

By: Kitzman

H.B. No. 1550

A BILL TO BE ENTITLED

1 AN ACT

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

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

7 SECTION 1. Section 801.002, Occupations Code, is amended to
8 add Subsection (6-b) to read as follows:

9 (6-b) "Veterinary medical facility" means a location,
10 including a building, portion of a building, or vehicle, in which
11 the practice of veterinary medicine normally takes place or is
12 provided.

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

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

21 (b) Subject to Subsection (a), the executive director of the
22 board is responsible for the administration of licensing,
23 enforcement, financial services, human resources, and workforce
24 development duties of the board, including:

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

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

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

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

22 Sec. 801.102. ~~[CERTAIN DUTIES OF]~~ EXECUTIVE DIRECTOR POWERS
23 AND DUTIES. (a) The executive director shall ~~[is responsible for]~~:

- 24 (1) perform any duties assigned by the board and other
25 duties specified by law;
- 26 (2) administer and enforce the board's programs; and
- 27 (3) issue licenses regulated by the board.

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

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

5 (b) The executive director may:

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

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

10 ~~[(b) Repealed by Acts 2003, 78th Leg., ch. 285, Sec.~~
11 ~~31(39).]~~

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

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

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

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

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

24 (2) formulate policy objectives for the board; and

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

27 SECTION 7. Sections 801.151(a) and (b), Occupations Code,

1 are amended to read as follows:

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

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

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

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

- 15 (1) ~~name;~~
16 (2) ~~residence address; and~~
17 (3) ~~business address~~].

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

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

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

26 [~~(b) A license holder shall notify the board of a change of~~
27 ~~business address or employer not later than the 60th day after the~~

1 ~~date the change takes effect.]~~

2 SECTION 9. Section 801.157, Occupations Code, is amended to
3 add Subsection (c) to read as follows:

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

7 SECTION 10. Sections 801.158(a) and (c), Occupations Code,
8 are amended to read as follows:

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

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

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

17 (c) An action filed under this section must be filed in a
18 district court in Travis County or any other county in which the
19 department may hold a hearing. [~~Venue for an action brought under~~
20 ~~Subsection (b) is in a district court in:~~

21 ~~(1) Travis County; or~~

22 ~~(2) any county in which the board may hold a hearing.]~~

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

25 Sec. 801.161. USE OF TECHNOLOGY. (a) The board shall
26 implement a policy requiring the board to use appropriate
27 technological solutions to improve the board's ability to perform

1 its functions. The policy must ensure that the public is able to
2 interact with the board on the Internet.

3 (b) The board may by rule require an applicant or license
4 holder to provide an e-mail address for purposes of receiving
5 correspondence. An e-mail address provided under this section is
6 confidential and is not subject to disclosure under Chapter 552,
7 Government Code.

8 (c) Notwithstanding any other law, the board may by rule
9 provide that service of any notice, order, or pleading required
10 under this chapter or under Chapter 2001, Government Code, may be
11 made electronically to the e-mail address provided pursuant to
12 subsection (b).

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

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

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

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

24 (b) To perform its functions under subsection (a), the board
25 may, during reasonable business hours:

26 (1) enter a veterinary medical facility or other
27 business premises of a person regulated by the board, or of a person

1 suspected of being in violation of, or threatening to violate, a law
2 administered by the board, or a rule or order of the board or
3 executive director; and

4 (2) examine and copy records pertinent to the
5 inspection or investigation.

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

8 SECTION 14. Section 801.164, Occupations Code, is amended
9 to read as follows:

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

18 (b) The board may use alternative inspection methods,
19 including videoconference or similar technology, instead of
20 conducting an in-person inspection in circumstances the board
21 considers appropriate.

22 SECTION 15. Subchapter D, Chapter 801, Occupations Code, is
23 amended by adding Section 801.165 to read as follows:

24 Sec. 801.165. REFUND. (a) Subject to Subsection (b), the
25 board or executive director may order a license holder to pay a
26 refund to a consumer as provided in an agreed settlement, default
27 order, or board order instead of or in addition to imposing an

1 administrative penalty or sanction.

