if the school makes a good faith effort to refund the tuition but is unable to locate the student. The school shall provide to the department on request documentation of the effort to locate the student.

Sec. 1603.3605. REENTRY OF STUDENT AFTER WITHDRAWAL. If a student voluntarily withdraws or is terminated after completing 50 percent of the course at a private postsecondary school, the school shall allow the

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student to reenter at any time during the 48-month period following the date of withdrawal or termination.

Sec. 1603.3606. EFFECT OF STUDENT WITHDRAWAL.

(a) A private postsecondary school shall record a grade of incomplete for a student who withdraws but is not entitled to a refund under Section 1603.3603 if the student:

(1) requests the grade at the time the student withdraws; and
(2) withdraws for an appropriate reason unrelated to the student's academic status.

(b) A student who receives a grade of incomplete may reenroll in the program during the 48-month period following the date the student withdraws and complete the subjects without payment of additional tuition.

Sec. 1603.3607. EFFECT OF PRIVATE POSTSECONDARY SCHOOL CLOSURE. (a) If a private postsecondary school closes, the department shall attempt to arrange for students enrolled in the closed school to attend another private postsecondary school.

(b) If a student from a closed school is placed in another private postsecondary school, the expense incurred by the school in providing training directly related to educating the student, including the applicable tuition for the period for which the student paid tuition, shall be paid from the barbering and cosmetology school tuition protection account.

(c) If a student from a closed private postsecondary school cannot be placed in another private postsecondary school, the student's tuition and fees shall be refunded as provided by Section 1603.3602. If a student from a closed private postsecondary school does not accept a place that is available and reasonable in another private postsecondary school, the

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student to reenter at any time during the 48-month period following the date of withdrawal or termination unless the student presents a danger to the other students or staff of the school.

Sec. 1603.3606. EFFECT OF STUDENT WITHDRAWAL.

(a) A private postsecondary school shall record a grade of incomplete for a student who withdraws but is not entitled to a refund under Section 1603.3603 if the student:

(1) requests the grade at the time the student withdraws; and
(2) withdraws for an appropriate reason unrelated to the student's academic status.

(b) A student who receives a grade of incomplete may reenroll in the program during the 48-month period following the date the student withdraws and complete the subjects without payment of additional tuition.

Sec. 1603.3607. EFFECT OF PRIVATE POSTSECONDARY SCHOOL CLOSURE. (a) If a private postsecondary school closes, the department shall attempt to arrange for students enrolled in the closed school to attend another private postsecondary school.

(b) If a student from a closed school is placed in another private postsecondary school, the expense incurred by the school in providing training directly related to educating the student, including the applicable tuition for the period for which the student paid tuition, shall be paid from the barbering and cosmetology school tuition protection account.

(c) If a student from a closed private postsecondary school cannot be placed in another private postsecondary school, the student's tuition and fees shall be refunded as provided by Section 1603.3602. If a student from a closed private postsecondary school does not accept a place that is available and reasonable in another private postsecondary school, the

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student's tuition and fees shall be refunded as provided by Section 1603.3603. A refund under this subsection shall be paid from the barbering and cosmetology school tuition protection account. The amount of the refund may not exceed \$35,000.

(d) If another private postsecondary school assumes responsibility for the closed school's students and there are no significant changes in the quality of the training, the student from the closed school is not entitled to a refund under Subsection (c).

Sec. 1603.3608. BARBERING AND COSMETOLOGY SCHOOL TUITION PROTECTION ACCOUNT. (a) If on January 1 of any year the amount in the barbering and cosmetology school tuition protection account is less than \$225,000, the department shall collect a fee from each private postsecondary school during that year by applying a percentage to the school's renewal fee at a rate that will bring the balance of the account to \$225,000.

(b) The department shall administer claims made against the account.

(c) The comptroller shall invest the account in the same manner as other state funds.

(d) Sufficient money from the account shall be appropriated to the department for the purpose described by Section 1603.3607.

(e) Attorney's fees, court costs, or damages may not be paid from the account.

Sec. 1603.3609. RULES. The commission by rule may:

(1) adjust any tuition reimbursement limit established under this subchapter; and

(2) adopt procedures regarding the collection of fees from private postsecondary schools under Section 1603.3608.

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student's tuition and fees shall be refunded as provided by Section 1603.3603. A refund under this subsection shall be paid from the barbering and cosmetology school tuition protection account. The amount of the refund may not exceed \$35,000.

(d) If another private postsecondary school assumes responsibility for the closed school's students and there are no significant changes in the quality of the training, the student from the closed school is not entitled to a refund under Subsection (c).

Sec. 1603.3608. BARBERING AND COSMETOLOGY SCHOOL TUITION PROTECTION ACCOUNT. (a) If on January 1 of any year the amount in the barbering and cosmetology school tuition protection account is less than \$225,000, the department shall collect a fee from each private postsecondary school during that year by applying a percentage to the school's renewal fee at a rate that will bring the balance of the account to \$225,000.

(b) The department shall administer claims made against the account.

(c) The comptroller shall invest the account in the same manner as other state funds.

(d) Sufficient money from the account shall be appropriated to the department for the purpose described by Section 1603.3607.

(e) Attorney's fees, court costs, or damages may not be paid from the account.

Sec. 1603.3609. RULES. The commission by rule may:

(1) adjust any tuition reimbursement limit established under this subchapter; and

(2) adopt procedures regarding the collection of fees from private postsecondary schools under Section 1603.3608.

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SECTION 3.30. Section 1603.401, Occupations Code, is amended to read as follows:

Sec. 1603.401. DENIAL, SUSPENSION, OR REVOCATION. The department may [~~shall~~] deny an application for issuance or renewal of, or may [~~shall~~] suspend or revoke, a [~~certificate,~~] license[;] or permit if the applicant or person holding the [~~certificate,~~] license[;] or permit:

- (1) engages in gross malpractice;
- (2) knowingly continues to practice while having an infectious or contagious disease;
- (3) knowingly makes a false or deceptive statement in advertising;
- (4) advertises, practices, or attempts to practice under another person's name or trade name;
- (5) engages in fraud or deceit in obtaining a [~~certificate,~~] license[;] or permit; or
- (6) engages in an act that violates this chapter or [;] Chapter 51 [~~, Chapter 1601, or Chapter 1602~~] or a rule or order adopted or issued under this chapter or Chapter 51 [~~those chapters~~].

SECTION 3.31. The heading to Subchapter J, Chapter 1603, Occupations Code, is amended to read as follows:

SUBCHAPTER J. OTHER [~~PENALTIES—AND~~]
ENFORCEMENT PROVISIONS

SECTION 3.32. Sections 1603.453 and 1603.454, Occupations Code, are amended to read as follows:

Sec. 1603.453. APPEAL BOND NOT REQUIRED. The

SECTION 3.30. Same as House version.

SECTION 3.31. Same as House version.

SECTION 3.32. Same as House version.

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department is not required to give an appeal bond in a cause arising under this chapter~~[, Chapter 1601, or Chapter 1602]~~.

Sec. 1603.454. ENFORCEMENT BY ATTORNEY GENERAL. The attorney general shall represent the department in an action to enforce this chapter~~[, Chapter 1601, or Chapter 1602]~~.

SECTION 3.33. The following provisions of the Occupations Code are repealed:

- (1) Chapters 1601 and 1602;
- (2) Sections 1603.104(b), (c), and (c-1);
- (3) Section 1603.205;
- (4) Section 1603.206;
- (5) Section 1603.207;
- (6) Section 1603.254;
- (7) Section 1603.451;
- (8) Section 1603.452;
- (9) Section 1603.455; and
- (10) Section 1603.456.

SECTION 3.34. (a) To ensure that licensed schools offering instruction in barbering and cosmetology maintain accreditation and that students of those schools continue to qualify for federal aid, the Texas Commission of Licensing and Regulation shall, as soon as practicable after the effective date of this Act, adopt any rules necessary for the orderly implementation of the changes in law made by this article to the licensing system and curricula requirements and standards for schools offering instruction in barbering and cosmetology.

(b) Not later than September 1, 2023:

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SECTION 3.33. Same as House version.

SECTION 3.34. (a) To ensure that licensed schools offering instruction in barbering and cosmetology maintain accreditation and that students of those schools continue to qualify for federal aid, the Texas Commission of Licensing and Regulation shall, as soon as practicable after September 1, 2021, adopt any rules necessary for the orderly implementation of the changes in law made by this article to the licensing system and curricula requirements and standards for schools offering instruction in barbering and cosmetology.

(b) Not later than September 1, 2023:

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(1) the Texas Commission of Licensing and Regulation shall adopt any additional rules necessary to implement the changes in law made by this article; and
(2) the Texas Department of Licensing and Regulation shall begin to issue and renew licenses and permits under Subchapters E-1, E-2, and E-3, Chapter 1603, Occupations Code, as added by this article.

SECTION 3.35. Notwithstanding the repeal by this article of Chapters 1601 and 1602, and Sections 1603.205, 1603.206, and 1603.207, Occupations Code, the Texas Department of Licensing and Regulation may continue to issue until September 1, 2023, a certificate, license, or permit under those provisions as they existed immediately before **the effective date of this Act**, and those provisions are continued in effect for that purpose.

SECTION 3.36. Notwithstanding the repeal by this article of Chapters 1601 and 1602, Occupations Code, until the Texas Commission of Licensing and Regulation adopts rules regarding written and practical examination requirements for the issuance of licenses under Chapter 1603, Occupations Code, as amended by this article, the Texas Department of Licensing and Regulation shall continue to operate under the requirements regarding written and practical examinations in former Chapters 1601 and 1602, Occupations Code, as those chapters were in effect immediately before **the effective date of this Act**, and those provisions are continued in effect for that purpose.

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(1) the Texas Commission of Licensing and Regulation shall adopt any additional rules necessary to implement the changes in law made by this article; and
(2) the Texas Department of Licensing and Regulation shall begin to issue and renew licenses and permits under Subchapters E-1, E-2, and E-3, Chapter 1603, Occupations Code, as added by this article.

SECTION 3.35. Notwithstanding the repeal by this article of Chapters 1601 and 1602, and Sections 1603.205, 1603.206, and 1603.207, Occupations Code, the Texas Department of Licensing and Regulation may continue to issue until September 1, 2023, a certificate, license, or permit under those provisions as they existed immediately before **September 1, 2021**, and those provisions are continued in effect for that purpose.

SECTION 3.36. Notwithstanding the repeal by this article of Chapters 1601 and 1602, Occupations Code, until the Texas Commission of Licensing and Regulation adopts rules regarding written and practical examination requirements for the issuance of licenses under Chapter 1603, Occupations Code, as amended by this article, the Texas Department of Licensing and Regulation shall continue to operate under the requirements regarding written and practical examinations in former Chapters 1601 and 1602, Occupations Code, as those chapters were in effect immediately before **September 1, 2021**, and those provisions are continued in effect for that purpose.

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SECTION 3.37. (a) A certificate, license, or permit issued under former Chapter 1601 or 1602, Occupations Code, or under former Section 1603.205, 1603.206, or 1603.207, Occupations Code, before September 1, 2023, continues to be valid until the certificate, license, or permit expires, and those chapters and sections are continued in effect for that purpose.

(b) A person who on the effective date of this Act holds a certificate, license, or permit issued under former Chapter 1601 or 1602, Occupations Code, or under former Section 1603.205, 1603.206, or 1603.207, Occupations Code, is entitled on expiration of that certificate, license, or permit to issuance of a comparable license or permit under the applicable provision of Chapter 1603, Occupations Code, as amended by this article, if the person otherwise meets the requirements for the license or permit.

No equivalent provision.

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SECTION 3.37. (a) A certificate, license, or permit issued under former Chapter 1601 or 1602, Occupations Code, or under former Section 1603.205, 1603.206, or 1603.207, Occupations Code, before September 1, 2023, continues to be valid until the certificate, license, or permit expires, and those chapters and sections are continued in effect for that purpose.

(b) A person who on September 1, 2021, holds a certificate, license, or permit issued under former Chapter 1601 or 1602, Occupations Code, or under former Section 1603.205, 1603.206, or 1603.207, Occupations Code, is entitled on expiration of that certificate, license, or permit to issuance of a comparable license or permit under the applicable provision of Chapter 1603, Occupations Code, as amended by this article, if the person otherwise meets the requirements for the license or permit.

(c) A person who on September 1, 2021, holds an instructor license issued under former Chapter 1601 or 1602, Occupations Code, is entitled on expiration of that license to issuance of a license under the applicable provision of Chapter 1603, Occupations Code, as amended by this article, that is comparable to the individual practitioner license required for the issuance of the instructor license if the person otherwise meets the requirements for the license under Chapter 1603.

SECTION 3.38. Notwithstanding any other law, on September 1, 2021, a person holding a permit under former Subchapter G, Chapter 1601, Occupations Code, a facility license under former Subchapter G, Chapter 1602, Occupations Code, or a license or permit under former Section 1603.205, 1603.206, or 1603.207, Occupations Code, before September 1, 2021, may employ or contract with any qualified

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SECTION 3.38. Notwithstanding any other law, on the effective date of this Act, the holder of a license issued under former Section 1601.256, 1601.262, or 1601.263, Occupations Code, before the effective date of this Act may perform the services described by Sections 1603.0011(a)(6) and (c), Occupations Code, as added by this Act.

SECTION 3.39. (a) Not later than December 1, 2021, the presiding officer of the Texas Commission of Licensing and Regulation shall appoint members to the Barbering and Cosmetology Advisory Board in accordance with Section 1603.051, Occupations Code, as amended by this article.

(b) On December 1, 2021, the Advisory Board on Barbering and the Advisory Board on Cosmetology are abolished.

(c) Notwithstanding Section 1603.053, Occupations Code, as added by this article, in making the initial appointments to the Barbering and Cosmetology Advisory Board, the presiding officer of the Texas Commission of Licensing and Regulation shall designate three members of the advisory board to serve terms expiring January 31, 2023, three members to serve terms expiring January 31, 2025, and three members to serve terms expiring January 31, 2027.

SECTION 3.40. As soon as practicable after the effective

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individual practitioner holding a certificate, license, or permit issued under Chapter 1601 or 1602, Occupations Code, before September 1, 2021, without regard to the chapter under which the practitioner was issued the certificate, license, or permit.

SECTION 3.39. Notwithstanding any other law, on September 1, 2021, the holder of a license issued under former Section 1601.256, 1601.262, or 1601.263, Occupations Code, before that date may perform the services described by Sections 1603.0011(a)(6) and (c), Occupations Code, as added by this Act.

SECTION 3.40. Same as House version.

SECTION 3.41. As soon as practicable after September 1,

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~~date of this Act~~, the comptroller of public accounts shall transfer to the barbering and cosmetology school tuition protection account the unexpended and unencumbered balance of the barber school tuition protection account and the unexpended and unencumbered balance of the private beauty culture school tuition protection account.

SECTION 3.41. (a) The changes in law made by this article do not affect the validity of a disciplinary action or other proceeding that was initiated before ~~the effective date of this Act~~ and that is pending on ~~the effective date of this Act~~. A disciplinary action that is pending on ~~the effective date of this Act~~ is governed by the law in effect immediately before ~~the effective date of this Act~~, and the former law is continued in effect for that purpose.

(b) The repeal of a law by this article does not entitle a person to a refund of a certificate, license, or permit fee paid by the person before ~~the effective date of this Act~~.

ARTICLE 4. RESIDENTIAL SERVICE CONTRACTS

SECTION 4.01. Section 1101.006, Occupations Code, is amended to read as follows:

Sec. 1101.006. APPLICATION OF SUNSET ACT. The Texas Real Estate Commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter ~~and~~ ^[s] Chapter 1102~~, and Chapter~~

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~~2021~~, the comptroller of public accounts shall transfer to the barbering and cosmetology school tuition protection account the unexpended and unencumbered balance of the barber school tuition protection account and the unexpended and unencumbered balance of the private beauty culture school tuition protection account.

SECTION 3.42. (a) The changes in law made by this article do not affect the validity of a disciplinary action or other proceeding that was initiated before ~~September 1, 2021~~, and that is pending on ~~September 1, 2021~~. A disciplinary action that is pending on ~~September 1, 2021~~, is governed by the law in effect immediately before ~~September 1, 2021~~, and the former law is continued in effect for that purpose.

(b) The repeal of a law by this article does not entitle a person to a refund of a certificate, license, or permit fee paid by the person before ~~September 1, 2021~~.

~~No equivalent provision.~~ ARTICLE 5. RESIDENTIAL SERVICE CONTRACTS [Deleted by FA1(7)]

~~No equivalent provision.~~ SECTION 5.01. [Deleted by FA1(7)]

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1303] of this code and Chapter 221, Property Code, expire September 1, 2025.

SECTION 4.02. Section 1304.003(a), Occupations Code, is amended by amending Subdivision (2) and adding Subdivision (4) to read as follows:

(2) "Service contract" means an agreement that is entered into for a separately stated consideration and for a specified term under which a provider agrees to:

(A) repair, replace, or maintain a product, or provide indemnification for the repair, replacement, or maintenance of a product, for operational or structural failure or damage caused by a defect in materials or workmanship or by normal wear;

(B) provide identity recovery, if the service contract is financed under Chapter 348 or 353, Finance Code; [ø]

(C) provide compensation to the buyer of a vehicle on the total constructive loss under a depreciation benefit optional member program; or

(D) provide a service, reimbursement, or payment under a residential service contract.

(4) "Residential service contract" means a service contract of any duration under which a provider agrees to, in the event of the operational or structural failure of, damage caused by a power surge to, a defect in materials or workmanship of, or damage caused by normal wear to a structural component, an appliance, or an electrical, plumbing, heating, cooling, or air-conditioning system of a residential property that is attached to or located on the residential property:

(A) service, maintain, repair, or replace all or any part of the structural component, appliance, or electrical, plumbing,

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No equivalent provision. SECTION 5.02. [Deleted by FA1(7)]

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heating, cooling, or air-conditioning system;

(B) provide incidental payment of indemnity under limited circumstances, including food spoilage; or

(C) provide reimbursement or payment instead of service, repair, or replacement when a part, structural component, appliance, or service provider or technician is unavailable.

SECTION 4.03. Section 1304.003(b), Occupations Code, is amended to read as follows:

(b) A service contract described by Subsection (a)(2)(A) may ~~also~~ provide for:

(1) incidental payment or indemnity under limited circumstances, including towing, rental, and emergency road service;

(2) the repair or replacement of a product for damage resulting from a power surge or for accidental damage incurred in handling the product;

(3) identity recovery, if the service contract is financed under Chapter 348 or 353, Finance Code; or

(4) the replacement of a motor vehicle key or key fob in the event the key or key fob is inoperable, lost, or stolen.

No equivalent provision. SECTION 5.03. [Deleted by FA1(7)]

SECTION 4.04. Section 1304.004(b), Occupations Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) a warranty;

(2) a maintenance agreement;

(3) a service contract sold or offered for sale to a person who is not a consumer;

(4) ~~[a residential service contract sold by an entity licensed by~~

No equivalent provision. SECTION 5.04. [Deleted by FA1(7)]

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~~the Texas Real Estate Commission under Chapter 1303;~~

~~[(5)] an agreement issued by an automobile service club that holds a certificate of authority under Chapter 722, Transportation Code;~~

~~(5) [(6)] a service contract sold by a motor vehicle dealer on a motor vehicle sold by that dealer, if the dealer:~~

~~(A) is the provider;~~

~~(B) is licensed as a motor vehicle dealer under Chapter 2301; and~~

~~(C) covers its obligations under the service contract with a reimbursement insurance policy; or~~

~~(6) [(7)] a contract offered by a local exchange telephone company that provides for the repair of inside telephone wiring, if:~~

~~(A) the contract term does not exceed one month; and~~

~~(B) the consumer can terminate the contract before a new contract term begins without liability except for payment of charges for the term that has begun.~~

SECTION 4.05. Subchapter A, Chapter 1304, Occupations Code, is amended by adding Section 1304.0041 to read as follows:

Sec. 1304.0041. CERTAIN EXEMPT AGREEMENTS. This chapter does not apply to:

(1) a performance guarantee offered by:

(A) the builder of a residential property; or

(B) the manufacturer or seller of an appliance or other system or component of a residential property;

(2) a residential service contract executed before August 28, 1979;

(3) a guarantee or warranty that is:

~~No equivalent provision.~~ SECTION 5.05. [Deleted by FA1(7)]

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(A) designed to guarantee or warrant the repair or service of an appliance, system, or component of a residential property; and

(B) issued by a person who sells, services, repairs, or replaces the appliance, system, or component at the time or before the guarantee or warranty is issued;

(4) a service or maintenance agreement or a warranty that:

(A) is sold, offered for sale, or issued by a manufacturer or merchant who manufactures or sells a product or part of a product, including a structural component, an appliance, or an electrical, plumbing, heating, cooling, or air-conditioning system of a building or residence; and

(B) provides for, warrants, or guarantees the maintenance, repair, replacement, or performance of the product or part of the product; or

(5) home warranty insurance as defined by Section 2005.001, Insurance Code.

SECTION 4.06. Section 1304.005, Occupations Code, is amended to read as follows:

Sec. 1304.005. EXEMPTIONS FROM CERTAIN OTHER LAWS. Marketing, selling, offering for sale, issuing, making, proposing to make, and administering a service contract are exempt from:

(1) ~~Chapter 1303;~~

~~(2)~~ Chapter 722, Transportation Code; and

~~(3)~~ the Insurance Code and other laws of this state regulating the business of insurance.

No equivalent provision. SECTION 5.06. [Deleted by FA1(7)]

SECTION 4.07. Section 1304.151, Occupations Code, is

No equivalent provision. SECTION 5.07. [Deleted by FA1(7)]

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amended by amending Subsection (b) and adding Subsection (b-4) to read as follows:

(b) If the provider ensures its obligations under Subsection (a)(2), the amount maintained in the reserve account may not be less than an amount equal to 40 percent of the gross consideration the provider received from consumers from the sale of all service contracts issued and outstanding in this state, minus any claims paid. The executive director may review and examine the reserve account. Except as provided by Subsections [Subsection] (b-1) and (b-4), the amount of the security deposit may not be less than \$250,000. The provider must submit to the executive director on request a copy of the provider's financial statements that must be prepared in accordance with generally accepted accounting principles, be without qualification as to the going concern status of the provider, and be audited by an independent certified public accountant. The commission by rule may require the provider to submit additional financial reports.

(b-4) The amount of the security deposit required under Subsection (b) may not be less than \$25,000 for a provider of a residential service contract.

SECTION 4.08. Section 1304.156, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) A residential service contract must state that the provider agrees that, under normal circumstances, the provider will initiate the performance of services not later than 48 hours after the contract holder requests the services.

SECTION 4.09. Subchapter D, Chapter 1304, Occupations

No equivalent provision. SECTION 5.08. [Deleted by FA1(7)]

No equivalent provision. SECTION 5.09. [Deleted by FA1(7)]

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Code, is amended by adding Section 1304.157 to read as follows:

Sec. 1304.157. RESIDENTIAL SERVICE CONTRACTS.

(a) A person may not sell, offer to sell, arrange or solicit the sale of, or receive an application for a residential service contract unless the person is:

(1) employed by a provider or administrator of a residential service contract who is licensed under this chapter; or

(2) licensed as a real estate sales agent, real estate broker, mobile home dealer, or insurance agent in this state.

(b) Notwithstanding Subsection (a), a person compensated by a provider or administrator, but who is not employed by that provider or administrator, may sell, offer to sell, arrange or solicit the sale of, or receive an application for a residential service contract if the contract contains the following statement in at least 10-point boldface type: "NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE PROVIDER FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER CHAPTER 1304, OCCUPATIONS CODE." For purposes of Subsection (a) and this subsection, a person is employed by a provider or administrator if, in connection with the person selling, offering to sell, arranging or soliciting the sale of, or receiving applications for residential service contracts, the provider or administrator:

(1) directs and controls the person's performance; and

(2) is responsible for representations made by the person when acting within the scope of the person's employment.

