

## BILL ANALYSIS

Senate Research Center  
87R25208

C.S.H.B. 1560  
By: Goldman (Buckingham)  
Business & Commerce  
5/20/2021  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Licensing and Regulation (TDLR) is the state's umbrella occupational licensing and regulatory agency. Although TDLR's overall operations and structure were under Sunset review, the legislature excluded programs transferred to TDLR on or after September 1, 2016, from review. Overall, the Sunset Advisory Commission found TDLR performs critical functions for the state and should be continued for 12 years. The commission also identified certain processes inconsistent with best practices for licensing agencies and found TDLR's decision making for key regulatory functions is largely driven by a reactive process reliant more on qualitative information than consistent, reliable data. TDLR is subject to abolishment under the Sunset Act on September 1, 2021, unless continued by the legislature.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 1560 amends current law relating to the continuation and functions of the Texas Department of Licensing and Regulation.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 1.11 (Section 51.405, Occupations Code), SECTION 1.12 (Section 51.409, Occupations Code), SECTION 3.13 (Section 1603.2001, Occupations Code), SECTION 3.15 (Section 1603.2025, Occupations Code), SECTION 3.20 (Sections 1603.2103 and 1603.2308, Occupations Code), SECTION 3.22 (Section 1603.255, Occupations Code), SECTION 3.24 (Section 1603.3002, Occupations Code), SECTION 3.28 (Section 1603.356, Occupations Code), SECTION 3.29 (Section 1603.3609, Occupations Code), SECTION 4.13 (Section 1001.101(b), Education Code), SECTION 4.14 (Section 1001.1015, Education Code), SECTION 4.20 (Section 1001.201, Education Code), SECTION 4.50 (Section 1001.405, Education Code), SECTION 5.11, SECTION 7.38 (Section 2023.109, Occupations Code), SECTION 7.62 (Section 2025.251, Occupations Code), SECTION 7.72 (Section 2026.008, Occupations Code), SECTION 7.91 (Section 2028.001, Occupations Code), SECTION 7.97 (Section 2028.201, Occupations Code), SECTION 7.103 (Section 2028.401, Occupations Code), SECTION 7.104 (Section 2029.001, Occupations Code), SECTION 7.113 (Section 2031.001, Occupations Code), SECTION 7.116 (Section 2032.004, Occupations Code), and SECTION 7.137 (Section 2034.001, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Commission of Licensing and Regulation is modified in SECTION 1.20 (Section 1958.104, Occupations Code), SECTION 1.21 (Section 1958.106, Occupations Code), SECTION 3.05 (Section 1603.101, Occupations Code), SECTION 3.26 (Section 1603.351, Occupations Code), SECTION 4.06 (Section 1001.054, Education Code), SECTION 4.15 (Section 1001.1016, Education Code), SECTION 4.18 (Section 1001.151, Education Code), SECTION 4.22 (Section 1001.204, Education Code), and SECTION 4.29 (Section 1001.213, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Commission of Licensing and Regulation is rescinded in SECTION 1.17 (Section 1151.1581, Occupations Code), SECTION 1.22 (Section 2308.157, Occupations Code), SECTION 1.24 (Sections 202.305, 203.304, 401.355, 402.303, 455.0571, 605.261, 701.303, 1152.204, 1952.1051, and 1958.056, Occupations Code), SECTION 2.01 (Sections 1703.203, 1703.252, 1703.255, and 1703.305, Occupations Code),

SECTION 3.33 (Sections 1601.253, 1601.254, 1602.002, 1602.254, 1602.255, 1602.2572, 1602.306, 1602.353, 1602.354, 1602.408, 1603.206, 1603.207, and 1603.455), and SECTION 4.17 (Section 1001.112, Education Code) of this bill.

Rulemaking authority previously granted to the executive director of the Texas Department of Licensing and Regulation is rescinded in SECTION 1.24 (Section 1305.168, Occupations Code) of this bill.

Rulemaking authority previously granted to the Department of Public Safety of the State of Texas is modified in SECTION 4.66 (Section 542.304, Transportation Code) of this bill.

Rulemaking authority previously granted to the Texas Real Estate Commission is transferred to the Texas Commission of Licensing and Regulation in SECTION 5.13 of this bill.

Rulemaking authority previously granted to the Texas Real Estate Commission is transferred to the Texas Department of Licensing and Regulation in SECTION 5.13 of this bill.

Rulemaking authority previously granted to the Texas Real Estate Commission is rescinded in SECTION 5.10 (Sections 1303.051, 1303.202, 1303.355, and 1303.401, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Racing Commission is transferred to the Texas Commission of Licensing and Regulation and modified in SECTION 7.22 (Section 2023.002, Occupations Code), SECTION 7.28 (Section 2023.051, Occupations Code), SECTION 7.37 (Section 2023.106, Occupations Code), SECTION 7.41 (Section 2025.001, Occupations Code), SECTION 7.54 (Section 2025.105, Occupations Code), SECTION 7.68 (Section 2026.003, Occupations Code), SECTION 7.70 (Section 2026.006, Occupations Code), SECTION 7.71 (Section 2026.007, Occupations Code), SECTION 7.72 (Section 2026.008, Occupations Code), SECTION 7.74 (Section 2026.051, Occupations Code), SECTION 7.84 (Section 2027.004, Occupations Code), SECTION 7.92 (Section 2028.003, Occupations Code) SECTION 7.97 (Section 2028.201, Occupations Code), and SECTION 7.111 (Section 2030.005, Occupations Code) of this bill.

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 7.103 (Section 2028.401, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Racing Commission is rescinded in SECTION 7.146 (Sections 2022.009, 2022.014, 2022.056, and 2022.102, Occupations Code and Section 6.094, Vernon's Texas Civil Statutes) of this bill.