2 (b) The amount of a refund ordered under this section may
3 not exceed the amount the consumer paid to the license holder for a
4 service regulated by the board, and may not require payment of other
5 damages or estimate harm.

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

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

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

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

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

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

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

1 ~~investigator.]~~

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

4 Sec. 801.2051. PRIORITY OF COMPLAINTS. The board shall
5 assign priorities and investigate complaints based on risk posed to
6 the public by the conduct alleged in the complaint. [~~The board shall~~
7 ~~prioritize complaints to resolve the more serious complaints~~
8 ~~first.~~]

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

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

- 20 (1) ~~dismiss the complaint, and~~
21 (2) ~~include a statement in the record of the complaint~~
22 ~~that the complaint was dismissed because the complaint was baseless~~
23 ~~or unfounded.]~~

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

27 SECTION 20. Section 801.2055, Occupations Code, is amended

1 to add Subsection (c-1) and to amend Subsection (d) as follows:

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

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

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

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

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

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

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

22 Sec. 801.2056. COMPLAINTS NOT REQUIRING MEDICAL EXPERTISE.

23 ~~[(a)]~~ The board shall adopt rules relating to the evaluation and
24 disposition of complaints not requiring medical expertise. [The

25 ~~board may delegate to a committee of board staff the authority to~~

26 ~~dismiss or enter into an agreed settlement of a complaint that does~~

27 ~~not require medical expertise. The disposition determined by the~~

1 ~~committee must be approved by the board at a public meeting.~~

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

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

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

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

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

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

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

19 (1) disclosure under Chapter 552, Government Code; or

20 (2) disclosure, discovery, subpoena, or other means of
21 legal compulsion for their release to any person.

22 [~~Except as provided by Subsection (b), a board record is a~~
23 ~~public record and is available for public inspection during normal~~
24 ~~business hours.]~~

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

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

1 board's behalf in a disciplinary proceeding;

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

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

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

8 (5) a law enforcement agency; or

9 (6) a person engaged in bona fide research, if all
10 individual-identifying information has been deleted.

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

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

27 (c) Except as provided by Subsection (b-1), the board shall

1 protect the identity of a complainant to the extent possible.

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

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

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

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

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

1 (h) Notwithstanding any other provision of this section, if
2 an investigation would be jeopardized by the disclosure of
3 information relating to a complaint or investigation, the board may
4 temporarily withhold or otherwise refrain from disclosing to any
5 person any information or materials that the board would otherwise
6 be required to disclose.

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

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

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

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

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

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

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

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

1 (1) by operation of law pursuant to Section 53.021(b),
2 Occupations Code, upon imprisonment after a conviction of a felony
3 under Chapter 481 or 483 of the Health and Safety Code; or

4 (2) by the board upon conviction of a license holder of
5 an offense under Section 485.033, Health and Safety Code, or of any
6 offense under Chapter 481 or 483 of that code,

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

13 ~~(b) Repealed by Acts 2005, 79th Leg., Ch. 27, Sec. 27(2),~~
14 ~~eff. September 1, 2005.~~

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

20 ~~(1)~~]the public~~[+]~~ and

21 ~~[(2)]~~ the person whose license has been ~~[suspended or]~~
22 ~~revoked.~~

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

25 (d) The board shall by rule prescribe notice procedures for
26 proceedings under this subchapter ~~[The board may conduct~~
27 ~~deliberations relating to a disciplinary action during executive~~

1 ~~session. At the conclusion of those deliberations, the board shall~~
2 ~~vote and announce its decision to the license holder in open~~
3 ~~session].~~

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

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

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

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

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

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

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

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

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

1 ~~(e) At an informal proceeding under this section, and on~~
2 ~~agreement with the license holder, the board may order the license~~
3 ~~holder to refund an amount not to exceed the amount a client paid to~~
4 ~~the license holder instead of or in addition to imposing an~~
5 ~~administrative penalty under this chapter. The board may not~~
6 ~~require payment of other damages or estimate harm under this~~
7 ~~subsection.]~~

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

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

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

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

22 (2) if the person successfully meets the imposed
23 conditions, dismiss the complaint.