(c) Notwithstanding Section 1304.151(a)(1), a provider of a residential service contract may use a reimbursement insurance policy issued by a captive insurance company as

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defined by Section 964.001, Insurance Code, to insure the provider's residential service contracts if the provider maintains a funded reserve equal to not less than 25 percent of the gross consideration the provider received from consumers from the sale of all the provider's service contracts issued and outstanding in this state, minus any claims paid. A reimbursement insurance policy issued to a residential service contract provider in accordance with this subsection:

(1) is not subject to Section 1304.152; and
(2) is considered to satisfy the requirements of Sections 1304.1025 and 1304.151(a)(1) for purposes of this chapter.

SECTION 4.10. Chapter 1303, Occupations Code, is repealed.

~~No equivalent provision.~~ SECTION 5.10. [Deleted by FA1(7)]

SECTION 4.11. Not later than June 1, 2022, the Texas Commission of Licensing and Regulation shall adopt rules necessary to implement the changes in law made by this article to Chapter 1304, Occupations Code.

~~No equivalent provision.~~ SECTION 5.11. [Deleted by FA1(7)]

SECTION 4.12. (a) A residential service company licensed under former Chapter 1303, Occupations Code, that on May 1, 2021, maintained security in accordance with former Section 1303.154, Occupations Code, shall continue to maintain security in an amount not less than the amount required under that section until September 1, 2026, and the former law is continued in effect for that purpose.

~~No equivalent provision.~~ SECTION 5.12. [Deleted by FA1(7)]

(b) A residential service company described by Subsection (a) of this section that is operating as a residential service

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contract provider licensed under Chapter 1304, Occupations Code, as amended by this article, is not required to comply with the security requirements for residential service contract providers under Chapter 1304, Occupations Code, as amended by this article, until September 1, 2026.

(c) Not later than September 1, 2022, a residential service company described by Subsection (a) of this section that is operating as a residential service contract provider licensed under Chapter 1304, Occupations Code, as amended by this article, shall update the company's financial security documents to:

- (1) list the Texas Department of Licensing and Regulation as a party to the financial security document; and
- (2) replace each reference to the Texas Real Estate Commission with a reference to the Texas Department of Licensing and Regulation.

SECTION 4.13. (a) In this section, "department" means the Texas Department of Licensing and Regulation.

(b) On the effective date of this Act:

- (1) a license issued by the Texas Real Estate Commission under former Chapter 1303, Occupations Code, is continued in effect as a license of the department;
- (2) all rules, fees, policies, procedures, decisions, and forms of the Texas Real Estate Commission that relate to a program or activity transferred under this article are continued in effect as rules, fees, policies, procedures, decisions, and forms of the Texas Commission of Licensing and Regulation or the department, as applicable, and remain in effect until changed by the Texas Commission of Licensing and Regulation or the department; and

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No equivalent provision. SECTION 5.13. [Deleted by FA1(7)]

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(3) a complaint, investigation, contested case, or other proceeding related to a program that is transferred under this article and that is pending on the effective date of this Act is transferred without change in status to the Texas Commission of Licensing and Regulation or the department, as appropriate.

(c) On the effective date of this Act:

(1) all money, contracts, leases, property, software source code and documentation, records, and obligations of the Texas Real Estate Commission relating to a program or activity transferred to the department under this article are transferred to the department; and

(2) the unexpended and unobligated balance of any money appropriated by the legislature relating to that program or activity is transferred to the department.

(d) As soon as practicable after the effective date of this Act, the Texas Real Estate Commission shall transfer to the Texas Commission of Licensing and Regulation or the department, as appropriate, any bond, reimbursement insurance policy, or other security held for a residential service company that relates to a program or activity transferred under this article.

(e) Unless the context indicates otherwise, a reference in law or administrative rule to the Texas Real Estate Commission with respect to a program or activity transferred from the Texas Real Estate Commission to the department under this article means the Texas Commission of Licensing and Regulation or the department, as appropriate.

(f) The Texas Real Estate Commission shall provide the department with access to any systems, facilities, or information necessary to implement the change in law made by this article.

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No equivalent provision.

ARTICLE 4. DRIVER TRAINING

No equivalent provision.

SECTION 4.01. Section 1001.001, Education Code, is amended by amending Subdivisions (2), (8), (9), (13), and (14) and adding Subdivisions (6-a), (6-b), (14-b), and (14-c) to read as follows:

(2) "Classroom instruction" includes instruction provided in a traditional classroom setting or through other physical means or remotely through the Internet [~~"Approved driving safety course" means a driving safety course approved by the department~~].

(6-a) "Driver education instructor" means an individual who holds a license to teach or provide driver education issued under Section 1001.251.

(6-b) "Driver education provider" means an in-person driver education provider, an online driver education provider, or a parent-taught driver education provider.

(8) "Driver training" means:

(A) driver education provided by a driver education provider [~~school~~]; or

(B) driving safety training provided by a driving safety provider [~~school~~].

(9) "Driver training provider [~~school~~]" means a driver education provider [~~school~~] or driving safety provider [~~school~~].

(13) "Driving safety provider" means a business that provides a driving safety course [~~school" means an enterprise that:~~

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

~~(B) is operated by an individual, association, partnership, or corporation for educating and training persons in driving~~

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safety].

(14) "In-person driver education provider [~~Instructor~~]" means a business that provides driver education courses in person, including behind-the-wheel instruction, observation instruction, or driver's license examinations [~~an individual who holds a license for the type of instruction being given~~].

(14-b) "Online driver education provider" means a business that provides driver education courses to students remotely through the Internet.

(14-c) "Parent-taught driver education provider" means a business that provides driver education course materials through physical means or remotely through the Internet to persons who conduct parent-taught driver education under Section 1001.112.

No equivalent provision.

SECTION 4.02. Section 1001.003, Education Code, is amended to read as follows:

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

No equivalent provision.

SECTION 4.03. Section 1001.004(b), Education Code, is amended to read as follows:

(b) The department may charge a fee to each driver education provider [~~school~~] in an amount not to exceed the actual expense incurred in the regulation of driver education courses established under Section 1001.1015.

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No equivalent provision.

SECTION 4.04. Section 1001.051, Education Code, is amended to read as follows:

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

No equivalent provision.

SECTION 4.05. Sections 1001.053(a) and (b), Education Code, are amended to read as follows:

(a) The department and executive director, as appropriate, shall:

- (1) administer this chapter;
- (2) enforce minimum standards for driver training providers [schools] under this chapter;
- (3) enforce rules adopted by the commission that are necessary to administer this chapter; and
- (4) inspect a driver training provider [school or course provider] and reinspect the [school or course] provider for compliance with this chapter.

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

No equivalent provision.

SECTION 4.06. Section 1001.054, Education Code, is amended to read as follows:

Sec. 1001.054. RULES RESTRICTING ADVERTISING. [(e)] The commission by rule may restrict advertising by a branch location of an in-person [a] driver education provider

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~~[training school]~~ so that the location adequately identifies the main business ~~[primary]~~ location of the provider ~~[school]~~ in a solicitation.

No equivalent provision.

SECTION 4.07. Sections 1001.055(a), (a-1), and (a-2), Education Code, are amended to read as follows:

(a) The department shall provide to each licensed driver education provider or exempt driver education school ~~[and to each parent-taught course provider approved under this chapter]~~ driver education certificates or certificate numbers to enable the ~~[school or approved parent-taught course]~~ provider or school to issue department-approved driver education certificates to certify completion of an approved driver education course and satisfy the requirements of Sections 521.204(a)(2), Transportation Code, 521.1601, Transportation Code, as added by Chapter 1253 (H.B. 339), Acts of the 81st Legislature, Regular Session, 2009, and 521.1601, Transportation Code, as added by Chapter 1413 (S.B. 1317), Acts of the 81st Legislature, Regular Session, 2009.

(a-1) A certificate issued by a driver education ~~[school or parent-taught course]~~ provider licensed ~~[approved]~~ under this chapter must:

(1) be in a form required by the department; and
(2) include an identifying certificate number provided by the department that may be used to verify the authenticity of the certificate with the ~~[driver education school or approved parent-taught course]~~ provider.

(a-2) A driver education ~~[school or parent-taught course]~~ provider licensed ~~[approved]~~ under this chapter that purchases driver education certificate numbers shall issue original and duplicate certificates in a manner that, to the greatest extent

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possible, prevents the unauthorized production or the misuse of the certificates. The ~~[driver education school or approved parent-taught course]~~ provider shall electronically submit to the department in the manner established by the department data identified by the department relating to issuance of department-approved driver education certificates with the certificate numbers.

No equivalent provision.

SECTION 4.08. Sections 1001.056(b), (c-1), (d), (e), and (g), Education Code, are amended to read as follows:

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

(c-1) A driving safety ~~[course]~~ provider shall provide for the 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; and
(2) include an identifying number by which the department, a court, or the Department of Public Safety may verify its authenticity with the driving safety ~~[course]~~ provider.

(e) The commission by rule shall establish a fee for each course completion certificate number. ~~[A course provider that supplies a certificate to an operator shall collect from the operator a fee equal to the amount of the fee paid to the department for the certificate number.]~~

(g) A driving safety ~~[course]~~ provider shall issue a duplicate certificate by United States mail or commercial or electronic delivery. The commission by rule shall determine the amount

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of the fee for issuance of a duplicate certificate under this subsection.

No equivalent provision.

SECTION 4.09. Section 1001.058(b), Education Code, is amended to read as follows:

(b) The advisory committee consists of nine ~~[eleven]~~ members appointed for staggered six-year terms by the presiding officer of the commission, with the approval of the commission, as follows:

(1) three driver education providers ~~[one member representing a driver education school that offers a traditional classroom course and in-car training];~~

(2) three driving safety providers ~~[one member representing a driver education school that offers a traditional classroom course, alternative methods of instruction, or in-car training];~~

(3) ~~[one member representing a driving safety school offering a traditional classroom course or providing an alternative method of instruction;~~

~~[(4) one member representing a driving safety course provider approved for a traditional classroom course and for an alternative method of instruction;~~

~~[(5) one member representing a driving safety course provider approved for a traditional classroom course or for an alternative method of instruction;~~

~~[(6)] one driver education [licensed] instructor;~~

(4) the division head ~~[(7) one representative]~~ of the Department of Public Safety driver license division or the division head's designee;

~~[(8) one member representing a drug and alcohol driving awareness program course provider;~~

~~[(9) one member representing a parent taught course~~

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~~provider;] and~~
~~(5) one member of [(10) two members representing] the~~
public.

No equivalent provision.

SECTION 4.10. Section 1001.059(b), Education Code, is amended to read as follows:
(b) The department may collaborate with another state agency or contract with a licensed driver education provider ~~[school]~~ or a driver education instructor to create the course.

No equivalent provision.

SECTION 4.11. Subchapter B, Chapter 1001, Education Code, is amended by adding Section 1001.060 to read as follows:
Sec. 1001.060. COORDINATION WITH DEPARTMENT OF PUBLIC SAFETY. (a) The department shall enter into a memorandum of understanding with the Department of Public Safety for:
(1) the interagency development of the content of driver's license examinations and examination reference materials; and
(2) any other matter the agencies consider appropriate.
(b) The memorandum of understanding must authorize the Department of Public Safety to share with the department any relevant information, including information related to examination results.

No equivalent provision.

SECTION 4.12. The heading to Subchapter C, Chapter 1001, Education Code, is amended to read as follows:
SUBCHAPTER C. ~~[OPERATION—OF]~~ DRIVER EDUCATION AND DRIVING SAFETY CURRICULUM

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[SCHOOL]

No equivalent provision.

SECTION 4.13. Section 1001.101, Education Code, is amended to read as follows:

Sec. 1001.101. ADULT AND MINOR DRIVER EDUCATION COURSE CURRICULUM AND TEXTBOOKS. (a) The commission by rule shall establish or approve the curriculum and designate the educational materials to be used in a driver education course for minors and adults, including a driver education course conducted by a school district, driver education provider [~~school~~], or parent or other individual under this chapter.

(b) The commission by rule shall prescribe the minimum number of hours of classroom instruction, observation instruction, and behind-the-wheel instruction that must be completed for a [A] driver education course to be approved under this chapter [~~must require the student to complete:~~

~~[(1) 7 hours of behind-the-wheel instruction in the presence of a person who holds a driver education instructor license or who meets the requirements for a driver education course conducted by a parent or other individual under Section 1001.112;~~

~~[(2) 7 hours of observation instruction in the presence of a person who holds a driver education instructor license or who meets the requirements for a driver education course conducted by a parent or other individual under Section 1001.112; and~~

~~[(3) 30 hours of behind-the-wheel instruction, including at least 10 hours of instruction that takes place at night, in the presence of an adult who meets the requirements of Section 521.222(d)(2), Transportation Code].~~

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No equivalent provision.

SECTION 4.14. Sections 1001.1015(b) and (d), Education Code, are amended to read as follows:

- (b) A driver education course under Subsection (a) must:
- (1) provide at least the minimum number of hours of classroom instruction required by commission rule [~~be a six-hour course~~]; and
 - (2) include instruction in:
 - (A) alcohol and drug awareness;
 - (B) the traffic laws of this state;
 - (C) highway signs, signals, and markings that regulate, warn, or direct traffic; and
 - (D) the issues commonly associated with motor vehicle accidents, including poor decision-making, risk taking, impaired driving, distraction, speed, failure to use a safety belt, driving at night, failure to yield the right-of-way, and using a wireless communication device while operating a vehicle.
- (d) A driving safety course [~~or a drug and alcohol driving awareness program~~] may not be approved as a driver education course under Subsection (a).

No equivalent provision.

SECTION 4.15. Sections 1001.1016(b) and (c), Education Code, are amended to read as follows:

- (b) The commission by rule shall require an in-person [~~a~~] driver education provider or online driver education provider [~~school providing a driver education course~~] to:
- (1) in the manner described by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), make reasonable modifications and provide aids and services

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when providing the classroom instruction portion of a driver education ~~[the]~~ course that are necessary to ensure that a student who is deaf or hard of hearing may fully participate in the course; and

(2) provide to the department the provider's ~~[school's]~~ plan for complying with the rules adopted under this section as a condition of obtaining a license under Section 1001.211 or renewing a license ~~[under Section 1001.303]~~.

(c) The rules adopted under Subsection (b) must allow an in-person ~~[a]~~ driver education provider or online driver education provider ~~[school]~~ to comply with the requirements of this section by playing a video that presents the classroom instruction portion of the driver education course in a manner that complies with the requirements of this section.

No equivalent provision.

SECTION 4.16. Subchapter C, Chapter 1001, Education Code, is amended by adding Section 1001.1017 to read as follows:

Sec. 1001.1017. COURSE APPROVAL. A driver training provider shall submit to the commission for approval the course length and curriculum content for each course offered by the provider. The provider may implement a course length and curriculum content only after approval by the commission.

No equivalent provision.

SECTION 4.17. Section 1001.112, Education Code, is amended to read as follows:

Sec. 1001.112. PARENT-TAUGHT DRIVER EDUCATION.
(a) A person who is eligible under Subsection (b) may conduct ~~[The commission by rule shall provide for approval~~

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~~of]~~ a driver education course approved under Section 1001.1017 for another ~~[conducted by the following persons with the noted relationship to a]~~ person who is required to complete a driver education course to obtain a Class C license. In conducting the course, the person must use course materials provided by a parent-taught driver education provider.

(b) A person is eligible to conduct a driver education course for another person as provided by Subsection (a) if the person:

(1) is either:

(A) a parent, stepparent, foster parent, legal guardian, grandparent, or step-grandparent of the other person; or

(B) ~~(2)~~ an individual who:

(i) ~~(A)~~ has been designated on a form prescribed by the department for purposes of this section by a parent or ~~[, a]~~ legal guardian of the other person~~;~~ or by a judge of a court with jurisdiction over the other person ~~[on a form prescribed by the department];~~

(ii) ~~(B)~~ is at least 25 years of age ~~[or older];~~

(iii) ~~(C)~~ does not charge a fee for conducting the course; and

(iv) ~~(D)~~ has at least seven years of driving experience;

(2) has possessed ~~[and~~

~~(E) otherwise qualifies to conduct a course under Subsection (a-1).~~

~~(a-1) The rules must provide that the student driver spend a minimum number of hours in classroom and behind the wheel instruction.~~

~~(a-2) The rules must provide that the person conducting the course:~~

~~(1) possess~~ a valid license for the preceding three years that has not been suspended, revoked, or forfeited in the past three years for an offense that involves the operation of a motor vehicle;

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- (3) ~~[(2)]~~ has not been convicted of:
- (A) criminally negligent homicide; or
 - (B) driving while intoxicated in the past seven years; and
- (4) ~~[(3)]~~ has not been convicted during the preceding three years of:
- (A) three or more moving violations described by Section 542.304, Transportation Code, including violations that resulted in an accident; or
 - (B) two or more moving violations described by Section 542.304, Transportation Code, that resulted in an accident.
- (c) A person conducting a driver education course under this section may provide the classroom instruction portion, the behind-the-wheel instruction portion, or both portions.
- ~~(d) [(b)] The department may [approve a course described by Subsection (a) if the department determines that the course materials are at least equal to those required in a course approved by the department, and the department may] not require for a course conducted under this section 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.~~
- (e) A parent-taught driver education provider ~~[(e) The rules must provide a method by which:~~
- ~~[(1) approval of a course is obtained;~~
 - ~~[(2) an applicant submits proof of completion of the course;~~
 - ~~[(3) approval for delivering course materials by an alternative method, including electronic means, is obtained;~~
 - ~~[(4) a provider of a course approved under this section] may administer to an applicant the highway sign and traffic law~~

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parts of the examination as provided by Section 521.1655(a-1), Transportation Code, through electronic means~~;~~ and ~~[(5) an applicant submits proof of passage of an examination administered under Subdivision (4)].~~

~~(f) [(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 department.~~

~~[(e)]~~ The department may not charge a fee for the submission of proof of:

~~(1)~~ completion of a ~~[the]~~ course conducted under this section;

or

~~(2)~~ passage of an examination administered under Subsection ~~(e) [(e)].~~

No equivalent provision.

SECTION 4.18. Sections 1001.151(b) and (c), Education Code, are amended to read as follows:

(b) The commission by rule shall establish a fee for:

(1) an initial in-person driver education provider ~~[school]~~ license and for each branch location;

(2) an initial online driver education provider ~~[driving safety school]~~ license;

(3) an initial parent-taught driver education ~~[course]~~ provider license~~;~~ ~~except that the executive director may waive the fee;~~

(4) an initial driving safety provider license;

~~(5)~~ the annual renewal for a ~~[course provider,]~~ driving safety provider ~~[school]~~, driver education provider ~~[school]~~, or branch location of an in-person driver education provider, except that the executive director may waive the fee if revenue generated by the issuance of course completion certificate numbers and driver education certificates is sufficient to cover

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the cost of administering this chapter and Article 45.0511, Code of Criminal Procedure;

~~(6) [(5)]~~ a change of address of a driver education provider [~~school, driving safety school,~~] or driving safety [~~course~~] provider; and

~~(7) [(6)]~~ a change of name of:

(A) a driver education [~~school or course~~] provider or an owner of a driver education [~~school or course~~] provider; or

(B) a driving safety provider [~~school~~] or an owner of a driving safety provider [~~school~~;

~~[(7) each additional driver education or driving safety course at a driver training school; and~~

~~[(8) an initial application for approval of a driving safety course that has not been evaluated by the department].~~

(c) An application for an initial driver education [~~or driving safety~~] instructor license must be accompanied by a processing fee and an annual license fee, except that the department 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.

No equivalent provision.

SECTION 4.19. The heading to Subchapter E, Chapter 1001, Education Code, is amended to read as follows:
SUBCHAPTER E. LICENSING OF DRIVER TRAINING [~~SCHOOLS AND COURSE~~] PROVIDERS

No equivalent provision.

SECTION 4.20. Section 1001.201, Education Code, is amended to read as follows:
Sec. 1001.201. LICENSE REQUIRED. (a) A person may

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not provide:

- (1) ~~[operate a school that provides]~~ a driver education course;
(A) in person unless the person holds an in-person ~~[a]~~ driver education provider ~~[school]~~ license; or
(B) online unless the person holds an online driver education provider license;
- (2) driver education course materials to persons conducting parent-taught driver education under Section 1001.112 unless the person holds a parent-taught driver education provider license; or
- (3) ~~[operate a school that provides]~~ driving safety courses unless the person holds a driving safety provider ~~[school]~~ license~~;~~ or
~~[(3) operate as a course provider unless the person holds a course provider license].~~
- (b) The commission by rule shall provide for the issuance of a single license to a person who meets the requirements for and seeks to provide driver education courses or driver education course materials under more than one driver education provider license. [FA1(2)]

No equivalent provision.

SECTION 4.21. Section 1001.202, Education Code, is amended to read as follows:
Sec. 1001.202. LOCATIONS FOR IN-PERSON DRIVER EDUCATION PROVIDERS. An in-person ~~[(a) A]~~ driver education provider ~~[school]~~ that teaches a driver education course at one or more branch locations must obtain a separate in-person driver education provider ~~[school]~~ license for its main business location and for each branch location. An in-person ~~[A]~~ driver education provider ~~[school]~~ may not operate a branch location of a branch location.

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~~[(b) A driving safety school may use multiple classroom locations to teach a driving safety course if each location is approved by the department.]~~

No equivalent provision.

SECTION 4.22. Section 1001.204, Education Code, is amended to read as follows:

Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION PROVIDER ~~[SCHOOL]~~ LICENSE. (a) The commission by rule shall establish the criteria applicable to each ~~[for a]~~ driver education provider ~~[school]~~ license.

(b) The department shall approve an application for a driver education provider ~~[school]~~ license if the application is submitted on a form approved by the department, the application is accompanied by the fee, and the department determines that the applicant ~~[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, if applicable;~~

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

~~[(4) provides to each student before enrollment or each person before contracting for driver education course materials, to the extent applicable:~~

(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

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rules of operation and conduct; and

(B) the department's name, mailing address, telephone number, and Internet website address for the purpose of directing complaints to the department;

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

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

(5) [(7)] complies with all county, municipal, state, and federal laws [regulations], including [fire, building, and sanitation codes and] assumed name registration and other[, if] applicable requirements;

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

(7) [(9)] maintains and publishes as part of its student enrollment contract or materials contract, as applicable, 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 provider [school] at any time before completion;

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

(9) [(11)] does not use a name similar to the name of another existing driver education provider [school] or tax-supported educational institution in this state, unless specifically approved in writing by the executive director;

(10) [(12)] submits to the department for approval the applicable course hour lengths and curriculum content for

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each course offered by the provider [school];
(11) [(13)] does not owe an administrative penalty for a violation of this chapter;
(12) meets all requirements applicable to the license type under Section 1001.2041, 1001.2042, or 1001.2043; and
(13) [(14)] meets any additional criteria required by the department, including any applicable inspection requirements[-and
[(15) ~~provides adequate testing and security measures for the school's method of instruction~~].

No equivalent provision.

SECTION 4.23. Subchapter E, Chapter 1001, Education Code, is amended by adding Sections 1001.2041, 1001.2042, and 1001.2043 to read as follows:

Sec. 1001.2041. REQUIREMENTS FOR IN-PERSON DRIVER EDUCATION PROVIDER. Before an in-person driver education provider license may be issued, the department must determine that the applicant has adequate space, equipment, instructional material, and driver education instructors to provide training of good quality in the classroom and behind the wheel.

Sec. 1001.2042. REQUIREMENTS FOR ONLINE DRIVER EDUCATION PROVIDER. Before an online driver education provider license may be issued, the department must determine that the applicant has:

(1) adequate driver education instructors to provide training of good quality; and
(2) adequate testing and security measures to validate a student's identity and active participation in a driver education course.