24 (b) Except as provided by this subsection, a deferred action
25 by the board is not confidential and is subject to disclosure in
26 accordance with Chapter 552, Government Code. If the person
27 successfully meets the conditions imposed by the board in deferring

1 final action and the board dismisses the action or complaint, the
2 deferred action of the board is confidential to the same extent as a
3 complaint is confidential under Section 801.207.

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

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

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

14 (a) On a determination by a committee described by Section
15 801.408(c) [~~or (d)~~] that a violation of this chapter or a rule
16 adopted or order issued under this chapter occurred, the committee
17 may issue a report to the board stating:

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

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

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

1 (1) accept the board's [~~committee's~~] determination and
2 recommended administrative penalty; or

3 (2) request a hearing on the occurrence of the
4 violation, the amount of the penalty, or both.

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

9 ~~(1) approve the determination and impose the~~
10 ~~recommended penalty;~~

11 ~~(2) modify the determination or recommended penalty;~~

12 ~~or~~

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

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

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

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

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

1 (c) The administrative law judge shall:

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

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

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

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

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

14 (2) a violation did not occur.

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

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

19 (1) pay the administrative penalty;

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

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

26 SECTION 35. Section 801.502(b), Occupations Code, is
27 amended to read as follows:

1 (b) Venue for an action brought under this section is in a
2 district court in Travis County [~~Venue for an action under this~~
3 ~~section is in:~~

4 ~~(1) the county in which the person against whom the~~
5 ~~action is brought resides, if the person is an individual who~~
6 ~~resides in this state;~~

7 ~~(2) the county of the defendant's principal office in~~
8 ~~this state if the defendant is not an individual; or~~

9 ~~(3) Travis County, if the person:~~

10 ~~(A) is an individual who does not reside in this~~
11 ~~state; or~~

12 ~~(B) is an entity that does not have its principal~~
13 ~~office in this state].~~

14 SECTION 36. Section [801.508](#), Occupations Code, is amended
15 to read as follows:

16 Sec. 801.508. CEASE AND DESIST ORDER. The board or
17 executive director may issue a cease and desist order upon
18 determining that it is necessary to prevent a violation of this
19 chapter, or of a rule adopted or order issued by the board.

20 ~~[(a) If it appears to the board that a person is engaging in~~
21 ~~an act or practice that constitutes the practice of veterinary~~
22 ~~medicine without a license or the practice of equine dentistry~~
23 ~~without a license under this chapter, the board, after notice and~~
24 ~~opportunity for a hearing, may issue a cease and desist order~~
25 ~~prohibiting the person from engaging in the activity.~~

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

1 SECTION 37. Subchapter K, Chapter 801, Occupations Code, is
2 amended by adding Section 801.510 to read as follows:

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

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

9 (2) halt operation of an unsafe veterinary medical
10 facility.

11 (b) The board or executive director may issue an emergency
12 order with or without notice and hearing. If an emergency order is
13 issued under this section without a hearing, the board shall set the
14 time and place for a hearing conducted by the State Office of
15 Administrative Hearings to affirm, modify, or set aside the
16 emergency order not later than the 17th day after the date the order
17 was issued. The order shall be affirmed to the extent that
18 reasonable cause existed to issue the order.

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

21 SECTION 38. Chapter 801, Occupations Code, is amended by
22 designating Sections 801.601 through 801.604 as Subchapter M and
23 adding a subchapter heading to read as follows:

24 SUBCHAPTER M. VETERINARY MEDICAL FACILITIES

25 Sec. 801.601. REGISTRATION OF VETERINARY MEDICAL
26 FACILITIES REQUIRED. (a) Veterinary medicine shall be practiced
27 only in or from a veterinary medical facility that is registered

1 with the board or that is exempted by rule from the registration
2 requirement. Unless exempted by this section or by board rule
3 adopted pursuant to this section, every individual facility must be
4 registered with the board.

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

7 (c) A mobile facility affiliated with a registered
8 veterinary medical facility is exempt from separate registration if
9 identified in the application for registration filed pursuant to
10 this subchapter.

11 (c) The board may by rule provide exemptions to the
12 registration requirement for facilities if it determines that
13 imposing or enforcing the requirement:

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

15 (2) is not feasible with current resources or
16 standards; or

17 (3) will not substantially benefit or protect
18 consumers.

19 Sec. 801.602. REGISTRATION ELIGIBILITY AND APPLICATION.

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

25 (b) The facility shall, in its application for
26 registration:

27 (1) indicate the type of business entity that provides

1 services at the facility, and provide information regarding the
2 owners, partners, and operators of the entity as required by board
3 rule; and

4 (2) provide the names and license or registration
5 numbers of all persons who provide services at the facility and are
6 regulated by the board.

7 (c) An application under this section shall require the
8 facility to designate a medical director. The designated medical
9 director must:

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

12 (2) regularly practice veterinary medicine at or from
13 the facility; and

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

15 (4) agree to accept all correspondence from the board
16 on behalf of the facility.

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

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

23 Sec. 801.603. STANDARDS FOR OPERATION OF VETERINARY MEDICAL
24 FACILITIES. The board shall adopt and enforce rules relating to
25 standards of operation of veterinary medical facilities. The rules
26 must include standards regarding:

27 (1) safety and sanitation;

- 1 (2) storage and security of pharmaceuticals and
2 controlled substances;
- 3 (3) patient care;
- 4 (4) retention of documentation, including medical
5 records, controlled substance logs, and employment records; and
- 6 (5) compliance with other state laws related to health
7 and safety.

8 Sec 801.604. SANCTIONS AND ADMINISTRATIVE PENALTIES. The
9 owner or owners of a business entity that provides services at a
10 veterinary medical facility shall be subject to administrative
11 penalties, license sanctions, or both, if:

- 12 (1) the facility does not hold a current registration;
- 13 (2) the facility violates a standard adopted pursuant
14 to Section 801.603;
- 15 (3) facility personnel deny access to the board or its
16 agents to conduct an inspection or investigation; or
- 17 (4) the facility fails to comply with a board order.

18 SECTION 39. The following provisions of Chapter 801,
19 Occupations Code, are repealed:

- 20 (1) Section 801.206;
- 21 (2) Section 801.253(a) as amended by Acts 2011, 82nd
22 Leg., R.S., Ch. 411 (S.B. 811), Sec. 3;
- 23 (3) Section 801.307(a-1) as added by Acts 2019, 86th
24 Leg., R.S., Ch. 449 (S.B. 1947), Sec. 2;
- 25 (5) Section 801.459;
- 26 (6) Section 801.461; and
- 27 (7) Section 801.505.

1 SECTION 40. As soon as practicable after the effective date
2 of this Act, the State Board of Veterinary Medical Examiners shall
3 adopt the rules and procedures necessary to implement the
4 provisions of this Act other than those contained in Subchapter M,
5 Chapter 801, Occupations Code, as added by this Act.

6 SECTION 41. No later than March 1, 2027, the State Board of
7 Veterinary Medical Examiners shall adopt the rules and procedures
8 necessary to implement the provisions contained in Subchapter M,
9 Chapter 801, Occupations Code, as added by this Act.

10 SECTION 42. A veterinary medical facility shall register
11 with the board not later than September 1, 2027.

12 SECTION 43. (a) Except as provided by Subsection (b) of this
13 section, this Act takes effect September 1, 2025.

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