Sec. 1001.2043. REQUIREMENTS FOR PARENT-

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TAUGHT DRIVER EDUCATION PROVIDER. (a) Before a parent-taught driver education provider license may be issued, the department must determine that the applicant has:
(1) an adequate method by which a person completing a parent-taught driver education course under Section 1001.112 using the provider's course materials may submit proof of:
(A) completion of the course; or
(B) passage of an examination administered by the provider under Section 1001.112(e);
(2) hired or contracted with only driver education instructors, if the provider elects to hire or contract with an instructor to assist with driver education; and
(3) adequate testing and security measures to validate a student's active participation in a driver education course conducted using course materials provided remotely through the Internet.
(b) Except as specifically provided by this chapter, a parent-taught driver education provider that provides driver education course materials remotely through the Internet is not subject to any course or curriculum requirements established by the commission or department for online driver education providers.

No equivalent provision.

SECTION 4.24. Section 1001.206, Education Code, is amended to read as follows:
Sec. 1001.206. REQUIREMENTS FOR DRIVING SAFETY ~~[COURSE]~~ PROVIDER LICENSE. (a) The commission by rule shall establish criteria for a driving safety ~~[course]~~ provider license.
(b) The department shall approve an application for a driving safety ~~[course]~~ provider license if the application is submitted

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on a form approved by the executive director, includes the fee, and ~~[on inspection of the premises of the school]~~ the department determines that the applicant:

(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 courses, curricula, and instruction are offered ~~[the course provider has an approved course that at least one licensed driving safety school is willing to offer];~~

(2) provides ~~[the course provider has adequate educational qualifications and experience;~~

~~[(3) the course provider will:~~

~~[(A) develop and provide]~~ to each student before enrollment:

(A) ~~[driving safety school that offers the approved course]~~ a copy of:

(i) the refund policy; ~~[and]~~

(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) ~~[provide to the driving safety school]~~ the department's name, mailing address, telephone number, and Internet website address for the purpose of directing complaints to the department;

~~(3) [(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 a person successfully completes the course, issues ~~[the course provider will issue]~~ and delivers ~~[deliver]~~ to the person by United States mail or commercial or electronic delivery a uniform certificate of course completion indicating the course name and successful completion;

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- (4) [~~(6) the course provider~~] maintains adequate records as prescribed by the department to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;
- (5) [~~(7) the course provider~~] complies with all county, municipal, state, and federal laws, including assumed name registration and other applicable requirements;
- (6) [~~(8) the course provider~~] is financially sound and capable of fulfilling its commitments for training;
- (7) [~~(9) 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 provider [~~school~~] at any time before completion;
- (8) [~~(10) the course provider~~] does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department;
- (9) [~~(11) the course provider~~] does not use a name similar to the name of another existing driving safety provider [~~school~~] or tax-supported educational institution in this state, unless specifically approved in writing by the executive director;
- (10) submits to the department for approval the applicable course hour lengths and curriculum content for each course offered by the provider;
- (11) [~~(12) the course provider~~] does not owe an administrative penalty for a violation of this chapter;
- (12) provides adequate testing and security measures for the provider's method of instruction to validate a student's identity and active participation in a driving safety course; and
- (13) [~~the course provider~~] meets any additional criteria required by the department.

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No equivalent provision.

SECTION 4.25. Section 1001.207, Education Code, is amended to read as follows:

Sec. 1001.207. BOND REQUIREMENTS: DRIVER EDUCATION PROVIDER ~~[SCHOOL]~~. (a) Before a driver education provider ~~[school]~~ may be issued a license, the provider ~~[school]~~ must file a corporate surety bond with the department in the amount of:

- (1) \$10,000 ~~[for the primary location of the school]~~; and
- (2) for an in-person driver education provider, \$5,000 for each branch location of the provider.

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

- (1) issued in a form approved by the department;
- (2) issued by a company authorized to do business in this state;
- (3) payable to the department to be used only for payment of a refund due to a student or potential student;
- (4) conditioned on the compliance of the provider ~~[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.

(c) Posting of a bond in the amount required under Subsection (a) satisfies the requirements for financial stability for driver education providers ~~[schools]~~ under this chapter.

(d) A driver education provider who files a bond under Subsection (a)(1) or provides an alternate form of security under Section 1001.210 to obtain one type of driver education provider license may not be required to file an additional bond under Subsection (a)(1) or provide an alternate form of security under Section 1001.210 for any other type of driver

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education provider license.

No equivalent provision.

SECTION 4.26. Section 1001.209, Education Code, is amended to read as follows:

Sec. 1001.209. BOND REQUIREMENTS: DRIVING SAFETY [~~COURSE~~] PROVIDER. (a) Before a license may be issued to a driving safety [~~course~~] provider, the [~~course~~] provider must provide a corporate surety bond in the amount of \$10,000.

(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 department to be used:

(A) for payment of a refund due a student of the [~~course~~] provider's approved driving safety courses [~~course~~];

(B) to cover the payment of unpaid fees or penalties assessed by the executive director or the commission; or

(C) to recover any cost associated with providing course completion certificate numbers, including the cancellation of certificate numbers;

(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.

No equivalent provision.

SECTION 4.27. 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,

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a driver education provider [~~school~~] or driving safety [~~course~~]
provider may provide another form of security that is:

- (1) approved by the department; and
- (2) in the amount required for a comparable bond under Section 1001.207 or 1001.209.

No equivalent provision.

SECTION 4.28. Sections 1001.211(b) and (c), Education Code, are amended to read as follows:

(b) A license must be in a form determined by the department 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; and
- (4) any other fair and reasonable representation that is consistent with this chapter and that the department considers necessary.

(c) An applicant may obtain both a driver education provider [~~school~~] license and a driving safety provider [~~school~~] license.

No equivalent provision.

SECTION 4.29. Sections 1001.213(b), (c), and (d), Education Code, are amended to read as follows:

(b) If a change in ownership of a driver training [~~school or course~~] provider is proposed, a new owner shall apply for a new [~~school or course~~] provider license at least 30 days before the date of the change.

(c) The commission by rule may establish fees for a new driver training [~~education school or course~~] provider license under Subsection (b) and, if applicable, for each branch

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location of an in-person driver education provider 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 may inspect a driver training provider's main [~~school~~] or [~~a~~] branch location, as applicable, after a change of ownership.

No equivalent provision.

SECTION 4.30. 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.

No equivalent provision.

SECTION 4.31. Section 1001.251(a), Education Code, is amended to read as follows:

(a) Except as authorized under Section 1001.112, 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 executive director.

No equivalent provision.

SECTION 4.32. Section 1001.2511(e), Education Code, is amended to read as follows:

(e) The commission may adopt rules to administer this section, including rules establishing:

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- (1) deadlines for a person to submit fingerprints and photographs in compliance with this section;
- (2) sanctions for a person's failure to comply with the requirements of this section, including suspension or revocation of or refusal to issue a license described by Subsection (a); and
- (3) notification to a driver education provider [~~school~~] of relevant information obtained by the department under this section.

No equivalent provision.

SECTION 4.33. Section 1001.2512, Education Code, is amended to read as follows:

Sec. 1001.2512. FEES FOR CRIMINAL HISTORY RECORD INFORMATION REVIEW. The commission by rule shall require a person submitting to a national criminal history record information review under Section 1001.2511 or the driver education provider [~~school~~] employing the person, as determined by the department, to pay a fee for the review in an amount not to exceed the amount of any fee imposed on an application for certification under Subchapter B, Chapter 21, for a national criminal history record information review under Section 22.0837.

No equivalent provision.

SECTION 4.34. Section 1001.2513, Education Code, is amended to read as follows:

Sec. 1001.2513. CONFIDENTIALITY OF INFORMATION. A social security number, driver's license number, other identification number, or fingerprint record collected for a person to comply with Section 1001.2511:

- (1) may not be released except:

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- (A) to provide relevant information to driver education providers [~~schools~~] or otherwise to comply with Section 1001.2511;
- (B) by court order; or
- (C) with the consent of the person who is the subject of the information;
- (2) is not subject to disclosure as provided by Chapter 552, Government Code; and
- (3) shall be destroyed by the requestor or any subsequent holder of the information not later than the first anniversary of the date the information is received.

No equivalent provision.

- SECTION 4.35. Sections 1001.2514(a) and (d), Education Code, are amended to read as follows:
- (a) A driver education provider [~~school~~] shall discharge or refuse to hire as an instructor an employee or applicant for employment if the department obtains information through a criminal history record information review that:
 - (1) the employee or applicant has been convicted of:
 - (A) a felony offense under Title 5, Penal Code;
 - (B) an offense on conviction of which a defendant is required to register as a sex offender under Chapter 62, Code of Criminal Procedure; or
 - (C) an offense under the laws of another state or federal law that is equivalent to an offense under Paragraph (A) or (B); and
 - (2) at the time the offense occurred, the victim of the offense described by Subdivision (1) was under 18 years of age or was enrolled in a public school.
 - (d) A driver education provider [~~school~~] may discharge an employee who serves as an instructor if the provider [~~school~~]

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obtains information of the employee's conviction of a felony or of a misdemeanor involving moral turpitude that the employee did not disclose to the provider ~~[school]~~ or the department. An employee discharged under this subsection is considered to have been discharged for misconduct for purposes of Section 207.044, Labor Code.

No equivalent provision.

SECTION 4.36. Section 1001.2531(b), Education Code, is amended to read as follows:

(b) An applicant for a driver education instructor license under this section must:

(1) apply to the department on a form prescribed by the department and under rules adopted by the commission;

(2) submit with the application a nonrefundable application fee in an amount set by commission rule; and

(3) present satisfactory evidence to the department that the applicant:

(A) is at least 21 years of age; and

(B) ~~[holds a high school diploma or high school equivalency certificate; and~~

~~[(C)]~~ meets any other requirement established by commission rule.

No equivalent provision.

SECTION 4.37. Sections 1001.255(a), (b), and (c), Education Code, are amended to read as follows:

(a) The department shall regulate as a driver education provider of the type determined appropriate by the department ~~[school]~~ a driver education instructor who:

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

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- (2) does not teach more than 200 students annually.
- (b) An instructor described by Subsection (a) must submit to the department an application for an initial or renewal driver education provider [~~school~~] license, together with all required documentation and information.
- (c) The executive director may waive initial or renewal driver education provider [~~school~~] license fees.

No equivalent provision.

SECTION 4.38. Section 1001.301, Education Code, is amended to read as follows:
Sec. 1001.301. EXPIRATION OF DRIVER TRAINING [~~SCHOOL OR COURSE~~] PROVIDER LICENSE. The term of a driver training [~~education school, driving safety school, or course~~] provider license may not exceed one year.

No equivalent provision.

SECTION 4.39. Section 1001.302, Education Code, is amended to read as follows:
Sec. 1001.302. EXPIRATION OF DRIVER EDUCATION INSTRUCTOR LICENSE. The term of a driver education instructor [~~or driving safety instructor~~] license may not exceed one year.

No equivalent provision.

SECTION 4.40. Section 1001.351, Education Code, is amended to read as follows:
Sec. 1001.351. DRIVING SAFETY [~~COURSE~~] PROVIDER RESPONSIBILITIES. (a) Not later than the 15th working day after the course completion date, a driving safety [~~course~~] provider or a person at the [~~course~~] provider's facilities shall issue and deliver by United States mail or commercial or

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electronic delivery a uniform certificate of course completion to a person who successfully completes an approved driving safety course.

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

~~[(c) A course provider shall conduct driving safety instructor development courses for its approved driving safety courses.]~~

No equivalent provision.

SECTION 4.41. Section 1001.352, Education Code, is amended to read as follows:

Sec. 1001.352. FEES FOR DRIVING SAFETY COURSE.

A driving safety [~~course~~] provider shall charge each student:

- (1) at least \$25 for a driving safety course; and
- (2) a fee of at least \$3 for course materials and for supervising and administering the course.

No equivalent provision.

SECTION 4.42. Section 1001.353, Education Code, is amended to read as follows:

Sec. 1001.353. DRIVER TRAINING COURSE AT PUBLIC OR PRIVATE SCHOOL.

A driver training provider [~~school~~] may conduct a driver training course at a public or private school for students of the public or private school as provided by an agreement with the public or private school. The course is subject to any law applicable to a course conducted at the main business location of the driver training provider [~~school~~].

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No equivalent provision.

SECTION 4.43. Section 1001.355, Education Code, is amended to read as follows:

Sec. 1001.355. WITHHOLDING CERTAIN RECORDS. A driver training provider [~~school~~] may withhold a student's diploma or certificate of completion until the student fulfills the student's financial obligation to the provider [~~school~~].

No equivalent provision.

SECTION 4.44. Section 1001.356, Education Code, is amended to read as follows:

Sec. 1001.356. REQUIREMENT TO CARRY LICENSE. A driver education instructor [~~or driving safety instructor~~] shall carry the person's instructor license at all times while instructing a driver education course [~~or driving safety course~~].

No equivalent provision.

SECTION 4.45. Section 1001.357, Education Code, is amended to read as follows:

Sec. 1001.357. CONTRACT WITH UNLICENSED DRIVER TRAINING PROVIDER [~~SCHOOL~~]. A contract entered into with a person for a course of instruction by or on behalf of a person operating an unlicensed driver training provider [~~school~~] is unenforceable.

No equivalent provision.

SECTION 4.46. Section 1001.401, Education Code, is amended to read as follows:

Sec. 1001.401. CANCELLATION AND SETTLEMENT POLICY. As a condition for obtaining a driver training [~~education school license or course~~] provider license, the [~~school or course~~] provider must maintain a cancellation and

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settlement policy that provides a full refund of all money paid by a student if:

- (1) the student cancels the enrollment contract before midnight of the third day, other than a Saturday, Sunday, or legal holiday, after the date the enrollment contract is signed by the student, unless the student successfully completes the course or receives a failing grade on the course examination; or
- (2) the enrollment of the student was procured as a result of a misrepresentation in:
 - (A) advertising or promotional materials of the [~~school or course~~] provider; or
 - (B) a representation made by an owner or employee of the [~~school or course~~] provider.

No equivalent provision.

SECTION 4.47. Section 1001.402, Education Code, is amended to read as follows:

Sec. 1001.402. TERMINATION POLICY. (a) As a condition for obtaining a driver training provider [~~education school~~] license, the provider [~~school~~] must maintain a policy for the refund of the unused portion of tuition, fees, and other charges if a student, after expiration of the cancellation period described by Section 1001.401, does not enter the course or withdraws or is discontinued from the course at any time before completion.

(b) The policy must provide that:

- (1) refunds are based on the period of enrollment computed on the basis of course time expressed in clock hours;
- (2) the effective date of the termination for refund purposes is the earliest of:
 - (A) the last day of attendance, if the student's enrollment is

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terminated by the provider [school];
(B) the date the provider [school] receives written notice from the student; or
(C) the 10th school day after the last day of attendance;
(3) if tuition is collected in advance of entrance and if a student does not enter the course [school], terminates enrollment, or withdraws, the provider [school]:
(A) may retain not more than \$50 as an administrative expense; and
(B) shall refund that portion of the student's remaining classroom tuition and fees and behind-the-wheel tuition and fees that corresponds to services the student does not receive;
(4) the provider [school] shall refund items of extra expense to the student, including instructional supplies, books, laboratory fees, service charges, rentals, deposits, and all other charges not later than the 30th day after the effective date of enrollment termination if:
(A) the extra expenses are separately stated and shown in the information provided to the student before enrollment; and
(B) the student returns to the provider [school] any provider [school] property in the student's possession; and
(5) refunds shall be completed not later than the 30th day after the effective date of enrollment termination.

No equivalent provision.

SECTION 4.48. Section 1001.403, Education Code, is amended to read as follows:
Sec. 1001.403. REFUND FOR DISCONTINUED COURSE. On the discontinuation of a course by a driver training [education school or a course] provider that prevents a student from completing the course, all tuition and fees paid become refundable.

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No equivalent provision.

SECTION 4.49. Sections 1001.404(a) and (c), Education Code, are amended to read as follows:

(a) If a refund is not timely made, the driver training [~~education school or course~~] provider shall pay interest on the amount of the refund. Interest begins to accrue on the first day after the expiration of the refund period and ends on the day preceding the date the refund is made.

(c) The department may except a driver training [~~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, the driver training [~~school or course~~] provider shall document the effort to locate a student.

No equivalent provision.

SECTION 4.50. Subchapter I, Chapter 1001, Education Code, is amended by adding Section 1001.405 to read as follows:

Sec. 1001.405. APPLICABILITY TO PARENT-TAUGHT DRIVER EDUCATION PROVIDER. The commission shall adopt rules as necessary to ensure this subchapter applies as appropriate to a parent-taught driver education provider.

No equivalent provision.

SECTION 4.51. Section 1001.451, Education Code, is amended to read as follows:

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

(1) use advertising that is false, misleading, or deceptive;

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- (2) fail to notify the department of the discontinuance of the operation of a driver training provider ~~[school]~~ before the 15th 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 provider ~~[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 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 provider ~~[school]~~ named as payee; or
- (5) conduct any part of an approved driver education course ~~[or driving safety course]~~ without having an instructor adequately available ~~[physically present in appropriate proximity]~~ to the student for the type of instruction being given.

No equivalent provision.

SECTION 4.52. Section 1001.452, Education Code, is amended to read as follows:
Sec. 1001.452. COURSE OF INSTRUCTION OR PROVISION OF MATERIALS. A driver training provider ~~[school]~~ may not conduct a course of instruction or provide

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driver education course materials, as applicable, in this state before the date the provider [school] receives the necessary [a] driver training provider [school] license from the department.

No equivalent provision.

SECTION 4.53. The heading to Section 1001.453, Education Code, is amended to read as follows:
Sec. 1001.453. DISTRIBUTION OF WRITTEN INFORMATION ON DRIVING SAFETY [COURSE] PROVIDER.

No equivalent provision.

SECTION 4.54. Sections 1001.453(a) and (b), Education Code, are amended to read as follows:
(a) A person may not distribute within 500 feet of a court with jurisdiction over an offense to which Article 45.0511, Code of Criminal Procedure, applies written information that advertises a driving safety [course] provider.
(b) The department may revoke the license of a driving safety [course] provider if the [course] provider or the [course] provider's agent, employee, or representative violates this section.

No equivalent provision.

SECTION 4.55. Section 1001.455, Education Code, is amended to read as follows:
Sec. 1001.455. DENIAL, SUSPENSION, OR REVOCATION OF DRIVER EDUCATION INSTRUCTOR LICENSE. (a) The executive director or the commission may deny an application for a driver education [an] instructor license or suspend or revoke the license of a driver education [an] instructor if the instructor:

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- (1) fails to meet a requirement for issuance of or holding a license under this chapter;
- (2) permits or engages in misrepresentation, fraud, or deceit in applying for or obtaining a certificate, license, or permit;
- (3) induces fraud or fraudulent practices on the part of an applicant for a driver's license or permit;
- (4) permits or engages in any other fraudulent practice in an action between the applicant or license holder and the public;
- (5) fails to comply with commission rules relating to driver instruction; or
- (6) fails to comply with this chapter.

No equivalent provision.

SECTION 4.56. Section 106.115(a), Alcoholic Beverage Code, is amended to read as follows:

(a) On the placement of a minor on deferred disposition for an offense under Section 49.02, Penal Code, or under Section 106.02, 106.025, 106.04, 106.041, 106.05, or 106.07, the court shall require the defendant to attend an alcohol awareness program approved by the Texas Department of Licensing and Regulation under this section or [] a drug education program approved by the Department of State Health Services in accordance with Section 521.374, Transportation Code [~~or a drug and alcohol driving awareness program approved by the Texas Education Agency~~]. On conviction of a minor of an offense under one or more of those sections, the court, in addition to assessing a fine as provided by those sections, shall require a defendant who has not been previously convicted of an offense under one of those sections to attend an alcohol awareness program or [] a drug education program [~~or a drug and alcohol driving awareness program~~] described by this subsection. If the defendant has been

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previously convicted once or more of an offense under one or more of those sections, the court may require the defendant to attend an alcohol awareness program or ~~[;] a drug education program[, or a drug and alcohol driving awareness program]~~ described by this subsection. If the defendant is younger than 18 years of age, the court may require the parent or guardian of the defendant to attend the program with the defendant. The Texas Department of Licensing and Regulation or Texas Commission of Licensing and Regulation, as appropriate:

- (1) is responsible for the administration of the certification of approved alcohol awareness programs;
- (2) may charge a nonrefundable application fee for:
 - (A) initial certification of the approval; or
 - (B) renewal of the certification;
- (3) shall adopt rules regarding alcohol awareness programs approved under this section; and
- (4) shall monitor, coordinate, and provide training to a person who provides an alcohol awareness program.

No equivalent provision.

SECTION 4.57. Article 45.051(b-1), Code of Criminal Procedure, is amended to read as follows:

(b-1) If the defendant is younger than 25 years of age and the offense committed by the defendant is a traffic offense classified as a moving violation:

- (1) Subsection (b)(8) does not apply;
- (2) during the deferral period, the judge:
 - ~~[(A)] shall require the defendant to complete a driving safety course approved under Chapter 1001, Education Code; and~~
 - ~~[(B) may require the defendant to complete an additional driving safety course designed for drivers younger than 25 years of age and approved under Section 1001.111, Education~~

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Code; and]

(3) if the defendant holds a provisional license, during the deferral period the judge shall require that the defendant be examined by the Department of Public Safety as required by Section 521.161(b)(2), Transportation Code; a defendant is not exempt from the examination regardless of whether the defendant was examined previously.

No equivalent provision.

SECTION 4.58. Section 28.012(a)(3), Education Code, is amended to read as follows:

(3) "Driver training provider [~~school~~]" has the meaning assigned by Section 1001.001.

No equivalent provision.

SECTION 4.59. Section 28.012(e), Education Code, is amended to read as follows:

(e) Subject to rules adopted by the board, a school district or open-enrollment charter school may tailor the instruction developed under this section as appropriate for the district's or school's community. In tailoring the instruction, the district or school shall solicit input from local law enforcement agencies, driver training providers [~~schools~~], and the community.

No equivalent provision.

SECTION 4.60. Section 29.902(c), Education Code, is amended to read as follows:

(c) A school district shall consider offering a driver education and traffic safety course during each school year. If the district offers the course, the district may:

(1) conduct the course and charge a fee for the course in the amount determined by the agency to be comparable to the fee

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charged by a driver education provider [sehoel] that holds a license under Chapter 1001; or

(2) contract with a driver education provider [sehoel] that holds a license under Chapter 1001 to conduct the course.

No equivalent provision.

SECTION 4.61. Section 123.007, Government Code, is amended to read as follows:

Sec. 123.007. USE OF OTHER DRUG AND ALCOHOL AWARENESS PROGRAMS. In addition to using a drug court program established under this chapter, the commissioners court of a county or a court may use other drug awareness [~~or drug and alcohol driving awareness~~] programs to treat persons convicted of drug or alcohol related offenses.

No equivalent provision.

SECTION 4.62. Section 521.165(e), Transportation Code, is amended to read as follows:

(e) The department may authorize an entity described by Subsection (a), including a driver education provider [sehoel] described by Section 521.1655, to administer the examination required by Section 521.161(b)(2).

No equivalent provision.

SECTION 4.63. Sections 521.1655(a) and (a-1), Transportation Code, are amended to read as follows:

(a) An in-person [A] driver education provider or online driver education provider [sehoel] licensed under Chapter 1001, Education Code, may administer to a student of that provider [sehoel] the vision, highway sign, and traffic law parts of the examination required by Section 521.161.

(a-1) A parent-taught driver education [eourse] provider

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licensed ~~[approved]~~ under Chapter 1001, Education Code,
~~[Section 521.205]~~ may administer to a student of that course
the highway sign and traffic law parts of the examination
required by Section 521.161.

No equivalent provision.

SECTION 4.64. Sections 521.206(a) and (b), Transportation
Code, are amended to read as follows:

(a) The department shall collect data regarding collisions of
students taught by public schools, driver education providers
~~[schools]~~ licensed under Chapter 1001, Education Code, and
other entities that offer driver education courses to students
for which a uniform certificate of course completion is issued.
The collision rate is computed by determining the number of
an entity's students who complete a driver education course
during a state fiscal year, dividing that number by the number
of collisions that involved students who completed such a
course and that occurred in the 12-month period following
their licensure, and expressing the quotient as a percentage.

(b) The department shall collect data regarding the collision
rate of students taught by course instructors approved under
Section 1001.112, Education Code. The collision rate is
computed by determining the number of students who
completed a course taught ~~[approved]~~ under that section
~~[Section 1001.112, Education Code,]~~ during a state fiscal year,
dividing that number by the number of collisions that involved
students who completed such a course and that occurred in the
12-month period following their licensure, and expressing the
quotient as a percentage.

No equivalent provision.

SECTION 4.65. Section 521.222(a), Transportation Code, is

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amended to read as follows:

- (a) The department may issue a learner license, including a Class A or Class B driver's learner license, 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 taught ~~[approved]~~ under Section 1001.112, Education Code;
 - (3) meets the requirements imposed under Section 521.204(a)(3); and
 - (4) has passed each examination required under Section 521.161 other than the driving test.

No equivalent provision.

SECTION 4.66. Section 542.304(a), Transportation Code, as added by Chapter 1094 (H.B. 2048), Acts of the 86th Legislature, Regular Session, 2019, is amended to conform to Section 4.40, Chapter 1352 (S.B. 346), Acts of the 86th Legislature, Regular Session, 2019, and is further amended to read as follows:

- (a) The department by rule shall designate the offenses involving the operation of a motor vehicle that constitute a moving violation of the traffic law for the purposes of:
- (1) ~~[Article 102.022(a), Code of Criminal Procedure;~~
[(2)] Section 1001.112(b)(4) ~~[1001.112(a-2)]~~, Education Code;
 - (2) [(3)] Section 411.110(f), Government Code; and
 - (3) [(4)] Sections 773.0614(b) and 773.06141(a), Health and Safety Code.

No equivalent provision.

SECTION 4.67. The following provisions are repealed:

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- (1) Article 45.0511(u), Code of Criminal Procedure;
- (2) Sections 1001.001(4), (7), (10), and (11), Education Code;
- (3) Sections 1001.056(a) and (f), Education Code;
- (4) Section 1001.1015(c), Education Code;
- (5) Sections 1001.103 and 1001.111, Education Code;
- (6) Section 1001.151(e), Education Code;
- (7) Sections 1001.205 and 1001.208, Education Code;
- (8) Section 1001.251(b), Education Code;
- (9) Section 1001.2531(a), Education Code;
- (10) Sections 1001.2532, 1001.2533, 1001.2534, 1001.2535, 1001.303, 1001.304, 1001.354, 1001.3541, and 1001.3542, Education Code;
- (11) the heading to Subchapter K, Chapter 1001, Education Code;
- (12) Section 545.412(g), Transportation Code; and
- (13) Section 545.413(i), Transportation Code.

No equivalent provision.

SECTION 4.68. On December 1, 2021:

- (1) the terms of members serving on the driver training and traffic safety advisory committee under Section 1001.058, Education Code, immediately before that date expire; and
- (2) the presiding officer of the Texas Commission of Licensing and Regulation shall appoint members of the driver training and traffic safety advisory committee having qualifications that correspond as closely as possible to the qualifications provided under the changes in law made by this Act to Section 1001.058, Education Code, with initial terms as follows:
 - (A) three members to terms expiring February 1, 2023;
 - (B) three members to terms expiring February 1, 2025; and
 - (C) three members to terms expiring February 1, 2027.

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No equivalent provision.

SECTION 4.69. Not later than June 1, 2023, the Texas Department of Licensing and Regulation and the Department of Public Safety of the State of Texas shall enter into the memorandum of understanding required by Section 1001.060, Education Code, as added by this article.

No equivalent provision.

SECTION 4.70. (a) Not later than June 1, 2023, the Texas Commission of Licensing and Regulation shall adopt rules necessary to implement the changes in law made by this article to Chapter 1001, Education Code.

(b) A driver education school license, driving safety school license, or course provider license issued under Chapter 1001, Education Code, before the date the Texas Department of Licensing and Regulation implements the changes described in Subsection (a) of this section continues to be valid until the date the license expires. On expiration of that license, the license holder shall apply for a new license under Chapter 1001, Education Code, as amended by this article, to continue to provide services for which a license is required by that chapter.

(c) Notwithstanding Chapter 1001, Education Code, as amended by this article, a person who provides driver education course materials to persons conducting parent-taught driver education under Section 1001.112, Education Code, as amended by this article, is not required to hold a parent-taught driver education provider license under Chapter 1001, Education Code, before November 1, 2023.

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No equivalent provision.

SECTION 4.71. (a) The changes in law made by this article to Section 106.115, Alcoholic Beverage Code, and Article 45.051, Code of Criminal Procedure, with respect to participation in a court-ordered program or course, apply to a court order entered on or after June 1, 2023. A court order entered before that date is governed by the law in effect on the date the order was entered, and the former law is continued in effect for that purpose. [FA1(3)-(4)]

(b) Notwithstanding Section 4.67 of this article, the Texas Department of Licensing and Regulation by rule shall provide for the continuance of each program or course under Article 45.0511(u), Code of Criminal Procedure, Section 1001.103 or 1001.111, Education Code, or Section 545.412(g) or 545.413(i), Transportation Code, as repealed by this article, until the date on which the department determines that every person subject to a court order entered before June 1, 2023, requiring participation in a program or course under those provisions has had adequate time to complete the program or course in compliance with the court order. [FA1(5)]

No equivalent provision.

SECTION 4.72. To the extent of any conflict, this article prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

No equivalent provision.

SECTION 4.____. The repeal by this article of Article 45.0511(u), Code of Criminal Procedure, Sections 1001.103 and 1001.111, Education Code, and Sections 545.412(g) and 545.413(i), Transportation Code, takes effect June 1, 2023. [FA1(6)]

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ARTICLE 5. SPEECH-LANGUAGE PATHOLOGISTS
AND AUDIOLOGISTS

SECTION 5.01. Section 401.304(a), Occupations Code, is amended to read as follows:

(a) To be eligible for licensing as a speech-language pathologist or audiologist, an applicant must:

(1) if the application is for a license in:

(A) speech-language pathology, possess at least a master's degree with a major in at least one of the areas of communicative sciences or disorders from a program accredited by a national accrediting organization that is approved by the commission or department and recognized by the United States secretary of education under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.) in an accredited or approved college or university; or

(B) audiology, possess at least a master's [~~doctoral~~] degree in audiology or a related hearing science from a program accredited by a national accrediting organization that is approved by the commission or department and recognized by the United States secretary of education under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.) in an accredited or approved college or university;

(2) submit a transcript from a public or private institution of higher learning showing successful completion of course work in amounts set by the commission by rule in:

(A) normal development and use of speech, language, and hearing;

(B) evaluation, habilitation, and rehabilitation of speech,

No equivalent provision. ARTICLE 6. [Deleted by FA1(8)]

No equivalent provision. SECTION 6.01. [Deleted by FA1(8)]

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language, and hearing disorders; and
(C) related fields that augment the work of clinical practitioners of speech-language pathology and audiology;
(3) have successfully completed at least 36 semester hours in courses that are acceptable toward a graduate degree by the college or university in which the courses are taken, at least 24 of which must be in the professional area for which the license is requested;
(4) have completed the minimum number of hours, established by the commission by rule, of supervised clinical experience with persons who present a variety of communication disorders; and
(5) have completed the full-time supervised professional experience, as defined by commission rule, in which clinical work has been accomplished in the major professional area for which the license is being sought.

SECTION 5.02. Section 401.304(a), Occupations Code, as amended by this article, applies only to a license application submitted on or after the effective date of this Act. A license application submitted before that date is governed by the law in effect on the date the license application was submitted, and the former law is continued in effect for that purpose.

No equivalent provision.

No equivalent provision.

No equivalent provision. SECTION 6.02. [Deleted by FA1(8)]

ARTICLE 7. REGULATION OF RACING

SECTION 7.01. Subchapter C, Chapter 51, Occupations Code, is amended by adding Section 51.1041 to read as follows:

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Sec. 51.1041. PEACE OFFICERS. (a) The department may commission as a peace officer an employee who has been certified as qualified to be a peace officer by the Texas Commission on Law Enforcement.

(b) A peace officer commissioned by the department may enforce any provision of this chapter relating to the regulation of racing or any law establishing a program regulated by the department under Subtitle A-1, Title 13, related to the regulation of racing.

(c) A peace officer commissioned under this section has the powers, privileges, and immunities of a peace officer while carrying out duties authorized by this chapter or a law establishing a program regulated by the department.

No equivalent provision.

SECTION 7.02. Section 2021.003, Occupations Code, is amended by amending Subdivisions (2), (8), (9), (14), (20), (21), (24), (35), and (54) and adding Subdivisions (2-a) and (12-a) to read as follows:

(2) "Active license" means a racetrack license designated by the department [~~eommission~~] as active.

(2-a) "Advisory board" means the Texas Racing Advisory Board.

(8) "Commission" means the Texas [~~Racing~~] Commission of Licensing and Regulation.

(9) "Concessionaire" means a person licensed by the department [~~eommission~~] to sell refreshments or souvenirs at a racetrack.

(12-a) "Department" means the Texas Department of Licensing and Regulation.

(14) "Executive director" means the executive director of the department [~~eommission~~].

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(20) "Horsemen's organization" means an organization recognized by the department [~~commission~~] that:

(A) represents horse owners and trainers in negotiating and contracting with racetrack associations on subjects relating to racing; and

(B) represents and advocates the interests of horse owners and trainers before administrative, legislative, and judicial forums.

(21) "Inactive license" means a racetrack license designated by the department [~~commission~~] as inactive.

(24) "Maiden" means a horse that has never won a race at a race meeting authorized by the department [~~commission~~] or by another racing jurisdiction.

(35) "Performance" means the consecutive running of a specified number of greyhound races as determined by the department [~~commission~~].

(54) "Trainer" means a person who is licensed by the department [~~commission~~] to train horses or greyhounds.

No equivalent provision.

SECTION 7.03. Sections 2021.004(1) and (5), Occupations Code, are amended to read as follows:

(1) "Authorized agent" means a person appointed by an owner of a horse to represent the owner. The term is limited to a person who is appointed by a written instrument that the department [~~commission~~] acknowledges and approves.

(5) "Jockey" or "apprentice jockey" means a professional rider licensed by the department [~~commission~~] to ride in horse races.

No equivalent provision.

SECTION 7.04. Section 2021.006, Occupations Code, is

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amended to read as follows:

Sec. 2021.006. RELEASE OF CIVIL LIABILITY. A commission member, the executive director, a department ~~[commission]~~ employee, a steward or judge, a racetrack association, a horsemen's organization, or any other person regulated under this subtitle is not liable for a cause of action that arises out of that person's performance or exercise of discretion in the implementation or enforcement of this subtitle or a rule adopted under this subtitle if the person has acted in good faith.

No equivalent provision.

SECTION 7.05. Sections 2021.008(a), (b), (c), and (d), Occupations Code, are amended to read as follows:

(a) The advisory board ~~[commission]~~ is subject to Chapter 325, Government Code (Texas Sunset Act). The advisory board shall be reviewed during the period in which the commission and department are reviewed under Section 51.002. Unless the advisory board is continued in existence and the commission and department are continued in existence as provided by that section, ~~[chapter,~~ and except as provided by Subsections (b) and (c), ~~[the commission is abolished and]~~ this subtitle expires on the date provided by that section ~~[September 1, 2021].~~

(b) If, at the time the commission, department, and advisory board would be abolished under Subsection (a), a racetrack association has outstanding long-term liabilities:

(1) the racetrack association may continue to operate for a period not to exceed one year after those liabilities are satisfied; and

(2) the commission, the department, and this subtitle are continued in effect for the purpose of regulating that racetrack

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association under this subtitle.

(c) If the commission, the department, and this subtitle are continued in effect under Subsection (b), the commission and the department are [is] abolished and this subtitle expires on the first day of the state fiscal year following the state fiscal year in which the commission certifies to the secretary of state that no racetrack associations are operating under the terms of Subsection (b).

(d) A racetrack association that continues to operate under Subsection (b) may not incur any new liability without commission or department approval. At the beginning of that period, the commission or department shall:

- (1) review the outstanding liabilities of the racetrack association; and
- (2) set a specific date by which the racetrack association must retire its outstanding liabilities.

No equivalent provision.

SECTION 7.06. The heading to Chapter 2022, Occupations Code, is amended to read as follows:

CHAPTER 2022. TEXAS RACING ADVISORY BOARD
[~~COMMISSION~~]

No equivalent provision.

SECTION 7.07. The heading to Section 2022.001, Occupations Code, is amended to read as follows:

Sec. 2022.001. ADVISORY BOARD [~~COMMISSION~~]
MEMBERSHIP.

No equivalent provision.

SECTION 7.08. Section 2022.001(a), Occupations Code, is amended to read as follows:

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(a) The Texas Racing Advisory Board [~~commission~~] consists of 11 [~~seven~~] members appointed by the presiding officer of the commission, with commission approval, as follows:

- (1) one member who is a representative of a racetrack association holding a class 1 racetrack license;
- (2) one member who is a representative of a racetrack association holding a class 2 racetrack license;
- (3) one member who is a representative of a racetrack association holding a class 3 racetrack license;
- (4) one member who is a representative of a racetrack association holding a greyhound racetrack license;
- (5) one member who is a representative of the Texas Horsemen's Partnership;
- (6) one member who is a representative of the Texas Thoroughbred Association;
- (7) one member who is a representative of the Texas Quarter Horse Association;
- (8) one member who is a representative of the Texas Greyhound Association;
- (9) one member who is a veterinarian; and
- (10) two members of the public [~~governor with the advice and consent of the senate; and~~];

[~~two ex officio members who have the right to vote~~].

No equivalent provision.

SECTION 7.09. Subchapter A, Chapter 2022, Occupations Code, is amended by adding Section 2022.0011 to read as follows:

Sec. 2022.0011. DUTIES OF ADVISORY BOARD. The advisory board shall provide advice and recommendations to the department on technical matters relevant to the

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administration of this subtitle.

No equivalent provision.

SECTION 7.10. The heading to Section 2022.002, Occupations Code, is amended to read as follows:
Sec. 2022.002. TERM OF OFFICE; VACANCIES.

No equivalent provision.

SECTION 7.11. Section 2022.002, Occupations Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:
(a) Advisory board [~~Appointed commission~~] members hold office for staggered terms of six years with the terms of [~~two~~ ~~or~~] three members expiring February 1 of each odd-numbered year.
(c) If a vacancy occurs during a member's term, the presiding officer of the commission, with commission approval, shall appoint a member to fill the vacancy for the remainder of the unexpired term.

No equivalent provision.

SECTION 7.12. Section 2022.008, Occupations Code, is amended to read as follows:
Sec. 2022.008. PRESIDING OFFICER. (a) The presiding officer of the commission [~~governor~~] shall designate a [~~public~~] member of the advisory board [~~commission~~] as the presiding officer of the advisory board [~~commission~~] to serve in that capacity for a one-year term [~~at the pleasure of the governor~~].
(b) The presiding officer of the advisory board may vote on any matter before the advisory board.

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No equivalent provision.

SECTION 7.13. The heading to Section 2022.009, Occupations Code, is amended to read as follows:
Sec. 2022.009. ADVISORY BOARD [~~COMMISSION~~]
MEETINGS [~~RECORD OF COMMISSION VOTES~~].

No equivalent provision.

SECTION 7.14. Section 2022.009(a), Occupations Code, is amended to read as follows:
(a) The advisory board [~~commission~~] shall meet at the call of the presiding officer of the commission or the executive director [~~hold at least six regular meetings each year on dates fixed by the commission~~].

No equivalent provision.

SECTION 7.15. The heading to Section 2022.052, Occupations Code, is amended to read as follows:
Sec. 2022.052. [~~EMPLOYEES~~]; RESTRICTIONS ON EMPLOYMENT.

No equivalent provision.

SECTION 7.16. Section 2022.052(c), Occupations Code, is amended to read as follows:
(c) The commission or department may not employ or continue to employ a person who:
(1) owns or controls a financial interest in a [~~commission~~] license holder under this subtitle;
(2) is employed by or serves as a paid consultant to a [~~commission~~] license holder under this subtitle, an official state breed registry, or a Texas trade association, as defined by Section 51.0535(a) [~~2022.004(a)~~], in the field of horse or greyhound racing or breeding;
(3) owns or leases a race animal that participates in pari-

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mutuel racing in this state;

(4) accepts or is entitled to any part of the purse or Texas-bred incentive award to be paid on a horse or a greyhound in a race conducted in this state; or

(5) resides with or is related within the first degree by affinity or consanguinity to a person subject to a disqualification prescribed by this subsection.

No equivalent provision.

SECTION 7.17. The heading to Section 2022.103, Occupations Code, is amended to read as follows:

Sec. 2022.103. DEPARTMENT [~~COMMISSION~~]
INVESTIGATIVE FILES CONFIDENTIAL.

No equivalent provision.

SECTION 7.18. Sections 2022.103(a), (b), and (c), Occupations Code, are amended to read as follows:

(a) The contents of the investigatory files of the department [~~commission~~] are not public records and are confidential except:

(1) in a criminal proceeding;

(2) in a hearing conducted by the State Office of Administrative Hearings or the commission;

(3) on court order; or

(4) with the consent of the party being investigated.

(b) Except as otherwise provided by this subtitle, the files, records, information, compilations, documents, photographs, reports, summaries, and reviews of information and related matters that are collected, retained, or compiled by the Department of Public Safety in the discharge of the Department of Public Safety's [~~department's~~] duties under this subtitle are confidential and are not subject to public

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disclosure, but are subject to discovery by a person who is the subject of the files, records, information, compilations, documents, photographs, reports, summaries, and reviews of information and related matters that are collected, retained, or compiled by the Department of Public Safety [~~department~~] in the discharge of the Department of Public Safety's [~~department's~~] duties under this subtitle.

(c) An investigation report or other document submitted by the Department of Public Safety to the department [~~commission~~] becomes part of the investigative files of the department [~~commission~~] and is subject to discovery by a person who is the subject of the investigation report or other document submitted by the Department of Public Safety [~~department~~] to the department [~~commission~~] that is part of the investigative files of the department [~~commission~~].

No equivalent provision.

SECTION 7.19. Section 2022.105(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] shall require racetrack associations, managers, totalisator license holders, and concessionaires to keep books and records and to submit financial statements to the department [~~commission~~].

No equivalent provision.

SECTION 7.20. The heading to Chapter 2023, Occupations Code, is amended to read as follows:

CHAPTER 2023. COMMISSION, DEPARTMENT, AND RACE MEETING OFFICIAL POWERS AND DUTIES

No equivalent provision.

SECTION 7.21. Section 2023.001, Occupations Code, is

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amended to read as follows:

Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION OF HORSE RACING AND GREYHOUND RACING. (a) Notwithstanding any contrary provision in this subtitle, the department under the direction of the commission may license and regulate all aspects of horse racing and greyhound racing in this state, regardless of whether that racing involves pari-mutuel wagering.

(b) The commission^[5] in adopting rules and the department in the supervision and conduct of racing ^[5] shall consider the effect of a proposed [~~commission~~] action on the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industry.

No equivalent provision.

SECTION 7.22. Section 2023.002, Occupations Code, is amended to read as follows:

Sec. 2023.002. REGULATION AND SUPERVISION OF WAGERING AT RACE MEETINGS. (a) The department [~~commission~~] shall regulate and supervise each race meeting in this state that involves wagering on the result of horse racing or greyhound racing. Each person and thing relating to the operation of a race meeting is subject to regulation and supervision by the department [~~commission~~].

(b) The commission shall adopt rules on the issuance of licenses and other rules necessary to regulate horse racing and greyhound racing and the department shall ^[5] issue licenses^[5] and take any other necessary action relating [~~exclusively~~] to the regulation of horse racing or greyhound racing.

No equivalent provision.

SECTION 7.23. Section 2023.003(b), Occupations Code, is

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amended to read as follows:

(b) The department [~~commission~~] may charge in the amount set by the commission an annual fee for licensing and regulating a track that does not offer pari-mutuel wagering or a training facility in a reasonable amount that may not exceed the actual cost of enforcing rules adopted by the commission for the licensing and regulation of races and workouts at such a facility.

No equivalent provision.

SECTION 7.24. Section 2023.004(d), Occupations Code, is amended to read as follows:

(d) The department [~~commission~~] shall post at each racetrack notice of a meeting of the commission [~~under Subsection (c)~~] that includes an agenda of the meeting and a summary of the proposed rule.

No equivalent provision.

SECTION 7.25. Section 2023.006, Occupations Code, is amended to read as follows:

Sec. 2023.006. CONSIDERATION OF PAST PERFORMANCE OF RACETRACK ASSOCIATION. In considering a pleading of a racetrack association, the department [~~commission~~] shall take into account the operating experience of the racetrack association in this state, including:

- (1) the financial condition of the racetrack;
- (2) the regulatory compliance and conduct; and
- (3) any other relevant matter concerning the operation of a racetrack.

No equivalent provision.

SECTION 7.26. Section 2023.007, Occupations Code, is

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amended to read as follows:

Sec. 2023.007. RIGHT OF ENTRY. A commission member, a department employee, an authorized department ~~[commission]~~ agent or peace officer, a commissioned officer of the Department of Public Safety, or a peace officer of the local jurisdiction in which a racetrack association maintains a place of business may enter any part of a racetrack or any other place of business of a racetrack association at any time to enforce and administer this subtitle.

No equivalent provision.

SECTION 7.27. Section 2023.008, Occupations Code, is amended to read as follows:

Sec. 2023.008. TESTIMONY AND SUBPOENA POWER.

(a) For purposes of this section, "agent" means an appointed agent of the department ~~[commission]~~.

(b) A department employee ~~[commission member]~~ or an agent, while involved in carrying out functions under this subtitle, may:

- (1) take testimony;
- (2) require by subpoena the attendance of a witness; and
- (3) require the production of books, records, papers, correspondence, and other documents that the commission considers advisable.

(c) A subpoena must be issued under the signature of the executive director or the executive director's designee ~~[commission or an agent]~~. A person designated by the executive director ~~[commission]~~ must serve the subpoena.

(d) A department employee ~~[commission member]~~ or an agent may administer an oath to a witness appearing before the department ~~[commission]~~ or an agent.

(e) If a subpoena issued under this section is disobeyed, the

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department [~~commission~~] or an agent may invoke the aid of a Travis County district court in requiring compliance with the subpoena. A Travis County district court may issue an order requiring the person to appear and testify and to produce books, records, papers, correspondence, and documents. Failure to obey the court order shall be punished by the court as contempt.

No equivalent provision.

SECTION 7.28. Sections 2023.051 and 2023.052, Occupations Code, are amended to read as follows:

Sec. 2023.051. RECOGNITION OF ORGANIZATION. (a) The commission by rule shall adopt criteria to recognize an organization to represent members of a segment of the racing industry, including owners, breeders, trainers, kennel operators, or other persons involved in the racing industry, in any interaction between the members of the organization and a racetrack association or the department [~~commission~~].

(b) The department [~~commission~~] may recognize an organization that meets the criteria adopted under Subsection (a).

Sec. 2023.052. SECURITY FOR FEES AND CHARGES. The department [~~commission~~] may require a racetrack association to post security in an amount and form determined by the department [~~commission~~] to adequately ensure the payment of any fee or charge due to this state or the department [~~commission~~] relating to pari-mutuel racing, including a charge for drug testing.

No equivalent provision.

SECTION 7.29. Section 2023.053(f), Occupations Code, is amended to read as follows:

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(f) This section does not apply to:
(1) money deposited into the Texas-bred incentive fund established under Section 2028.301; or
(2) an administrative penalty remitted to the comptroller for deposit in the general revenue fund under Section 2033.058.

No equivalent provision.

SECTION 7.30. The heading to Section 2023.054, Occupations Code, is amended to read as follows:
Sec. 2023.054. ~~[COMMISSION]~~ STANDARDS ON GREYHOUND FARMS AND FACILITIES.

No equivalent provision.

SECTION 7.31. Sections 2023.056, 2023.057, 2023.058, 2023.059, and 2023.061, Occupations Code, are amended to read as follows:
Sec. 2023.056. COOPERATION WITH LAW ENFORCEMENT. (a) The department ~~[commission]~~ shall cooperate with a district attorney, a criminal district attorney, a county attorney, the Department of Public Safety, the attorney general, or a peace officer in enforcing this subtitle.
(b) The department ~~[commission]~~, under department ~~[commission]~~ authority to obtain criminal history record information under Section 2023.057, shall maintain and exchange pertinent intelligence data with other states and agencies.
Sec. 2023.057. ACCESS TO CRIMINAL HISTORY RECORDS. The department ~~[commission]~~ may obtain criminal history record information that relates to each applicant for ~~[employment by the commission and to each applicant for]~~ a license issued under this subtitle by the department, including an occupational license described by

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Section 2025.251(c), ~~[commission]~~ and that is maintained by the Department of Public Safety or the Federal Bureau of Investigation Identification Division. The department ~~[commission]~~ may refuse to issue a license to ~~[recommend]~~ an applicant who fails to provide a complete set of fingerprints.

Sec. 2023.058. COST OF CRIMINAL HISTORY RECORD CHECK. (a) The commission shall, in determining the amount of a license fee, set the fee in at least an amount necessary to cover the cost to the department of conducting a criminal history record check on a license applicant.

(b) The department ~~[commission]~~ shall reimburse the Department of Public Safety for the cost of conducting a criminal history record check under this subtitle.

Sec. 2023.059. DISTANCE LEARNING. The department ~~[commission]~~ may provide assistance to members of the racing industry who are attempting to develop or implement adult, youth, or continuing education programs that use distance learning.

Sec. 2023.061. BIENNIAL ~~[ANNUAL]~~ REPORT. (a) Not later than January 31 of each odd-numbered year, the department ~~[commission]~~ shall file a report with the governor, lieutenant governor, and speaker of the house of representatives.

(b) The report must cover the operations of the department under this subtitle ~~[commission]~~ and the condition of horse breeding and racing and greyhound breeding and racing during the preceding two-year period ~~[previous year]~~.

(c) The department ~~[commission]~~ shall obtain from the Department of Public Safety a comprehensive report of any organized crime activities in this state ~~[that the department may wish to report]~~ and information concerning illegal gambling that may be related to this subtitle known to exist in

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this state. The department [~~commission~~] shall include in the biennial [~~annual~~] report the Department of Public Safety's [~~department's~~] report and any recommendations the department [~~commission~~] considers appropriate.

No equivalent provision.

SECTION 7.32. Sections 2023.101(b), (c), and (d), Occupations Code, are amended to read as follows:

(b) The department [~~commission~~] shall employ or contract with each steward and judge for the supervision of a horse race or greyhound race meeting.

(c) The department [~~commission~~] shall designate one steward or judge, as appropriate, as the presiding steward or judge for each race meeting.

(d) Following the completion of a race meeting, a racetrack association may submit to the department [~~commission~~] for the department's [~~commission's~~] review written comments regarding the job performance of the stewards and judges. A racetrack association's comments submitted under this section are not binding, in any way, on the department [~~commission~~].

No equivalent provision.

SECTION 7.33. Section 2023.102(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] shall require each steward or judge to annually take and pass a written examination and a medical examination.

No equivalent provision.

SECTION 7.34. Section 2023.103, Occupations Code, is amended to read as follows:

Sec. 2023.103. [~~EMPLOYMENT—OF~~] STATE

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VETERINARIANS. For each race meeting, the department [~~commission~~] shall employ or contract for at least one state veterinarian.

No equivalent provision.

SECTION 7.35. Section 2023.104(b), Occupations Code, is amended to read as follows:

(b) The fee amount for compensating each steward, judge, and state veterinarian must be reasonable according to industry standards for the compensation of those officials at other racetracks and may not exceed the actual cost to the department [~~commission~~] for compensating the officials.

No equivalent provision.

SECTION 7.36. Section 2023.105, Occupations Code, is amended to read as follows:

Sec. 2023.105. EMPLOYMENT OF OTHER RACETRACK OFFICIALS. The racetrack association shall appoint, with the department's [~~commission's~~] approval, all racetrack officials other than the officials listed in Section 2023.104. Compensation for officials not compensated by the department [~~commission~~] is determined by the racetrack association.

No equivalent provision.

SECTION 7.37. Section 2023.106(b), Occupations Code, is amended to read as follows:

(b) The commission shall adopt rules that specify:
(1) the power and duties of each race meeting official, including the power of a steward or judge to impose penalties for unethical practices or violations of racing rules; and
(2) procedures for hearings conducted under this section.

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No equivalent provision.

SECTION 7.38. Section 2023.109, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The commission may adopt rules specifying the requirements for appealing a decision and eligibility of orders for consideration under this section.

No equivalent provision.

SECTION 7.39. Section 2024.002(a), Occupations Code, is amended to read as follows:

(a) The comptroller may inspect all books, records, and financial statements required by the commission or obtained by the department under Section 2022.105.

No equivalent provision.

SECTION 7.40. Sections 2024.053(a) and (b), Occupations Code, are amended to read as follows:

(a) The comptroller shall certify to the department [~~commission~~] the fact that a racetrack association or totalisator company:

- (1) does not comply with a rule adopted by the comptroller under this chapter;
 - (2) refuses to allow access to or inspection of any of the racetrack association's or totalisator company's required books, records, or financial statements;
 - (3) refuses to allow access to or inspection of the totalisator system; or
 - (4) becomes delinquent for:
 - (A) the state's share of a pari-mutuel pool; or
 - (B) any other tax collected by the comptroller.
- (b) With regard to the state's share of a pari-mutuel pool and

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any penalty related to the state's share, the comptroller, acting independently of the department [~~commission~~], may take any collection or enforcement action authorized under the Tax Code against a delinquent taxpayer.

No equivalent provision.

SECTION 7.41. Sections 2025.001 and 2025.002, Occupations Code, are amended to read as follows:

Sec. 2025.001. COMMISSION AND DEPARTMENT LICENSING DUTIES. (a) To preserve and protect the public health, welfare, and safety, the commission shall adopt rules relating to license applications and the financial responsibility [~~moral character,~~] and ability of applicants.

(b) The department [~~commission~~] shall prescribe application forms for licenses issued under this subtitle and shall provide each occupational license holder with a credential.

(c) The commission shall [~~annually~~] prescribe reasonable license fees for each category of license issued under this subtitle.

(d) The commission by rule shall set fees in amounts reasonable and necessary to cover the department's [~~commission's~~] costs of regulating, overseeing, and licensing live and simulcast racing at racetracks.

Sec. 2025.002. LICENSE AS PRIVILEGE. The operation of a racetrack and the participation in racing are privileges, not rights, granted only by the department [~~commission~~] by license and subject to reasonable and necessary conditions set by the commission and department.

No equivalent provision.

SECTION 7.42. Sections 2025.003(a), (c), (d), and (e), Occupations Code, are amended to read as follows:

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(a) An applicant for a license or license renewal under this subtitle must, except as otherwise provided by Section 2025.261, submit to the department [~~commission~~] a complete set of fingerprints for:

(1) the applicant; or

(2) if the applicant is not an individual, each officer or director of, and each person who owns at least a five percent interest in, the applicant.

(c) A peace officer of any state^[,] or any department employee designated by the executive director [~~district office of the commission,~~] shall take the fingerprints of an applicant for a license or license renewal on forms approved and furnished by the Department of Public Safety and immediately deliver the forms to the department [~~commission~~].

(d) If a complete set of fingerprints is required by the department [~~commission~~], the department [~~commission~~] shall, not later than the 10th business day after the date the department [~~commission~~] receives the fingerprints, forward the fingerprints to the Department of Public Safety or the Federal Bureau of Investigation. If the fingerprints are forwarded to the Department of Public Safety, the Department of Public Safety [~~department~~] shall:

(1) classify the fingerprints and check the fingerprints against the Department of Public Safety's [~~department's~~] fingerprint files; and

(2) report to the department [~~commission~~] the Department of Public Safety's [~~department's~~] findings concerning the existence or lack of a criminal record of the applicant.

(e) The department [~~commission~~] may not issue a racetrack license until the report under Subsection (d) is made to the department [~~commission~~]. The department [~~commission~~] may issue a temporary occupational license before the report is

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made to the department [~~commission~~].

No equivalent provision.

SECTION 7.43. Section 2025.051, Occupations Code, is amended to read as follows:
Sec. 2025.051. RACETRACK LICENSE REQUIRED; CRIMINAL PENALTY. A person may not conduct wagering on a horse or greyhound race meeting without first obtaining a racetrack license issued by the department [~~commission~~]. A person who violates this section commits an offense.

No equivalent provision.

SECTION 7.44. Sections 2025.052(a) and (b), Occupations Code, are amended to read as follows:
(a) The department [~~commission~~] shall require each applicant for an original racetrack license to submit an application, on a form prescribed by the department [~~commission~~], containing the following information:
(1) if the applicant is an individual:
(A) the individual's full name;
(B) the individual's date of birth;
(C) the individual's physical description;
(D) the individual's current address and telephone number;
and
(E) a statement by the individual disclosing any arrest or conviction for a felony or for a misdemeanor, except a misdemeanor under Subtitle C, Title 7, Transportation Code, or a similar misdemeanor traffic offense;
(2) if the applicant is a corporation:
(A) the state of incorporation;
(B) the names and addresses of the corporation's agents for service of process in this state;

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- (C) the name and address of each officer and director of the corporation;
- (D) the name and address of each stockholder of the corporation;
- (E) for each individual named under this subdivision, the information required by Subdivision (1); and
- (F) identification of:
 - (i) any other beneficial owner of a share in the applicant that has absolute or contingent voting rights;
 - (ii) any other person who directly or indirectly exercises any participation in the applicant; and
 - (iii) any other ownership interest in the applicant that the applicant making its best effort is able to identify;
- (3) if the applicant is an unincorporated business association:
 - (A) the name and address of each member of the association and, for each individual named under this subdivision, the information required by Subdivision (1); and
 - (B) identification of:
 - (i) any other person who exercises voting rights in the applicant or directly or indirectly exercises any participation in the applicant; and
 - (ii) any other ownership interest in the applicant that the applicant making its best effort is able to identify;
 - (4) the exact location at which a race meeting is to be conducted;
 - (5) if the racetrack is in existence, whether it is owned by the applicant and, if leased to the applicant:
 - (A) the name and address of the owner; and
 - (B) if the owner is a corporation or unincorporated business association, the name and address of each officer and director, any stockholder or member, and each agent for service of process in this state;

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- (6) if construction of the racetrack has not been initiated, whether it is to be owned by the applicant and, if it is to be leased to the applicant:
- (A) the name and address of the prospective owner; and
 - (B) if the owner is a corporation or unincorporated business association, the information required by Subdivision (5)(B);
- (7) identification of:
- (A) any other beneficial owner of a share that has absolute or contingent voting rights in the owner or prospective owner of the racetrack;
 - (B) any other person that directly or indirectly exercises any participation in the owner or prospective owner; and
 - (C) all other ownership interest in the owner or prospective owner that the applicant making its best effort is able to identify;
- (8) a detailed statement of the applicant's assets and liabilities;
- (9) the type of racing to be conducted and the dates requested;
- (10) proof of residency as required by Section 2025.201; and
- (11) any other information required by the department [~~commission~~].
- (b) An application must be attested [~~sworn~~] to:
- (1) by the applicant; or
 - (2) if the applicant is a corporation or association, by its chief executive officer.

No equivalent provision.

SECTION 7.45. Sections 2025.053(a) and (c), Occupations Code, are amended to read as follows:

(a) The department [~~commission~~] shall require each applicant for an original racetrack license to pay the required application fee. The fee must accompany the application and be paid in

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the form of a cashier's check, ~~[or]~~ certified check, or other form of payment acceptable to the department.

(c) Notwithstanding this section, if a licensed racetrack petitions for a higher racetrack classification, the department ~~[commission]~~ shall impose fees equal to the difference between the fees previously paid and the fees required for the higher classification.

No equivalent provision.

SECTION 7.46. Sections 2025.054(a) and (b), Occupations Code, are amended to read as follows:

(a) The department ~~[commission]~~ shall require each applicant for an original racetrack license to submit with the application for inspection and review by the department ~~[commission]~~ a copy of each management, concession, and totalisator contract associated with the proposed license at the proposed location in which the applicant has an interest.

(b) An applicant or license holder shall:

(1) advise the department ~~[commission]~~ of any change in any management, concession, or totalisator contract; and

(2) at the request of the department, provide any information the department considers necessary to review the change.

No equivalent provision.

SECTION 7.47. Sections 2025.055 and 2025.056, Occupations Code, are amended to read as follows:

Sec. 2025.055. CONFIDENTIALITY OF APPLICATION DOCUMENTS. Documents submitted to the department ~~[commission]~~ under Sections 2025.051-2025.054 by an applicant are subject to discovery in a suit brought under this subtitle but are not public records and are not subject to Chapter 552, Government Code.

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Sec. 2025.056. BACKGROUND CHECK. (a) The department [~~commission~~] shall require a complete personal, financial, and business background check of the applicant or of any person who owns an interest in or exercises control over an applicant for a racetrack license, including the partners, stockholders, concessionaires, management personnel, management firms, and creditors.

(b) The department may [~~commission shall~~] refuse to issue or renew a license or may revoke a license if [~~in the commission's sole discretion,~~] the background checks reveal anything that may be detrimental to the public interest or the racing industry. A proceeding under this section is subject to Subchapter G, Chapter 51.

(c) The executive director [~~commission~~] may not hold a hearing on the application, or any part of the application, of a racetrack license applicant before the 14th day after the date the completed background check of the applicant has been on file with the department [~~commission~~].

No equivalent provision.

SECTION 7.48. Section 2025.057(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] may, at any time, require a holder of or applicant for a racetrack license to post security in an amount reasonably necessary, as provided by commission rule, to adequately ensure the license holder's or applicant's compliance with substantive requirements of this subtitle and commission rules.

No equivalent provision.

SECTION 7.49. Section 2025.058, Occupations Code, is amended to read as follows:

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Sec. 2025.058. NOTIFICATION OF COMPLETED APPLICATION. When all requirements for the applicant's licensure described in this chapter have been satisfied, the department [~~commission~~] shall notify the applicant that the application is complete.

No equivalent provision.

SECTION 7.50. Sections 2025.101(b), (c), (e), and (f), Occupations Code, are amended to read as follows:

(b) In considering an application for a horse racetrack license under this chapter, the department [~~commission~~] shall give additional weight to evidence concerning an applicant who has experience operating a horse racetrack licensed under this subtitle.

(c) The department [~~commission~~] may not issue a license to operate a class 1 or class 2 racetrack or a greyhound racetrack to a corporation unless:

(1) the corporation is incorporated under the laws of this state; and

(2) a majority of any of its corporate stock is owned at all times by individuals who meet the residency qualifications prescribed by Section 2025.201 for individual applicants.

(e) Subsections (c) and (d) and Section 2025.201(a)(10) [~~2025.201(a)(12)~~] do not apply to an applicant for or the holder of a racetrack license if the applicant, the license holder, or the license holder's parent company is a publicly traded company.

(f) The department [~~commission~~] may condition the issuance of a license under this chapter on the observance of commission rules. [~~The commission may amend the rules at any time and may condition the continued holding of the license on compliance with the rules as amended.~~]

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No equivalent provision.

SECTION 7.51. Section 2025.102, Occupations Code, is amended to read as follows:

Sec. 2025.102. QUALIFICATIONS FOR ISSUANCE OF RACETRACK LICENSE. (a) The department [~~commission~~] may issue a racetrack license to a qualified person if the department [~~commission~~]:

(1) determines that the conduct of race meetings at the proposed racetrack and location:

- (A) will be in the public interest;
- (B) complies with all zoning laws; and
- (C) complies with this subtitle and commission rules; and

(2) determines by clear and convincing evidence that the applicant will comply with all criminal laws of this state.

(b) In determining whether to grant or deny an application for any class of racetrack license, the department [~~commission~~] may consider:

- (1) the applicant's financial stability;
- (2) the applicant's resources for supplementing the purses for races for various breeds;
- (3) the location of the proposed racetrack;
- (4) the effect of the proposed racetrack on traffic flow;
- (5) facilities for patrons and occupational license holders;
- (6) facilities for race animals;
- (7) availability to the racetrack of support services and emergency services;
- (8) the experience of the applicant's employees;
- (9) the potential for conflict with other licensed race meetings;
- (10) the anticipated effect of the race meeting on the horse or greyhound breeding industry in this state; and

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(11) the anticipated effect of the race meeting on the state and local economy from tourism, increased employment, and other sources.

(c) The department [~~commission~~] shall make a determination on a pending application not later than the 120th day after the date the department [~~commission~~] provides the notice required under Section 2025.058.

No equivalent provision.

SECTION 7.52. Sections 2025.103(a), (c), and (d), Occupations Code, are amended to read as follows:

(a) After a racetrack association has been granted a license to operate a racetrack and before the completion of construction at the designated place for which the license was issued, the department [~~commission~~] may, on application by the racetrack association, issue a temporary license that authorizes the racetrack association to conduct races at a location in the same county until the earlier of:

(1) the second anniversary of the date of issuance of the temporary license; or

(2) the completion of the permanent facility.

(c) The department [~~commission~~] may set conditions and standards for issuance of a temporary license and allocation of appropriate race days.

(d) The department [~~commission~~] may not issue a new temporary license or an extension of a temporary license to a person or to an individual belonging to a corporation or association that has been granted a temporary license after the temporary license has expired.

No equivalent provision.

SECTION 7.53. Sections 2025.104(a), (b), and (d),

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Occupations Code, are amended to read as follows:

- (a) The department [~~commission~~] shall designate each racetrack license as an active license or an inactive license. The department [~~commission~~] may change the designation of a racetrack license as appropriate.
- (b) The department [~~commission~~] shall designate a racetrack license as an active license if the license holder:
 - (1) holds live racing events at the racetrack; or
 - (2) makes good faith efforts to conduct live racing.
- (d) Before the first anniversary of the date a new racetrack license is issued, the department [~~commission~~] shall conduct an evaluation of the license to determine whether the license is an active or inactive license.

No equivalent provision.

SECTION 7.54. Section 2025.105, Occupations Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsection (g) to read as follows:

- (a) The commission by rule shall establish an annual renewal process for inactive licenses and may require the license holder to provide any information required for an original license application under this subtitle. An inactive license holder must complete the annual renewal process established under this section until the department [~~commission~~]:
 - (1) designates the license as an active license; or
 - (2) refuses to renew the license.
- (b) In determining whether to renew an inactive license, the department [~~commission~~] shall consider:
 - (1) the inactive license holder's:
 - (A) financial stability;
 - (B) ability to conduct live racing;
 - (C) ability to construct and maintain a racetrack; and

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- (D) other good faith efforts to conduct live racing; and
(2) other necessary factors considered in the issuance of the original license.
- (c) The department [~~commission~~] may refuse to renew an inactive license if, after notice and opportunity for a hearing, the department [~~commission~~] determines that:
- (1) renewal of the license is not in the best interests of the racing industry or the public; or
(2) the license holder has failed to make a good faith effort to conduct live racing.
- (d) The department [~~commission~~] shall consult with the advisory board, members of the racing industry, and other key stakeholders in developing the license renewal process under this section.
- (e) The commission shall set and the department shall collect renewal fees in amounts reasonable and necessary to cover the costs of administering and enforcing this section.
- (g) A proceeding under this section is a contested case for purposes of Chapter 2001, Government Code.

No equivalent provision.

SECTION 7.55. Section 2025.106, Occupations Code, is amended to read as follows:
Sec. 2025.106. DEPARTMENT [~~COMMISSION~~] REVIEW OF ACTIVE RACETRACK LICENSE; FEE. (a) The department [~~commission~~] shall review the ownership and management of an active license issued under this chapter every five years beginning on the fifth anniversary of the date of issuance of the license.
(b) In performing the review, the department [~~commission~~] may require the license holder to provide any information that would be required to be provided in connection with an

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original license application under this chapter.

(c) The department [~~commission~~] shall charge fees for the review in amounts set by the commission as sufficient to implement this section.

No equivalent provision.

SECTION 7.56. Section 2025.107(b), Occupations Code, is amended to read as follows:

(b) If the death of any person causes a violation of the licensing provisions of this subtitle, the department [~~commission~~] may issue, in accordance with commission rules, a temporary license for a period not to exceed one year.

No equivalent provision.

SECTION 7.57. Sections 2025.108 and 2025.151, Occupations Code, are amended to read as follows:

Sec. 2025.108. RACETRACK LICENSE ANNUAL FEE. The commission may prescribe a reasonable annual fee to be paid to the department by each racetrack license holder. The fee must be in an amount sufficient to provide that the total amount of fees imposed under this section, the license fees prescribed under Section 2025.001(c), and the renewal fees prescribed under Section 2025.105(e) are sufficient to cover the costs of administering and enforcing this subtitle.

Sec. 2025.151. LIMITATION ON NUMBER OF GREYHOUND RACETRACK LICENSES. The department [~~commission~~] may not issue licenses for more than three greyhound racetracks in this state.

No equivalent provision.

SECTION 7.58. Section 2025.201, Occupations Code, is amended by amending Subsections (a) and (c) and adding

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Subsection (d) to read as follows:

(a) The department [~~commission~~] may refuse to issue a racetrack license or may revoke or suspend a license if, after notice and opportunity for a hearing, the department [~~commission~~] finds that the applicant or license holder, as appropriate:

(1) has been convicted of a violation of this subtitle or a commission rule, or has aided, abetted, or conspired to commit a violation of this subtitle or a commission rule;

(2) has been convicted of or placed on deferred adjudication for a felony or misdemeanor [~~a crime involving moral turpitude, including a conviction for which the punishment received was a suspended sentence, probation, or a nonadjudicated conviction,~~] that is reasonably related to the person's present fitness to hold a license under this subtitle;

(3) [~~has violated or has caused to be violated this subtitle or a commission rule in a manner that involves moral turpitude, as distinguished from a technical violation of this subtitle or a rule;~~

[(4)] is unqualified, by experience or otherwise, to perform the duties required of a license holder under this subtitle;

(4) [(5)] failed to answer or falsely or incorrectly answered a question in an application;

(5) [(6)] fails to disclose the true ownership or interest in a horse or greyhound as required by commission rules;

(6) [(7)] is indebted to this state for any fee or for the payment of a penalty imposed by this subtitle or a commission rule;

(7) has developed an incapacity that prevents or could prevent the applicant or license holder from conducting the applicant's or license holder's business with reasonable skill and competence and in a manner that does not endanger public

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safety;

~~(8) [is not of good moral character or the person's reputation as a peaceable, law-abiding citizen in the community where the person resides is bad;~~

~~[(9)]~~ is not at least the minimum age necessary to purchase alcoholic beverages in this state;

~~(9) [(10) is in the habit of using alcoholic beverages to an excess or uses a controlled substance as defined by Chapter 481, Health and Safety Code, or a dangerous drug as defined in Chapter 483, Health and Safety Code, or is mentally incapacitated;~~

~~[(11)]~~ may be excluded from an enclosure under this subtitle;

~~(10) [(12)]~~ has not been a United States citizen residing in this state for the 10 consecutive years preceding the filing of the application;

~~(11) [(13)]~~ has improperly used a credential, including a license certificate or identification card, issued under this subtitle;

~~(12) [(14)]~~ resides with a person whose license was revoked for cause during the 12 months preceding the date of the present application;

~~(13) [(15) has failed or refused to furnish a true copy of the application to the commission's district office in the district in which the premises for which the license is sought are located;~~

~~[(16)]~~ is engaged or has engaged in activities or practices the department ~~[commission]~~ determines are detrimental to the best interests of the public and the sport of horse racing or greyhound racing; or

~~(14) [(17)]~~ fails to fully disclose the true owners of all interests, beneficial or otherwise, in a proposed racetrack.

(c) The department ~~[commission]~~ may refuse to issue a license or may suspend or revoke a license of a license holder

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under this subchapter who knowingly or intentionally allows access to an enclosure where horse races or greyhound races are conducted to a person:

- (1) who has engaged in bookmaking, touting, or illegal wagering;
 - (2) whose income is from illegal activities or enterprises; or
 - (3) who has been convicted of a violation of this subtitle.
- (d) A proceeding under this section is a contested case for purposes of Chapter 2001, Government Code.

No equivalent provision.

SECTION 7.59. Section 2025.202(b), Occupations Code, is amended to read as follows:

(b) Notwithstanding the requirements of Section 2033.151, if, after notice and opportunity for a hearing as provided by Section 2033.152, the commission finds that a racetrack license holder or a person employed by the racetrack has violated this subtitle or a commission rule, or if the department [~~commission~~] finds during a review or renewal that the racetrack is ineligible for a license under this chapter, the commission may:

- (1) revoke, suspend, or refuse to renew the racetrack license;
- (2) impose an administrative penalty as provided under Section 2033.051; or
- (3) take any other action as provided by commission rule.

No equivalent provision.

SECTION 7.60. Section 2025.203(a), Occupations Code, is amended to read as follows:

(a) The executive director [~~commission~~] may summarily suspend a racetrack license if the executive director [~~commission~~] determines that a racetrack at which races or

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pari-mutuel wagering are conducted under the license is being operated in a manner that constitutes an immediate threat to the health, safety, or welfare of the racing participants or the patrons.

No equivalent provision.

SECTION 7.61. Section 2025.204(d), Occupations Code, is amended to read as follows:

(d) At the hearing, the department [~~commission~~] has the burden of proof and must present evidence in support of the order. The license holder requesting the hearing may cross-examine witnesses and show cause why the order should not be affirmed.

No equivalent provision.

SECTION 7.62. Sections 2025.205, 2025.251, 2025.253, 2025.254, and 2025.255, Occupations Code, are amended to read as follows:

Sec. 2025.205. SUMMARY SUSPENSION FINAL ORDER.

(a) After the hearing on the suspension of a racetrack license, the commission [~~executive director~~] shall affirm, modify, or set aside, wholly or partly, the summary suspension order. An order affirming or modifying the summary suspension order is final for purposes of enforcement and appeal.

(b) A final order under this section may be appealed in the manner provided by Subchapter G, Chapter 2001, Government Code.

Sec. 2025.251. OCCUPATIONAL LICENSE REQUIRED.

(a) Except as provided by this section, a person, other than as a spectator or as a person placing a wager, may not participate in racing with pari-mutuel wagering without first obtaining a license from the department [~~commission~~]. A person may not

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engage in any occupation for which commission rules require a license under this subtitle without first obtaining a license from the department [~~commission~~].

(b) The commission by rule shall categorize the occupations of racetrack employees and determine the occupations that afford the employee an opportunity to influence racing with pari-mutuel wagering. The rules must require an employee to be licensed under this subtitle if the employee:

(1) works in an occupation determined by the department [~~commission~~] to afford the employee an opportunity to influence racing with pari-mutuel wagering; or

(2) will likely have significant access to the backside of a racetrack or to restricted areas of the frontside of a racetrack.

(c) The commission by rule may require the following persons to hold an occupational license under this subtitle:

(1) an adoption program employee;

(2) an announcer;

(3) an apprentice jockey;

(4) an assistant farrier, plater, or blacksmith;

(5) an assistant starter;

(6) an assistant trainer;

(7) an assistant trainer/owner;

(8) an association assistant management employee;

(9) an association management employee;

(10) an association officer or director;

(11) an association staff employee;

(12) an association employee other than an employee described in this subsection;

(13) an association veterinarian;

(14) an authorized agent;

(15) a chaplain;

(16) a chaplain assistant;

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- (17) an equine dental provider;
- (18) an exercise rider;
- (19) a farrier, plater, or blacksmith;
- (20) a groom/exercise rider;
- (21) a groom/hot walker;
- (22) a groom/pony person;
- (23) a jockey;
- (24) a jockey agent;
- (25) a kennel helper;
- (26) a kennel owner;
- (27) a kennel owner/owner;
- (28) a kennel owner/owner/trainer;
- (29) a kennel owner/trainer;
- (30) a kennel registration employee;
- (31) a lead-out;
- (32) a maintenance employee;
- (33) a medical employee;
- (34) miscellaneous racetrack employees;
- (35) a multiple owner/stable/farm registration employee;
- (36) a mutuel clerk;
- (37) a mutuel employee other than a clerk;
- (38) an owner;
- (39) an owner-trainer;
- (40) a pony person;
- (41) a racing industry representative;
- (42) a racing industry employee;
- (43) a racing official;
- (44) a security officer;
- (45) a stable foreman;
- (46) a tattooer;
- (47) a test technician;
- (48) a trainer;

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- (49) a training facility employee;
- (50) a training facility general manager;
- (51) a valet;
- (52) a vendor concessionaire;
- (53) a vendor concessionaire employee;
- (54) a vendor-totalisator company;
- (55) a vendor-totalisator employee;
- (56) a veterinarian; and
- (57) a veterinarian assistant.

Sec. 2025.253. EXAMINATION NOTIFICATION. (a) If an examination is required for the issuance of a license under this subchapter, the department [~~commission~~] shall notify each examinee of the results of the examination not later than the 30th day after the date the licensing examination is administered under this subtitle.

(b) If requested in writing by a person who fails a licensing examination administered under this subtitle, the department [~~commission~~] shall furnish the person with an analysis of the person's performance on the examination.

Sec. 2025.254. ISSUANCE OF LICENSE. The department [~~commission~~] shall issue a license to a qualified person on application and payment of the license fee.

Sec. 2025.255. ISSUANCE OF IDENTIFICATION CARD. The department [~~commission~~] shall issue a license certificate under this subchapter in the form of an identification card with a photograph and other information as prescribed by the department [~~commission~~].

No equivalent provision.

SECTION 7.63. Section 2025.256(c), Occupations Code, is amended to read as follows:

(c) In setting the fee schedule under Subsection (a), the

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commission shall include the cost of criminal history record information obtained under Section 2023.058. The department [~~commission~~] may determine the best method for recovering this cost and complying with this section, including collecting the costs over an extended period.

No equivalent provision.

SECTION 7.64. Section 2025.258(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] shall obtain criminal history record information on each applicant renewing an occupational license under this subchapter.

No equivalent provision.

SECTION 7.65. Section 2025.259, Occupations Code, is amended to read as follows:

Sec. 2025.259. LICENSE VALID THROUGHOUT STATE. A license issued under this subchapter is valid, as determined by the department [~~commission~~], at all race meetings conducted in this state.

No equivalent provision.

SECTION 7.66. Section 2025.260(a), Occupations Code, is amended to read as follows:

(a) Pending investigation of an applicant's qualifications to receive an original or renewal license, the department [~~commission~~] may issue a temporary license to an applicant under this subchapter whose application appears to comply with the requirements of law and who has paid the necessary fee.

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No equivalent provision.

SECTION 7.67. Sections 2025.261 and 2025.262, Occupations Code, are amended to read as follows:

Sec. 2025.261. RECIPROCAL LICENSES; OUT-OF-STATE APPLICANTS. (a) The executive director [~~commission~~] may waive any prerequisite to obtaining a license for an applicant, including any requirement to submit a set of fingerprints, after reviewing the applicant's credentials and determining that the applicant holds a license from another state that has license requirements substantially equivalent to the requirements of this state.

(b) The executive director [~~commission~~] may waive any prerequisite to obtaining a license, including any requirement to submit a set of fingerprints, for an applicant who holds a license from another state with which this state has a reciprocity agreement. The department [~~commission~~] may enter into agreements with other states to allow for licensing by reciprocity.

Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND SUSPENSION OF OCCUPATIONAL LICENSE. (a) The department [~~commission~~] may refuse to issue any original or renewal license under this subchapter or may revoke or suspend the license if, after notice and opportunity for a hearing, the department [~~commission~~] finds that the applicant or license holder, as appropriate:

- (1) has been convicted of a violation of this subtitle or a commission rule or has aided, abetted, or conspired to commit a violation of this subtitle or a commission rule;
- (2) has been convicted of or placed on deferred adjudication for a felony or misdemeanor [~~a crime involving moral turpitude~~] that is reasonably related to the person's present fitness to hold a license under this subtitle;
- (3) [~~has violated or has caused to be violated this subtitle or a~~]

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~~commission rule in a manner that involves moral turpitude, as distinguished from a technical violation of this subtitle or a rule;~~

~~(4)~~ is unqualified, by experience or otherwise, to perform the duties required of a license holder under this subtitle;

~~(4)~~ ~~(5)~~ failed to answer or has falsely or incorrectly answered a question in an original or renewal application;

~~(5)~~ ~~(6)~~ fails to disclose the true ownership or interest in a horse or greyhound as required by commission rules;

~~(6)~~ ~~(7)~~ is indebted to this state for any fee or for the payment of a penalty imposed by this subtitle or a commission rule;

(7) has developed an incapacity that prevents or could prevent the applicant or license holder from conducting the applicant's or license holder's business with reasonable skill and competence and in a manner that does not endanger public safety;

~~(8) [is not of good moral character or the person's reputation as a peaceable, law-abiding citizen in the community where the person resides is bad;~~

~~(9) is in the habit of using alcoholic beverages to an excess or uses a controlled substance as defined in Chapter 481, Health and Safety Code, or a dangerous drug as defined in Chapter 483, Health and Safety Code, or is mentally incapacitated;~~

~~(10)~~ may be excluded from an enclosure under this subtitle;

~~(9)~~ ~~(11)~~ has improperly used a temporary pass, license certificate, credential, or identification card issued under this subtitle;

~~(10)~~ ~~(12)~~ resides with a person whose license was revoked for cause during the 12 months preceding the date of the present application;

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(11) [(13)] has failed or refused to furnish a true copy of the application to the department's [~~commission's~~] district office in the district in which the premises for which the license is sought are located; or

(12) [(14)] is engaged or has engaged in activities or practices that are detrimental to the best interests of the public and the sport of horse racing or greyhound racing.

(b) A proceeding under this section is a contested case for purposes of Chapter 2001, Government Code.

No equivalent provision.

SECTION 7.68. Section 2026.003, Occupations Code, is amended to read as follows:

Sec. 2026.003. FINANCIAL DISCLOSURE. (a) The commission by rule shall require that each racetrack association that holds a license for a class 1 racetrack, class 2 racetrack, or greyhound racetrack annually file with the department [~~commission~~] a detailed financial statement that:

(1) contains the names and addresses of all stockholders, members, and owners of any interest in the racetrack;

(2) indicates compliance during the filing period with Section 2025.101; and

(3) includes any other information required by the department [~~commission~~].

(b) Each transaction that involves an acquisition or a transfer of a pecuniary interest in the racetrack association must receive prior approval from the department [~~commission~~]. A transaction that changes the ownership of the racetrack association requires submission of updated information of the type required to be disclosed under Section 2025.052 and payment of a fee to recover the costs of the criminal background check.

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No equivalent provision.

SECTION 7.69. Section 2026.004(b), Occupations Code, is amended to read as follows:

(b) If the racetrack or enclosure designated in the license becomes unsuitable for racing because of fire, flood, or other catastrophe, the affected racetrack association, with the prior approval of the executive director [~~commission~~], may conduct a race meeting or any remaining portion of a meeting temporarily at any other racetrack if the other racetrack license holder:

- (1) is licensed by the department [~~commission~~] to conduct the same type of racing as may be conducted by the affected racetrack association; and
- (2) consents to the usage.

No equivalent provision.

SECTION 7.70. Sections 2026.005 and 2026.006, Occupations Code, are amended to read as follows:

Sec. 2026.005. CHANGE OF RACING LOCATION. On request of a racetrack association, the department [~~commission~~] shall amend a racetrack license to change the location of the racetrack if the department [~~commission~~] determines that:

- (1) the conduct of race meetings at the proposed new location will be in the public interest;
- (2) there was not a competing applicant for the original license; and
- (3) the racetrack association's desire to change location is not the result of a subterfuge in the original licensing proceeding.

Sec. 2026.006. LEASE OF RACETRACK PREMISES. (a) The commission by rule may provide for the department to

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authorize a racetrack association, as lessee, to contract for the lease of a racetrack and the surrounding structures.

- (b) The department [~~commission~~] may not approve a lease if:
- (1) the lease appears to be a subterfuge to evade compliance with Section 2025.101 or 2025.201;
 - (2) the racetrack and surrounding structures do not conform to the rules adopted under this subtitle; or
 - (3) the lessee, prospective lessee, or lessor is disqualified from holding a racetrack license.
- (c) Each lessor and lessee under this section must comply with the disclosure requirements of Section 2025.052(a)(1). The department [~~commission~~] may not approve a lease if the lessor and lessee do not provide the required information.

No equivalent provision.

SECTION 7.71. Section 2026.007(e), Occupations Code, is amended to read as follows:

- (e) The commission shall adopt rules implementing this section, including rules:
- (1) requiring the report and correction of:
 - (A) an inappropriate condition on the premises of a racetrack, including a failure to properly maintain the premises, that interferes with the administration of this subtitle; and
 - (B) a condition on the premises that makes the premises unsafe for a race participant, patron, or animal; and
 - (2) determining the methods and manner by which the executive director may determine and remedy inappropriate or unsafe conditions on the premises, including the methods and manner in which the department [~~executive director~~] may conduct inspections of the premises and remedy emergency situations.

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No equivalent provision.

SECTION 7.72. Section 2026.008, Occupations Code, is amended to read as follows:

Sec. 2026.008. SUPERVISION OF CONSTRUCTION, RENOVATION, AND MAINTENANCE; ENFORCEMENT.

(a) The commission by rule shall adopt a method of supervising and approving the construction, renovation, or maintenance of any building or improvement on the premises of a racetrack.

(b) The commission shall adopt rules relating to:

- (1) the approval of plans and specifications;
- (2) the contents of plans and specifications;
- (3) the maintenance of records to ensure compliance with approved plans and specifications;
- (4) the content and filing of construction progress reports by the racetrack association to the department [~~commission~~];
- (5) the inspection by the department [~~commission~~] or others;
- (6) the method for making a change or amendment to an approved plan or specification; and
- (7) any other method of supervision or oversight necessary.

(c) If the department [~~commission~~] has grounds to believe that a racetrack association has failed to comply with the requirements of this section, a representative of the racetrack association shall appear before the commission or department to consider the issue of compliance with rules adopted under this section.

(d) Before a building or improvement may be used by a racetrack association, the department [~~commission~~] shall determine whether:

- (1) the construction, renovation, or maintenance of the building or improvement was completed in accordance with the approved plans and specifications; and
- (2) other [~~commission~~] requirements under this subtitle were

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met.

(e) If the department [~~commission~~] determines that the racetrack association failed to comply with a requirement of this section or a rule adopted under this section, the department [~~commission~~] shall initiate an enforcement action against the racetrack association. In addition to any other authorized enforcement action, the department [~~commission~~] may rescind any live or simulcast race date of any racetrack association that has failed to comply with the requirements of this section.

No equivalent provision.

SECTION 7.73. Section 2026.013(b), Occupations Code, is amended to read as follows:

(b) The department [~~commission~~] may impose disciplinary action against a racetrack for violations of this subtitle and commission rules by the racetrack's employees as provided by Section 2025.202.

No equivalent provision.

SECTION 7.74. Section 2026.051, Occupations Code, is amended to read as follows:

Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR EJECTION. The commission shall adopt rules providing for the exclusion or ejection from an enclosure where horse or greyhound races are conducted, or from specified portions of an enclosure, of a person:

- (1) who has engaged in bookmaking, touting, or illegal wagering;
- (2) whose income is from illegal activities or enterprises;
- (3) who has been convicted of a violation of this subtitle;
- (4) who has been convicted of theft;

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- (5) who has been convicted under the penal law of another jurisdiction for committing an act that would have constituted a violation of any rule described in this section;
- (6) who has committed a corrupt or fraudulent act in connection with horse or greyhound racing or pari-mutuel wagering or who has committed any act tending or intended to corrupt horse or greyhound racing or pari-mutuel wagering;
- (7) who is under suspension or has been excluded or ejected from a racetrack by the department [~~commission~~] or a steward in this state or by a corresponding authority in another state because of corrupt or fraudulent practices or other acts detrimental to racing;
- (8) who has submitted a forged pari-mutuel ticket or has altered or forged a pari-mutuel ticket for cashing or who has cashed or caused to be cashed an altered, raised, or forged pari-mutuel ticket;
- (9) [~~who has been convicted of committing a lewd or lascivious act or other crime involving moral turpitude;~~];
- [(10)] who is guilty of [~~boisterous or~~] disorderly conduct while inside an enclosure;
- [(10)] [(11)] who is an agent [~~or habitual associate~~] of a person excludable under this section; or
- [(11)] [(12)] who has been convicted of a felony.

No equivalent provision.

SECTION 7.75. Sections 2026.052(a) and (b), Occupations Code, are amended to read as follows:

- (a) A person who is excluded or ejected from an enclosure under a commission rule may apply to the department [~~commission~~] for a hearing on the question of the applicability of the rule to that person.
- (b) A proceeding [~~An application for a hearing~~] under this

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section is [~~Subsection (a) constitutes~~] a contested case for purposes of [~~under~~] Chapter 2001, Government Code. If, after a hearing as provided under Subchapter C of that chapter, the commission determines that the exclusion or ejection was proper:

- (1) the commission shall issue an order to that effect [~~and enter the order in the commission's minutes~~]; and
- (2) the person shall continue to be excluded from each racetrack association's enclosure.

No equivalent provision.

SECTION 7.76. Section 2026.102(a), Occupations Code, is amended to read as follows:

- (a) A class 1 racetrack is a racetrack on which live racing is conducted for a number of days in a calendar year, as determined by the department [~~commission~~] under Subchapter A, Chapter 2029.

No equivalent provision.

SECTION 7.77. Section 2026.103, Occupations Code, is amended to read as follows:

Sec. 2026.103. CLASS 2 RACETRACK. (a) A class 2 racetrack is a racetrack on which live racing is conducted for a number of days, as determined by the department [~~commission~~] under Subchapter A, Chapter 2029.

- (b) A class 2 racetrack is entitled to conduct 60 days of live racing in a calendar year. A racetrack association may request additional or fewer days of live racing. If, after receipt of a request from a racetrack association, the department [~~commission~~] determines additional or fewer days to be economically feasible and in the best interest of this state and the racing industry, the department [~~commission~~] shall grant

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the request.

(c) The department [~~eommission~~] may permit a racetrack association that holds a class 2 racetrack license and that is located in a national historic district to conduct horse races for more than 60 days in a calendar year.

No equivalent provision.

SECTION 7.78. Section 2026.105(b), Occupations Code, is amended to read as follows:

(b) A racetrack association that holds a class 4 racetrack license may conduct live races for a number of days not to exceed five days in a calendar year on dates selected by the racetrack association and approved by the department [~~eommission~~].

No equivalent provision.

SECTION 7.79. Section 2026.106, Occupations Code, is amended to read as follows:

Sec. 2026.106. WAIVER OR DEFERRAL OF CERTAIN STANDARDS FOR CLASS 4 RACETRACK. (a) In considering an application for a class 4 racetrack license, except as provided by Subsection (b), the executive director [~~eommission~~] may waive or defer compliance with the department's [~~eommission's~~] standards regarding the physical facilities or operations of a horse racetrack.

(b) The executive director [~~eommission~~] may not waive or defer compliance with standards that relate to the testing of horses or license holders for the presence of a prohibited substance, including a prohibited drug or chemical.

(c) If the executive director [~~eommission~~] defers compliance, the department [~~eommission~~] shall, when granting the application, establish a schedule under which the license

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holder must comply with the standards.

No equivalent provision.

SECTION 7.80. Section 2026.107(b), Occupations Code, is amended to read as follows:

(b) The number of race dates allowed under this subchapter relates only to live race dates. A racetrack may present simulcast races on other dates as approved by the department [~~commission~~].

No equivalent provision.

SECTION 7.81. Sections 2026.151 and 2026.152, Occupations Code, are amended to read as follows:

Sec. 2026.151. DEPARTMENT [~~COMMISSION~~] APPROVAL REQUIRED. (a) All concession, management, and totalisator contracts submitted by an applicant under Section 2025.054 must have the prior approval of the department [~~commission~~].

(b) The department [~~commission~~] shall refuse to approve a concession or management contract if, in the sole discretion of the department [~~commission~~], the background checks conducted under Section 2025.056 reveal anything that might be detrimental to the public interest or the racing industry.

Sec. 2026.152. DEPARTMENT [~~COMMISSION~~] REVIEW OF SECURITY PLANS AND CERTAIN CONTRACTS. (a) On receipt of a plan for the security of a racetrack, or a copy of a concession, management, or totalisator contract for review under Section 2026.151, the department [~~commission~~] shall review the security plan or contract [~~in an executive session~~]. Documents submitted by an applicant to the department [~~commission~~] under this section or Section 2025.052 or 2025.054 are subject to discovery in a suit

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brought under this subtitle but are not public records and are not subject to Chapter 552, Government Code.

(b) In reviewing and approving contracts under Subsection (a), the department [~~commission~~] shall attempt to ensure the involvement of minority-owned businesses whenever possible.

No equivalent provision.

SECTION 7.82. Section 2026.153(b), Occupations Code, is amended to read as follows:

(b) The department [~~commission~~] may not approve a management contract to operate or manage a racetrack owned by a governmental entity unless the racetrack license holder is an owner of the entity that proposes to manage the racetrack.

No equivalent provision.

SECTION 7.83. Section 2027.001(b), Occupations Code, is amended to read as follows:

(b) Rules adopted under this subtitle must include rules to:
(1) regulate wagering by a person licensed under this subtitle;
(2) prohibit wagering by a department [~~commission~~] employee;
(3) prohibit a racetrack association from accepting a wager made by telephone; and
(4) prohibit a racetrack association from accepting a wager made on credit.

No equivalent provision.

SECTION 7.84. Sections 2027.003 and 2027.004, Occupations Code, are amended to read as follows:

Sec. 2027.003. WAGERING COMPUTATION EQUIPMENT. (a) Wagering authorized under this chapter

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may be calculated only by state-of-the-art computational equipment approved by the department [~~commission~~].

(b) The department [~~commission~~] may not require the use of a particular make of equipment.

Sec. 2027.004. AUTOMATED TELLER MACHINES: RULES, LIMITATIONS, AND FEES. (a) The commission shall:

(1) adopt rules providing for the use of automated teller machines in an enclosure; and

(2) direct the department to limit the use of automated teller machines by allowing a person access only to the person's checking account at a bank or other financial institution.

(b) A racetrack association that allows an automated teller machine in an enclosure as provided by Subsection (a) shall collect a fee of \$1 for each transaction authorized under that subsection and forward the fee to the department [~~commission~~].

(c) The commission shall:

(1) adopt rules providing for collection, reporting, and auditing of the transaction fee authorized under Subsection (b); and

(2) direct the department to deposit the fee collected under Subsection (b) to the credit of the general revenue fund.

SECTION 7.85. Section 2027.006(d), Occupations Code, is amended to read as follows:

(d) If the racetrack association refuses to pay a claimant who has established satisfactorily a right to distribution from a pari-mutuel pool, the claimant may appeal to the department [~~commission~~] under procedures prescribed by commission rule.

No equivalent provision.

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No equivalent provision.

SECTION 7.86. Section 2027.052(a), Occupations Code, is amended to read as follows:

(a) This subtitle may not be construed to allow wagering in this state on simulcast races at any location other than a racetrack licensed under this subtitle that has been granted live race dates by the department [~~commission~~].

No equivalent provision.

SECTION 7.87. The heading to Section 2027.053, Occupations Code, is amended to read as follows:

Sec. 2027.053. DEPARTMENT [~~COMMISSION~~]
APPROVAL REQUIRED FOR PARI-MUTUEL POOL
INCLUSION.

No equivalent provision.

SECTION 7.88. Section 2027.053(a), Occupations Code, is amended to read as follows:

(a) With department [~~commission~~] approval:
(1) wagers accepted on a simulcast race by any out-of-state receiving location may be included in the pari-mutuel pool for the race at the sending in-state racetrack association; and
(2) wagers accepted by an in-state racetrack association on a race simulcast from out-of-state may be included in the pari-mutuel pools for the race at the out-of-state sending track.

No equivalent provision.

SECTION 7.89. Section 2027.054(c), Occupations Code, is amended to read as follows:

(c) The department [~~commission~~] may not approve wagering on an interstate simulcast race unless the receiving location

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consents to wagering on interstate simulcast races at all other receiving locations in this state.

No equivalent provision.

SECTION 7.90. The heading to Subchapter A, Chapter 2028, Occupations Code, is amended to read as follows:
SUBCHAPTER A. [~~COMMISSION~~] OVERSIGHT OF PARI-MUTUEL RACING FUNDS

No equivalent provision.

SECTION 7.91. Section 2028.001(a), Occupations Code, is amended to read as follows:
(a) For any organization that receives funds generated by live or simulcast pari-mutuel racing, the commission shall adopt rules specifying the reporting, monitoring, and auditing requirements or other appropriate performance measures for:
(1) any funds distributed to or used by the organization; and
(2) any function or service provided by the expenditure of the funds described by Subdivision (1).

No equivalent provision.

SECTION 7.92. Sections 2028.002 and 2028.003, Occupations Code, are amended to read as follows:
Sec. 2028.002. INDEPENDENT AUDIT REPORT; RECORDS REVIEW. (a) An organization that receives funds generated by live or simulcast pari-mutuel racing shall annually file with the department [~~commission~~] a copy of an audit report prepared by an independent certified public accountant. The audit must include a verification of any performance report sent to or required by the department [~~commission~~].
(b) The department [~~commission~~] may review any record or

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book of an organization that submits an independent audit to the department [~~eommission~~] as the department [~~eommission~~] determines necessary to confirm or further investigate the findings of an audit or report.

Sec. 2028.003. SUSPENSION AND WITHHOLDING OF FUNDS. The commission [~~by rule~~] may adopt rules authorizing the department to suspend or withhold funds from an organization:

(1) that the department [~~eommission~~] determines has failed to comply with the requirements or performance measures adopted under Section 2028.001; or

(2) for which material questions on the use of funds by the organization are raised following an independent audit or other report to the department [~~eommission~~].

No equivalent provision.

SECTION 7.93. Section 2028.102(e), Occupations Code, is amended to read as follows:

(e) A horse racetrack association may pay a portion of the revenue set aside under this section to an organization recognized under Section 2023.051, as provided by a contract approved by the department [~~eommission~~].

No equivalent provision.

SECTION 7.94. Sections 2028.103(a) and (a-1), Occupations Code, are amended to read as follows:

(a) A horse racetrack association shall set aside for the Texas-bred program and pay to the department [~~eommission~~] an amount equal to one percent of a live multiple two wagering pool and a live multiple three wagering pool. From the set-aside amounts:

(1) two percent shall be set aside for purposes of Subchapter

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F, Chapter 88, Education Code; and
(2) the remaining amount shall be allocated as follows:
(A) 10 percent may be used by the appropriate state horse breed registry for administration; and
(B) the remainder shall be used for awards.
(a-1) The department [~~commission~~] shall deposit money paid to the department [~~commission~~] under Subsection (a) into the Texas-bred incentive fund established under Section 2028.301. The department [~~commission~~] shall distribute the money collected under this section and deposited into the fund to the appropriate state horse breed registries for the Texas-bred program in accordance with rules adopted under Subsection (c).

No equivalent provision.

SECTION 7.95. Sections 2028.105(b), (d), and (d-1), Occupations Code, are amended to read as follows:
(b) A horse racetrack association shall pay to the department [~~commission~~] for use by the appropriate state horse breed registry, subject to commission rules, 10 percent of the total breakage from a live pari-mutuel pool or a simulcast pari-mutuel pool. The appropriate state horse breed registries are as follows:
(1) the Texas Thoroughbred [~~Breeders~~] Association for Thoroughbred horses;
(2) the Texas Quarter Horse Association for quarter horses;
(3) the Texas Appaloosa Horse Club for Appaloosa horses;
(4) the Texas Arabian Breeders Association for Arabian horses; and
(5) the Texas Paint Horse Breeders Association for paint horses.
(d) The horse racetrack association shall pay to the

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department [~~commission~~] for deposit into the Texas-bred incentive fund established under Section 2028.301 and distribution to the appropriate state horse breed registry the remaining 80 percent of the total breakage to be allocated as follows:

- (1) 40 percent to the owners of the accredited Texas-bred horses that finish first, second, or third;
- (2) 40 percent to the breeders of accredited Texas-bred horses that finish first, second, or third; and
- (3) 20 percent to the owner of the stallion standing in this state at the time of conception whose Texas-bred get finish first, second, or third.

(d-1) The department [~~commission~~] shall deposit the portions of total breakage paid to the department [~~commission~~] under Subsections (b) and (d) into the Texas-bred incentive fund established under Section 2028.301. The department [~~commission~~] shall distribute the money collected under this section and deposited into the fund to the appropriate state horse breed registries in accordance with this section and with rules adopted by the commission under Section 2028.103.

No equivalent provision.

SECTION 7.96. Section 2028.154(a), Occupations Code, is amended to read as follows:

(a) A greyhound racetrack association shall pay 50 percent of the breakage to the appropriate state greyhound breed registry. Of that breakage percentage:

- (1) 25 percent is to be used in stakes races; and
- (2) 25 percent of that total breakage from a live pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to the department [~~commission~~] for deposit into the Texas-bred incentive fund established under Section 2028.301. The

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department [~~commission~~] shall distribute the money collected under this section and deposited into the fund to the state greyhound breed registry for use in accordance with this section and commission rules.

No equivalent provision.

SECTION 7.97. Section 2028.201, Occupations Code, is amended to read as follows:

Sec. 2028.201. RULES. (a) The commission shall adopt rules relating to this subchapter and the oversight of the amounts allocated under Sections 2028.202(b)(1), (2), and (3) [~~2028.202(b)~~] and (c).

(b) The commission shall adopt rules relating to the oversight of the amounts allocated under Section 2028.202(b)(4).

No equivalent provision.

SECTION 7.98. Sections 2028.202(a), (a-1), and (b), Occupations Code, are amended to read as follows:

(a) A racetrack association shall distribute from the total amount deducted as provided by Sections 2028.101 and 2028.152 from each simulcast pari-mutuel pool and each simulcast cross-species pari-mutuel pool the following shares:

(1) an amount equal to one percent of each simulcast pari-mutuel pool to the department [~~commission~~] for the administration of this subtitle;

(2) an amount equal to 1.25 percent of each simulcast cross-species pari-mutuel pool to the department [~~commission~~] for the administration of this subtitle;

(3) for a horse racetrack association, an amount equal to one percent of a multiple two wagering pool or multiple three wagering pool as the amount set aside for the Texas-bred program to be used as provided by Section 2028.103;

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(4) for a greyhound racetrack association, an amount equal to one percent of a multiple two wagering pool or a multiple three wagering pool as the amount set aside for the Texas-bred program for greyhound races, to be distributed and used in accordance with commission rules adopted to promote greyhound breeding in this state; and

(5) the remainder as the amount set aside for purses, expenses, the sending track, and the receiving location under a contract approved by the department [~~commission~~] between the sending track and the receiving location.

(a-1) A racetrack association shall pay to the department [~~commission~~] for deposit into the Texas-bred incentive fund established under Section 2028.301 the shares to be distributed under Subsections (a)(3) and (a)(4) for the Texas-bred program. The department [~~commission~~] shall distribute the money collected under this section and deposited into the fund to the appropriate state breed registries for use under the Texas-bred program.

(b) From the total amount deducted under Subsection (a), a greyhound racetrack association that receives an interstate cross-species simulcast signal shall distribute the following amounts from each pari-mutuel pool wagered on the signal at the racetrack:

(1) a fee of 1.5 percent to be paid to the racetrack in this state sending the signal;

(2) a purse in the amount of 0.75 percent to be paid to the official state horse breed registry for Thoroughbred horses for use as purses at racetracks in this state;

(3) a purse in the amount of 0.75 percent to be paid to the official state horse breed registry for quarter horses for use as purses at racetracks in this state; and

(4) a purse of 4.5 percent to be deposited in the horse industry

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escrow account as [~~escrowed with the commission in the manner~~] provided by Section 2028.204.

No equivalent provision.

SECTION 7.99. Sections 2028.203 and 2028.204, Occupations Code, are amended to read as follows:

Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST. If a racetrack association purchases an interstate simulcast signal and the signal cost exceeds five percent of the pari-mutuel pool, the department [~~commission~~], from the horse industry escrow [~~escrowed~~] account established under Section 2028.204 [~~2028.202(b)(4)~~], shall reimburse the racetrack association an amount equal to one-half of the signal cost that exceeds five percent of the pari-mutuel pool.

Sec. 2028.204. HORSE INDUSTRY ESCROW ACCOUNT; DEPOSIT AND ALLOCATION OF MONEY [~~IN ESCROW ACCOUNTS~~]. (a) The horse industry escrow account is a trust account in the department's registry composed of money deposited to the account in accordance with this subtitle.

(b) A greyhound racetrack association shall deposit into the horse industry [~~an~~] escrow account [~~in the commission's registry~~] the purse set aside under Section 2028.202(b)(4).

(c) [~~(b)~~] Any horse racetrack association in this state may apply to the department [~~commission~~] for receipt of money in the horse industry escrow account for use as purses. Any state horse breed registry listed in Section 2030.002(a) may apply for receipt of money in the account for any event that furthers the horse industry. The department [~~commission~~]:

(1) shall determine the horse racetrack associations and state horse breed registries to be allocated money from the account and the percentages to be allocated, taking into consideration

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purse levels, racing opportunities, and the financial status of the requesting racetrack association or requesting breed registry; and

(2) may not annually allocate more than 70 percent of the amount deposited into the account to horse racetrack associations for use as purses.

No equivalent provision.

SECTION 7.100. Section 2028.2041, Occupations Code, is amended to read as follows:

Sec. 2028.2041. ALLOCATION OF CERTAIN FUNDS IN HORSE INDUSTRY ESCROW ACCOUNT TO GENERAL REVENUE FUND; MAXIMUM ACCOUNT BALANCE.

(a) In each state fiscal biennium, the comptroller shall deposit the amounts allocated under Section 151.801(c-3), Tax Code, into the horse industry escrow account established under Section 2028.204 [~~2028.204(b)~~], until the comptroller determines the amount deposited into the account in that fiscal biennium equals the greater of:

(1) the amount appropriated to the department [~~commission~~] for the purposes of Section 2028.204 for that fiscal biennium; or

(2) \$50 million.

(b) Once the comptroller determines the greater of the amount described by Subsection (a)(1) or (2) has been deposited during a state fiscal biennium into the horse industry escrow account established under Section 2028.204 [~~2028.204(b)~~], for the remainder of that fiscal biennium the comptroller shall deposit the amounts allocated under Section 151.801(c-3), Tax Code, into the general revenue fund.

(c) The balance of the horse industry escrow account established under Section 2028.204 [~~2028.204(b)~~] shall not

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exceed \$50 million.

No equivalent provision.

SECTION 7.101. Section 2028.205, Occupations Code, is amended to read as follows:

Sec. 2028.205. ADDITIONAL ALLOCATIONS FROM HORSE INDUSTRY ESCROW ACCOUNT FOR CERTAIN RACETRACKS. (a) In addition to money allocated under Section 2028.204, a horse racetrack association operating a racetrack that is located not more than 75 miles from a greyhound racetrack that offers wagering on a cross-species simulcast signal and that sends the cross-species simulcast signal to the greyhound racetrack may apply to the department [~~commission~~] for an allocation of up to 20 percent of the money in the horse industry escrow [~~escrowed~~] account established under Section 2028.204 that is attributable to the wagering on a cross-species simulcast signal at the greyhound racetrack.

(b) If the applying horse racetrack association can prove to the department's [~~commission's~~] satisfaction that the racetrack association's handle has decreased directly due to wagering on an interstate cross-species simulcast signal at a greyhound racetrack located not more than 75 miles from the applying racetrack association, the department [~~commission~~] shall allocate amounts from the horse industry escrow [~~escrowed~~] account as the department [~~commission~~] considers appropriate to compensate the racetrack association for the decrease. The amounts allocated may not exceed 20 percent of the money in the [~~escrowed~~] account that is attributable to the wagering on the interstate cross-species simulcast signal at the greyhound racetrack.

(c) Money allocated by the department [~~commission~~] under

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this section may be used by the racetrack association for any purpose.

No equivalent provision.

SECTION 7.102. Section 2028.301, Occupations Code, is amended to read as follows:

Sec. 2028.301. TEXAS-BRED INCENTIVE FUND. (a) The department [~~commission~~] shall deposit money set aside for the Texas-bred program or set aside for use by state breed registries under this chapter into an escrow account in the state treasury in the registry of the department [~~commission~~] to be known as the Texas-bred incentive fund.

(b) The department [~~commission~~] shall distribute money from the Texas-bred incentive fund in accordance with this chapter and commission rules.

No equivalent provision.

SECTION 7.103. Chapter 2028, Occupations Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. NATIONAL EVENT INCENTIVES

Sec. 2028.401. NATIONAL EVENT INCENTIVES. (a) In this section:

(1) "Breeders' Cup costs" means all costs for capital improvements and extraordinary expenses reasonably incurred for the operation of the Breeders' Cup races, including purses offered on other days in excess of the purses that the host association is required to pay by this subtitle.

(2) "Breeders' Cup races" means a series of thoroughbred races known as the Breeders' Cup Championship races conducted annually by Breeders' Cup Limited on a day known as Breeders' Cup Championship day.

(3) "Development organization" means an organization

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whose primary purpose is the marketing, promotion, or economic development of a city, county, or region of the state, including chambers of commerce, convention and visitors bureaus, and sports commissions.

(4) "Political subdivision" means a city, county, or other political subdivision of the state and includes any entity created by a political subdivision.

(b) An association conducting the Breeders' Cup races may apply to the reimbursement of Breeders' Cup costs amounts that would otherwise be set aside by the association for the state under Sections 2028.051 and 2028.202(a)(1) during the year in which the association hosts the Breeders' Cup races, limited to an amount equal to the lesser of the aggregate amount contributed to pay Breeders' Cup costs by political subdivisions and development organizations or \$2 million. Beginning on January 1 of the year for which the association has been officially designated to host the Breeders' Cup races, amounts that would otherwise be set aside by the association for the state during that year under Sections 2028.051 and 2028.202(a)(1) shall be set aside, in accordance with procedures prescribed by the comptroller, for deposit into the Breeders' Cup Developmental Account. The Breeders' Cup Developmental Account is an account in the general revenue fund. The department shall administer the account. Money in the account may be appropriated only to the department and may be used only for the purposes specified in this section. The account is exempt from the application of Section 403.095, Government Code.

(c) The department shall make disbursements from the Breeders' Cup Developmental Account to reimburse Breeders' Cup costs actually incurred and paid by the association, after the association files a request for reimbursement.

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Disbursements from the account may not at any time exceed the aggregate amount actually paid for Breeders' Cup costs by political subdivisions and development organizations, as certified by the department to the comptroller, or \$2 million, whichever is less.

(d) Not later than January 31 of the year following the year in which the association hosts the Breeders' Cup races, the association shall submit to the department a report that shows:

(1) the total amount of Breeders' Cup costs incurred and paid by the association;

(2) the total payments made by political subdivisions and development organizations for Breeders' Cup costs; and

(3) any other information requested by the commission.

(e) Following receipt of the report required by Subsection (d), the department shall take any steps it considers appropriate to verify the report. Not later than March 31 of the year following the event, the department shall transfer to the credit of the general revenue fund any balance remaining in the Breeders' Cup Developmental Account after reimbursement of any remaining Breeders' Cup costs authorized under this section.

(f) In addition to the authority otherwise granted in this subtitle, the commission and the comptroller may adopt rules for the administration of this section as follows:

(1) the commission may adopt rules relating to:

(A) auditing or other verification of Breeders' Cup costs and amounts paid or set aside by political subdivisions and development organizations; and

(B) the disbursement of funds from the Breeders' Cup Developmental Account; and

(2) the comptroller may adopt rules relating to:

(A) procedures and requirements for transmitting or

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otherwise delivering to the treasury the money set aside under this section; and

(B) depositing funds into the Breeders' Cup Developmental Account.

(g) The commission may adopt rules to facilitate the conduct of the Breeders' Cup races, including the adoption of rules or waiver of existing rules relating to the overall conduct of racing during the Breeders' Cup races in order to assure the integrity of the races, licensing for all participants, special stabling and training requirements for foreign horses, and commingling of pari-mutuel pools.

(h) To the extent of any conflict between this section and another provision of this subtitle, this section prevails.

No equivalent provision.

SECTION 7.104. Section 2029.001, Occupations Code, is amended to read as follows:

Sec. 2029.001. ALLOCATION OF HORSE RACING DAYS; PROHIBITED RACING DAYS. (a) The ~~department~~ commission shall allocate the live and simulcast horse racing days for the conduct of live and simulcast racing at each racetrack.

(b) In allocating race dates under this section, the ~~department~~ commission shall consider live race dates separately from simulcast race dates.

(c) The commission by rule may prohibit racing on Sunday unless the prohibition would conflict with another provision of this subtitle. The commission may delegate to the executive director the commission's authority under this subsection.

No equivalent provision.

SECTION 7.105. Sections 2029.002(a) and (c), Occupations

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Code, are amended to read as follows:

(a) The department [~~commission~~] shall grant to each racetrack association additional horse racing days during a horse race meeting to be conducted as charity days. The department [~~commission~~] shall grant to each class 1 racetrack and to each class 2 racetrack at least two and not more than five additional days.

(c) The department [~~commission~~] shall ensure that races conducted by a racetrack association on a charity day are comparable in all respects, including the generation of revenue, to races conducted by that racetrack association on any other horse racing day.

No equivalent provision.

SECTION 7.106. Section 2029.003, Occupations Code, is amended to read as follows:

Sec. 2029.003. ACCESS TO RACES. (a) Each racetrack shall provide reasonable access to races for all breeds of horses as determined by the racetrack association through negotiations with the representative state horse breed registry with the final approval of the department [~~commission~~].

(b) In granting approval under Subsection (a), the department [~~commission~~] shall consider:

- (1) the availability of competitive horses;
- (2) economic feasibility; and
- (3) public interest.

No equivalent provision.

SECTION 7.107. Sections 2029.052(a) and (b), Occupations Code, are amended to read as follows:

(a) The department [~~commission~~] shall grant not less than five additional greyhound racing days during a greyhound

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race meeting to be conducted as charity days.

(b) The department [~~commission~~] shall ensure that races conducted by a racetrack association on a charity day are comparable in all respects, including the generation of revenue, to races conducted by that racetrack association on any other greyhound racing day.

No equivalent provision.

SECTION 7.108. Section 2029.053, Occupations Code, is amended to read as follows:

Sec. 2029.053. SUBSTITUTE RACING DAYS OR ADDITIONAL RACES. If, for a reason beyond a greyhound racetrack association's control and not caused by the racetrack association's fault or neglect, it is impossible for the racetrack association to conduct a race on a day authorized by the department [~~commission~~], the executive director [~~commission~~] in the executive director's [~~its~~] discretion and at the request of the racetrack association, as a substitute for the race, may:

- (1) specify another day for the racetrack association to conduct racing; or
- (2) add additional races to already programmed events.

No equivalent provision.

SECTION 7.109. Section 2030.001(b), Occupations Code, is amended to read as follows:

(b) Rules adopted under this section are subject to approval by the department [~~commission~~].

No equivalent provision.

SECTION 7.110. Section 2030.002(b), Occupations Code, is amended to read as follows:

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(b) The appropriate state horse breed registry shall act in an advisory capacity to each racetrack association and to the department [~~commission~~] for the purpose of administering Sections 2030.003 and 2030.004.

No equivalent provision.

SECTION 7.111. Sections 2030.005 and 2030.006, Occupations Code, are amended to read as follows:

Sec. 2030.005. EQUITABLE NUMBER OF RACES FOR EACH BREED. (a) A racetrack association that conducts a horse race meeting for more than one breed of horse at one racetrack shall provide that the number of races run by each breed on each day is equitable as determined by the department [~~commission~~] under Section 2029.003.

(b) The commission by rule [~~or by order~~] may allow for an exception to Subsection (a) if an insufficient number of horses of a breed are available to provide sufficient competition. The commission may delegate to the executive director the commission's authority under this subsection.

Sec. 2030.006. EQUITABLE STABLING. A racetrack association that conducts a horse race meeting for more than one breed of horse at one racetrack shall provide on-track stalls on an equitable basis as determined by the department [~~commission~~] under Section 2029.003.

No equivalent provision.

SECTION 7.112. Section 2030.051(b), Occupations Code, is amended to read as follows:

(b) Rules adopted under this section are subject to approval by the department [~~commission~~].

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No equivalent provision.

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SECTION 7.113. Section 2031.001, Occupations Code, is amended to read as follows:

Sec. 2031.001. ESTABLISHMENT OF TEXAS DERBIES.

(a) The commission by rule shall establish as Texas Derbies the following annual stakes races:

- (1) one race open to three-year-old Thoroughbreds;
- (2) one race open only to three-year-old Texas-bred Thoroughbreds;
- (3) one race open to three-year-old quarter horses; and
- (4) one race open only to three-year-old Texas-bred quarter horses.

(b) Each Texas Derby must be held annually on a date and at the class 1 racetrack determined by the department ~~[commission]~~. The department ~~[commission]~~ shall determine the location of each Texas Derby in consultation with:

- (1) each class 1 racetrack;
- (2) the official state horse breed registries; and
- (3) the official horsemen's organization.

(c) The department ~~[commission]~~ may sell the right to name a Texas Derby. The department ~~[commission]~~ shall deposit the proceeds from the sale of the right to name a Texas Derby into the Texas Derby escrow purse fund established under Section 2031.004.

No equivalent provision.

SECTION 7.114. Section 2031.003(a), Occupations Code, is amended to read as follows:

(a) For each Texas Derby, the department ~~[commission]~~ shall appoint a state veterinarian to conduct a prerace examination of each horse entered in the race to determine whether the horse:

- (1) is healthy; and

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(2) meets standards set by commission rule for racing.

No equivalent provision.

SECTION 7.115. Sections 2031.004(a) and (e), Occupations Code, are amended to read as follows:

(a) The department [~~commission~~] shall establish a Texas Derby escrow purse fund.

(e) The department [~~commission~~] may not:

(1) use funds from the accredited Texas-bred program under Subchapter A, Chapter 2030, or the horse industry escrow [~~escrowed purse~~] account established under Section 2028.204 to fund the Texas Derby escrow purse fund; or

(2) order a state horse breed registry to fund a purse for a Texas Derby, make contributions to the Texas Derby escrow purse fund, or pay the expenses of a Texas Derby race.

No equivalent provision.

SECTION 7.116. Chapter 2032, Occupations Code, is amended by adding Section 2032.004 to read as follows:

Sec. 2032.004. RULES. The commission may adopt rules as necessary to:

(1) administer this chapter; and

(2) ensure public safety and welfare.

No equivalent provision.

SECTION 7.117. Section 2033.006(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person knowingly possesses or displays a credential issued by the department or a false credential that identifies the person as the holder of the credential and the person knows that:

(1) the credential is not issued to the person; or

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(2) the person is not a license holder.

No equivalent provision.

SECTION 7.118. Sections 2033.007(a) and (b), Occupations Code, are amended to read as follows:

(a) For purposes of this section, a request is lawful if it is made:

(1) at any time by:

(A) the department [~~commission~~];

(B) an authorized department [~~commission~~] agent;

(C) the director or a commissioned officer of the Department of Public Safety;

(D) a peace officer; or

(E) a steward or judge; and

(2) at any restricted location that is at a racetrack and is not a public place.

(b) A person commits an offense if, after a lawful request, the person knowingly fails or refuses to:

(1) display a credential issued by the department to another person; or

(2) give the person's name, residence address, or date of birth to another person.

No equivalent provision.

SECTION 7.119. Section 2033.008(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person knowingly wagers on the result of a horse or greyhound race conducted in this state that:

(1) is held on an American Indian reservation or on American Indian trust land located in this state; and

(2) is not held under the supervision of the department

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[~~commission~~] under rules adopted under this subtitle.

No equivalent provision.

SECTION 7.120. Section 2033.009(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person is a license holder and the person knowingly permits, facilitates, or allows access to an enclosure where races are conducted to another person who the person knows:

- (1) has engaged in bookmaking, touting, or illegal wagering;
- (2) derives income from illegal activities or enterprises;
- (3) has been convicted of a violation of this subtitle; or
- (4) is excluded by the department [~~commission~~] from entering a racetrack.

No equivalent provision.

SECTION 7.121. Section 2033.012(c), Occupations Code, is amended to read as follows:

(c) An offense under this section is a state jail felony unless the statement was material in a department [~~commission~~] action relating to a racetrack license, in which event the offense is a felony of the third degree.

No equivalent provision.

SECTION 7.122. Section 2033.013(c), Occupations Code, is amended to read as follows:

(c) An offense under this section is a state jail felony if:

- (1) the actor:
 - (A) is a license holder under this subtitle or a commission member or department employee; and
 - (B) knowingly represents that a commission member or department employee or a person licensed by the department

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[~~commission~~] is the source of the false information; or
(2) the false statement or information was contained in racing selection information provided to the public.

No equivalent provision.

SECTION 7.123. Sections 2033.018(a) and (b), Occupations Code, are amended to read as follows:

(a) A person consents to a search for a prohibited device, prohibited substance, or other contraband at a time and location described by Subsection (b) if the person:

(1) accepts a license or other credential issued by the department under this subtitle; or

(2) enters a racetrack under the authority of a license or other credential alleged to have been issued by the department under this subtitle.

(b) A search may be conducted by a commissioned officer of the Department of Public Safety or a peace officer, including a peace officer employed by the department [~~commission~~], at any time and at any location at a racetrack, except a location:

(1) excluded by commission rule from searches under this section; or

(2) provided by a racetrack association under commission rule for private storage of personal items belonging to a license holder entering a racetrack.

No equivalent provision.

SECTION 7.124. Sections 2033.021, 2033.051, and 2033.052, Occupations Code, are amended to read as follows:

Sec. 2033.021. DEPARTMENT [~~COMMISSION~~] AUTHORITY. This subchapter does not restrict the department's [~~commission's~~] administrative authority to enforce this subtitle or commission rules to the fullest extent

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authorized by this subtitle.

Sec. 2033.051. IMPOSITION OF PENALTY. If the commission or the executive director determines that a person regulated under this subtitle has violated this subtitle or a rule or order adopted under this subtitle in a manner that constitutes a ground for a disciplinary action under this subtitle, the commission or the executive director may assess an administrative penalty against that person as provided by this subchapter or Subchapter F, Chapter 51.

Sec. 2033.052. AMOUNT OF PENALTY. (a) Notwithstanding Subchapter F, Chapter 51, the [The] commission or the executive director may assess an administrative penalty under this subchapter in an amount not to exceed \$10,000 for each violation.

(b) In determining the amount of the penalty, the commission or the executive director shall consider the criteria listed in Section 51.302(b) [seriousness of the violation].

No equivalent provision.

SECTION 7.125. Section 2033.057(a), Occupations Code, is amended to read as follows:

(a) A complaint alleging a violation of this subtitle may be instituted by the Department of Public Safety, the department [commission], or the attorney general.

No equivalent provision.

SECTION 7.126. Subchapter B, Chapter 2033, Occupations Code, is amended by adding Section 2033.058 to read as follows:

Sec. 2033.058. DISPOSITION OF ADMINISTRATIVE PENALTY. The commission shall remit an administrative penalty collected under this subtitle to the comptroller for

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deposit in the general revenue fund.

No equivalent provision.

SECTION 7.127. Section 2033.101(b), Occupations Code, is amended to read as follows:

(b) On issuance of a cease and desist order, a department employee or authorized department agent [~~the executive director~~] shall serve a proposed cease and desist order on the racetrack association or other license holder by personal delivery or registered or certified mail, return receipt requested, to the person's last known address.

No equivalent provision.

SECTION 7.128. Sections 2033.102(b) and (c), Occupations Code, are amended to read as follows:

(b) On receiving a request for a hearing, a department employee or authorized department agent [~~the executive director~~] shall serve notice of the time and place of the hearing by personal delivery or registered or certified mail, return receipt requested.

(c) At a hearing, the department [~~commission~~] has the burden of proof and must present evidence in support of the order. Each person against whom the order is directed may cross-examine and show cause why the order should not be issued.

No equivalent provision.

SECTION 7.129. Section 2033.104(b), Occupations Code, is amended to read as follows:

(b) After the executive director issues [~~issuing~~] an emergency cease and desist order, a department employee or authorized department agent [~~the executive director~~] shall serve on the racetrack association or other license holder by personal

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delivery or registered or certified mail, return receipt requested, to the person's last known address, an order stating the specific charges and requiring the person immediately to cease and desist from the conduct that violates this subtitle or a commission rule. The order must contain a notice that a request for hearing may be filed under this section.

No equivalent provision.

SECTION 7.130. Sections 2033.105(c) and (d), Occupations Code, are amended to read as follows:

(c) On receiving a request for a hearing, a department employee or authorized department agent [~~the executive director~~] shall serve notice of the time and place of the hearing by personal delivery or registered or certified mail, return receipt requested. The hearing must be held not later than the 10th day after the date the executive director receives the request for a hearing unless the parties agree to a later hearing date.

(d) At the hearing, the department [~~commission~~] has the burden of proof and must present evidence in support of the order. The person requesting the hearing may cross-examine witnesses and show cause why the order should not be affirmed. [~~Section 2003.021(b), Government Code, does not apply to hearings conducted under this section.~~]

No equivalent provision.

SECTION 7.131. Section 2033.106(a), Occupations Code, is amended to read as follows:

(a) If the executive director reasonably believes that a person has violated a final and enforceable cease and desist or emergency order, the executive director may:

(1) initiate administrative penalty proceedings under

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Subchapter B;

(2) refer the matter to the attorney general for enforcement by injunction and any other available remedy; or

(3) pursue any other action that the executive director considers appropriate, including suspension of the person's license.

No equivalent provision.

SECTION 7.132. Section 2033.151, Occupations Code, is amended to read as follows:

Sec. 2033.151. DISCIPLINARY ACTIONS. (a) The commission may [~~shall~~] revoke, suspend, or refuse to renew a license, place on probation a person whose license has been suspended, or reprimand a license holder for a violation of this subtitle or a commission rule.

(b) If a license suspension is probated, the commission may require the license holder to report regularly to the department [~~commission~~] on matters that are the basis of the probation.

(c) A disciplinary proceeding under this subtitle is governed by:

(1) Chapter 51; and

(2) commission rules adopted under Chapter 51.

No equivalent provision.

SECTION 7.133. The heading to Section 2033.152, Occupations Code, is amended to read as follows:

Sec. 2033.152. PROCEEDING FOR DISCIPLINARY ACTION [~~HEARING~~] CONCERNING SUSPENSION, REVOCATION, OR REFUSAL TO RENEW LICENSE.

No equivalent provision.

SECTION 7.134. Section 2033.152(b), Occupations Code, is

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amended to read as follows:

(b) A proceeding [~~Proceedings~~] for a disciplinary action, other than those conducted by a steward or judge, in which the commission proposes to suspend, revoke, or refuse to renew a person's license is [~~are~~] governed by Chapter 2001, Government Code.

No equivalent provision.

SECTION 7.135. Section 2033.153, Occupations Code, is amended to read as follows:

Sec. 2033.153. INJUNCTION. The department [~~commission~~] may institute an action in its own name to enjoin the violation of this subtitle. An action for an injunction is in addition to any other action, proceeding, or remedy authorized by law.

No equivalent provision.

SECTION 7.136. Section 2033.154(b), Occupations Code, is amended to read as follows:

(b) The executive director may issue an order prohibiting the racetrack association from making any transfer from a bank account held by the racetrack association for the conduct of business under this subtitle, pending department [~~commission~~] review of the records of the account, if the executive director reasonably believes that the racetrack association has failed to maintain the proper amount of money in the horsemen's account. The executive director shall provide in the order a procedure for the racetrack association to pay certain expenses necessary for the operation of the racetrack, subject to the executive director's approval.

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No equivalent provision.

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SECTION 7.137. Section 2034.001, Occupations Code, is amended by amending Subsections (b) and (c) and adding Subsection (e) to read as follows:

(b) The rules adopted under this section by the commission shall require testing to determine whether a prohibited substance has been used.

(c) The [~~commission's~~] rules adopted under this section must require state-of-the-art testing methods. The testing may:

(1) be pretrace or postrace as determined by the department [~~commission~~]; and

(2) be by an invasive or noninvasive method.

(e) The commission shall adopt rules regarding disciplinary actions under this chapter, including the right of appeal to the commission from a disciplinary action under Section 2034.006.

CONFERENCE

No equivalent provision.

SECTION 7.138. Section 2034.002, Occupations Code, is amended to read as follows:

Sec. 2034.002. MEDICATION AND DRUG TESTING PROCEDURES. (a) Medication or drug testing performed on a race animal under this subtitle must be conducted by:

(1) the Texas A&M Veterinary Medical Diagnostic Laboratory; or

(2) a laboratory operated by or in conjunction with or by a private or public agency selected by the department [~~commission~~] after consultation with the Texas A&M Veterinary Medical Diagnostic Laboratory.

(b) Medication or drug testing performed on a human under this subtitle must be conducted by a laboratory approved by the department [~~commission~~].

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No equivalent provision.

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SECTION 7.139. Sections 2034.003(c), (d), and (e), Occupations Code, are amended to read as follows:

(c) Charges for services performed under this section must be forwarded to the department [~~commission~~] for approval of the reasonableness of the charges. Charges may include expenses incurred for travel, lodging, testing, and processing of test results.

(d) The department [~~commission~~] shall determine whether the laboratory charges are reasonable in relation to industry standards by periodically surveying the drug testing charges of comparable laboratories in the United States.

(e) The racetrack association that receives the services is responsible for the cost of approved charges for animal drug testing services under this section. The department [~~commission~~] shall forward a copy of the charges to the racetrack association for immediate payment.

CONFERENCE

No equivalent provision.

SECTION 7.140. Sections 2034.005(a) and (b), Occupations Code, are amended to read as follows:

(a) The department [~~commission~~] may require urine samples to be frozen for a period necessary to allow any follow-up testing to detect and identify a prohibited substance. Any other specimen shall be maintained for testing purposes in a manner required by commission rule.

(b) If a test sample or specimen shows the presence of a prohibited substance, the entire sample, including any split portion remaining in the custody of the department [~~commission~~], shall be maintained until final disposition of the matter.

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No equivalent provision.

SECTION 7.141. Section 2034.007, Occupations Code, is amended to read as follows:

Sec. 2034.007. DISCIPLINARY ACTION FOR RULE VIOLATION OF PROHIBITED DEVICE OR SUBSTANCE.

In addition to any other disciplinary action authorized by Chapter 51, this subtitle, or commission rule, a [A] person who violates a rule adopted under this chapter may:

(1) have any license issued to the person by the department [~~commission~~] revoked or suspended; or

(2) be barred for life or any other period from applying for or receiving a license issued by the department [~~commission~~] or entering any portion of a racetrack.

No equivalent provision.

SECTION 7.142. Section 2035.001(a), Occupations Code, is amended to read as follows:

(a) The department [~~commission~~] may not issue a racetrack license or accept a license application for a racetrack to be located in a county until the commissioners court has certified to the secretary of state that the qualified voters of the county have approved the legalization of pari-mutuel wagering on horse races or greyhound races in the county at an election held under this chapter.

No equivalent provision.

SECTION 7.143. Section 2035.052, Occupations Code, is amended to read as follows:

Sec. 2035.052. PARTIES. Any person who is licensed or who has submitted to the department [~~commission~~] an application to be licensed in any capacity under this subtitle may become a named party to the contest proceedings by pleading to the petition on or before the time set for hearing

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and trial as provided by Section 2035.053(b) or after that time by intervention on leave of court.

No equivalent provision.

SECTION 7.144. Section 151.801(c-3), Tax Code, is amended to read as follows:

(c-3) Subject to the limitation imposed under Section 2028.2041, Occupations Code, an amount equal to the proceeds from the collection of the taxes imposed by this chapter on the sale, storage, or use of horse feed, horse supplements, horse tack, horse bedding and grooming supplies, and other taxable expenditures directly related to horse ownership, riding, or boarding shall be deposited to the credit of the horse industry escrow account administered by the Texas Department of Licensing and Regulation [~~Racing Commission~~] and established under Section 2028.204, Occupations Code.

No equivalent provision.

SECTION 7.145. Article 2.12, Code of Criminal Procedure, is amended to read as follows:

Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace officers:

- (1) sheriffs, their deputies, and those reserve deputies who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;
- (2) constables, deputy constables, and those reserve deputy constables who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;
- (3) marshals or police officers of an incorporated city, town, or village, and those reserve municipal police officers who hold a permanent peace officer license issued under Chapter

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1701, Occupations Code;

(4) rangers, officers, and members of the reserve officer corps commissioned by the Public Safety Commission and the Director of the Department of Public Safety;

(5) investigators of the district attorneys', criminal district attorneys', and county attorneys' offices;

(6) law enforcement agents of the Texas Alcoholic Beverage Commission;

(7) each member of an arson investigating unit commissioned by a city, a county, or the state;

(8) officers commissioned under Section 37.081, Education Code, or Subchapter E, Chapter 51, Education Code;

(9) officers commissioned by the General Services Commission;

(10) law enforcement officers commissioned by the Parks and Wildlife Commission;

(11) airport police officers commissioned by a city with a population of more than 1.18 million located primarily in a county with a population of 2 million or more that operates an airport that serves commercial air carriers;

(12) airport security personnel commissioned as peace officers by the governing body of any political subdivision of this state, other than a city described by Subdivision (11), that operates an airport that serves commercial air carriers;

(13) municipal park and recreational patrolmen and security officers;

(14) security officers and investigators commissioned as peace officers by the comptroller;

(15) officers commissioned by a water control and improvement district under Section 49.216, Water Code;

(16) officers commissioned by a board of trustees under Chapter 54, Transportation Code;

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- (17) investigators commissioned by the Texas Medical Board;
- (18) officers commissioned by:
 - (A) the board of managers of the Dallas County Hospital District, the Tarrant County Hospital District, the Bexar County Hospital District, or the El Paso County Hospital District under Section 281.057, Health and Safety Code;
 - (B) the board of directors of the Ector County Hospital District under Section 1024.117, Special District Local Laws Code;
 - (C) the board of directors of the Midland County Hospital District of Midland County, Texas, under Section 1061.121, Special District Local Laws Code; and
 - (D) the board of hospital managers of the Lubbock County Hospital District of Lubbock County, Texas, under Section 1053.113, Special District Local Laws Code;
- (19) county park rangers commissioned under Subchapter E, Chapter 351, Local Government Code;
- (20) investigators employed by the Texas Department of Licensing and Regulation in relation to the regulation of racing under Subtitle A-1, Title 13, Occupations Code [~~Racing Commission~~];
- (21) officers commissioned under Chapter 554, Occupations Code;
- (22) officers commissioned by the governing body of a metropolitan rapid transit authority under Section 451.108, Transportation Code, or by a regional transportation authority under Section 452.110, Transportation Code;
- (23) investigators commissioned by the attorney general under Section 402.009, Government Code;
- (24) security officers and investigators commissioned as peace officers under Chapter 466, Government Code;

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- (25) officers appointed by an appellate court under Subchapter F, Chapter 53, Government Code;
- (26) officers commissioned by the state fire marshal under Chapter 417, Government Code;
- (27) an investigator commissioned by the commissioner of insurance under Section 701.104, Insurance Code;
- (28) apprehension specialists and inspectors general commissioned by the Texas Juvenile Justice Department as officers under Sections 242.102 and 243.052, Human Resources Code;
- (29) officers appointed by the inspector general of the Texas Department of Criminal Justice under Section 493.019, Government Code;
- (30) investigators commissioned by the Texas Commission on Law Enforcement under Section 1701.160, Occupations Code;
- (31) commission investigators commissioned by the Texas Private Security Board under Section 1702.061, Occupations Code;
- (32) the fire marshal and any officers, inspectors, or investigators commissioned by an emergency services district under Chapter 775, Health and Safety Code;
- (33) officers commissioned by the State Board of Dental Examiners under Section 254.013, Occupations Code, subject to the limitations imposed by that section;
- (34) investigators commissioned by the Texas Juvenile Justice Department as officers under Section 221.011, Human Resources Code; and
- (35) the fire marshal and any related officers, inspectors, or investigators commissioned by a county under Subchapter B, Chapter 352, Local Government Code.

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No equivalent provision.

SECTION 7.146. (a) Section 411.096, Government Code, is repealed.
(b) The following provisions of the Occupations Code are repealed:
(1) Sections 2022.001(b), (c), (d), (e), and (f);
(2) Section 2022.002(b);
(3) Sections 2022.003, 2022.004, 2022.005, 2022.006, and 2022.007;
(4) Sections 2022.009(b) and (c);
(5) Sections 2022.010, 2022.011, 2022.012, 2022.013, 2022.014, and 2022.051;
(6) Sections 2022.052(a) and (b);
(7) Sections 2022.053, 2022.054, 2022.055, 2022.056, 2022.057, 2022.101, 2022.102, and 2022.106;
(8) Sections 2023.004(b), (c), and (f);
(9) Section 2023.009;
(10) Section 2025.204(e);
(11) Section 2025.258(b);
(12) Sections 2033.053, 2033.054, 2033.055, and 2033.056;
(13) Section 2033.057(b); and
(14) Sections 2033.152(a) and (c).
(c) Title 6, Vernon's Texas Civil Statutes, is repealed.

No equivalent provision.

SECTION 7.147. (a) On September 1, 2021, the Texas Racing Commission is abolished but continues in existence until December 1, 2021, for the sole purpose of transferring all obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions to the Texas Department of Licensing and Regulation. The Texas Department of Licensing and Regulation assumes all of the obligations, property, rights, powers, duties, leases,

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contracts, software, data, and full-time equivalent employee positions of the Texas Racing Commission as they exist immediately before September 1, 2021. All unexpended funds appropriated to the Texas Racing Commission are transferred to the Texas Department of Licensing and Regulation.

(b) On September 1, 2021, all full-time equivalent employee positions at the Texas Racing Commission become positions at the Texas Department of Licensing and Regulation. On September 1, 2021, all employees who were employed by the Texas Racing Commission on August 31, 2021, become employees of the Texas Department of Licensing and Regulation, except for any employee in:

- (1) an exempt position; or
- (2) a position at or above salary group B27 in the Texas Position Classification Plan, 1961.

(c) The Texas Racing Commission and the Texas Department of Licensing and Regulation shall, in consultation with appropriate state entities, ensure that the transfer of the obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions of the Texas Racing Commission to the Texas Department of Licensing and Regulation is completed not later than December 1, 2021.

(d) All rules, fees, policies, procedures, decisions, and forms adopted by the Texas Racing Commission are continued in effect as rules, fees, policies, procedures, decisions, and forms adopted by the Texas Department of Licensing and Regulation until amended or superseded by a rule, fee, policy, procedure, decision, or form adopted by the Texas Commission of Licensing and Regulation or Texas Department of Licensing and Regulation, as applicable. A license issued by the Texas

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Racing Commission is continued in effect as provided by the law in effect immediately before September 1, 2021. An application for a license, endorsement, or certificate of registration pending on September 1, 2021, is continued without change in status after September 1, 2021. A complaint, investigation, contested case, or other proceeding pending on September 1, 2021, is continued without change in status after September 1, 2021.

(e) Beginning on the effective date of this subsection, the Texas Racing Commission shall provide the Texas Department of Licensing and Regulation, and other appropriate state entities, access to any systems or information necessary for the Texas Department of Licensing and Regulation to accept the obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions transferred under this Act, including:

- (1) licensing, revenue, and expenditure systems and any associated databases;
- (2) contracts, leases, and licensing agreements;
- (3) online renewal and new application systems and any associated databases;
- (4) pending judgments and outstanding expenditures; and
- (5) data related to persons employed by or contracted with the Texas Racing Commission.

(f) Not later than September 1, 2022, the Texas Commission of Licensing and Regulation shall adopt any rules necessary to implement the changes in law made by this Act to Subtitle A-1, Title 13, Occupations Code.

(g) Unless the context indicates otherwise, a reference to the Texas Racing Commission in a law or administrative rule means the Texas Department of Licensing and Regulation.

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No equivalent provision.

SECTION 7.148. (a) Not later than December 1, 2021, the presiding officer of the Texas Commission of Licensing and Regulation, with the approval of the Texas Commission of Licensing and Regulation, shall appoint members to the Texas Racing Advisory Board in accordance with Section 2022.001, Occupations Code, as amended by this Act. A member of the Texas Racing Commission whose term expired under Section 7.147 of this Act is eligible for appointment to the advisory board.

(b) The members of the Texas Racing Commission whose terms expire under Section 7.147 of this Act shall continue to provide advice to the Texas Department of Licensing and Regulation until a majority of the members of the Texas Racing Advisory Board are appointed under Subsection (a) of this section and qualified.

No equivalent provision.

SECTION 7.149. (a) Not later than September 1, 2023, the executive director of the Texas Department of Licensing and Regulation in accordance with Section 51.202(c), Occupations Code, shall determine with reasonable accuracy the cost to the department of the racing program and activities for which a fee is charged.

(b) The executive director of the Texas Department of Licensing and Regulation, on development of the cost management procedures, shall make recommendations to the Texas Commission of Licensing and Regulation for review and consideration.

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No equivalent provision.

SECTION 7.150. The changes in law made by this article apply to revenue received from the imposition of an administrative penalty on or after September 1, 2021, regardless of whether the penalty was imposed before, on, or after September 1, 2021.

No equivalent provision.

SECTION 7.151. A violation of a law that is repealed by this article is governed by the law in effect when the violation occurred, and the former law is continued in effect for that purpose.

ARTICLE 6. EFFECTIVE DATE

ARTICLE 8. ~~TRANSITION AND~~ EFFECTIVE DATE

No equivalent provision.

SECTION 8.01. The repeal of a statute by this Act controls over an amendment, revision, or reenactment of the statute by another Act of the 87th Legislature, Regular Session, 2021, regardless of relative dates of enactment and the amendment, revision, or reenactment of the repealed statute has no effect.

SECTION 6.01. This Act takes effect September 1, 2021.

SECTION 8.02. (a) ~~Except as otherwise provided by this Act, this Act takes effect September 1, 2021. [FA1(9)]~~
(b) Section 7.147(e) of this Act takes effect June 15, 2021, if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Section 7.147(e) of this Act takes effect September 1, 2021.