Rulemaking authority previously granted to the Texas Racing Commission is transferred to the Texas Department of Licensing and Regulation in SECTION 7.147 of this bill.

## **SECTION BY SECTION ANALYSIS**

### ARTICLE 1. GENERAL POWERS AND DUTIES

SECTION 1.01. Amends Section 51.002, Occupations Code, as follows:

Sec. 51.002. APPLICATION OF SUNSET ACT. Provides that, unless continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act), the Texas Commission of Licensing and Regulation (TCLR) and the Texas Department of Licensing and Regulation (TDLR) are abolished September 1, 2033, rather than September 1, 2021. Deletes existing Subdivision (b) prohibiting the review of TCLR and TDLR by the Sunset Advisory Commission under Section 51.002 from including the review of any program that was transferred to TDLR on or after September 1, 2016.

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

(b) Requires that the training program for members of TCLR provide the person with information regarding the law governing TDLR operations, the programs, functions, rules, and budget of TDLR, the scope and limitations on the rulemaking authority of TCLR, the results of the most recent formal audit of TDLR, the requirements of laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest, and other laws applicable to members of a state policy-making body in performing their duties, and any applicable ethics policies adopted by TDLR or the Texas Ethics Commission. Deletes existing text requiring that the training program provide the person with information regarding legislation that created TDLR and TCLR, the programs operated by TDLR, the role and functions of TDLR, the rules of TDLR, with an emphasis on the rules that relate to disciplinary and investigatory authority, the current budget for TDLR, and other laws relating to public officials, including conflict of interest laws. Makes nonsubstantive changes.

(d) Requires the executive director of TDLR (executive director) to create a training manual that includes the information required by Subsection (b). Requires the executive director to distribute a copy of the training manual annually to each member of TCLR. Requires each member of TCLR to sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

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

(a-1) Requires an advisory board to meet at the call of the executive director or the presiding officer of TCLR (presiding officer).

(a-2) Authorizes an advisory board to 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 is required to be audible to the public and, in the case of a meeting held by videoconference, visible to the public. Requires that the meeting, if a problem occurs that causes a meeting to no longer be visible or audible to the public as required under this subsection, be recessed until the problem is resolved. Requires that the meeting, if the problem is not resolved in six hours or less, be adjourned. Requires the face of each participant in a meeting held by videoconference, while that participant is speaking, to be clearly visible, and the participant's voice to be audible, to each other participant and, during the open portion of the meeting, to the members of the public. Provides that 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) (relating to certain requirements for meetings held by videoconference call), Government Code.

SECTION 1.04 Amends Subchapter D, Chapter 51, Occupations Code, by adding Sections 51.2095 and 51.211, as follows:

Sec. 51.2095. INTERDISCIPLINARY ADVISORY BOARDS. Authorizes the executive director or the presiding officer to appoint interdisciplinary advisory boards consisting of members from various businesses, industries, general trades, or occupations to provide expertise related to a program regulated by TDLR.

Sec. 51.211. RISK-BASED INSPECTIONS. (a) Requires TDLR to conduct risk-based inspections that prioritize inspections based on key risk factors identified by TDLR, including whether a license holder has previously violated a law establishing a regulatory program administered by TDLR or a rule or order of TCLR or the executive director, and the number of violations committed by a license holder.

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

SECTION 1.05. Amends Section 51.251, Occupations Code, by adding Subsection (c) to require the executive director to establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of TDLR for the purpose of directing complaints to TDLR.

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

(a) Requires TDLR to maintain a system to promptly and efficiently act on complaints filed with TDLR. Requires TDLR to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition. Deletes existing text requiring the executive director to establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of TDLR for the purpose of directing complaints to TDLR, and requiring TDLR to provide to the person filing the complaint and to each person who is a subject of the complaint information about TDLR's policies and procedures relating to complaint investigation and resolution.

(b-2) Requires TDLR to make information available describing its procedures for complaint investigation and resolution.

(c) Requires TDLR to periodically notify the complaint parties of the status of the complaint until final disposition unless the notice would jeopardize an investigation, rather than requires TDLR, at least quarterly and until final disposition of the complaint, to notify the person filing the complaint and each person who is a subject of the complaint of the status of the investigation unless the notice would jeopardize an undercover investigation.

SECTION 1.07. Amends Subchapter E, Chapter 51, Occupations Code, by adding Sections 51.2521 and 51.255, as follows:

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

(b) Requires TDLR, if TDLR determines at any time that an allegation made or formal complaint submitted by a person is inappropriate or without merit, to dismiss the complaint.

Sec. 51.255. STATISTICAL ANALYSIS OF COMPLAINTS. (a) Requires TDLR to make available on TDLR's Internet website a statistical analysis of the complaints received by TDLR.

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

(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 TCLR;

(E) a breakdown of the nature of the alleged violations in complaints opened for investigation, and in cases that resulted in disciplinary action; and

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

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

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

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

SECTION 1.08. Amends Section 51.351, Occupations Code, by adding Subsection (e) to authorize TDLR to take action under Section 51.353 (License Denial; Administrative Sanctions) for a violation identified during an inspection.

SECTION 1.09. Amends Subchapter G, Chapter 51, Occupations Code, by adding Section 51.359, as follows:

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

(b) Prohibits the amount of a refund ordered from exceeding the amount the consumer paid to the license holder for a service regulated by TDLR. Prohibits TCLR or the executive director from requiring payment of other damages or estimating harm in a refund order.

SECTION 1.10. Amends Section 51.4012(a), Occupations Code, to delete existing text authorizing TCLR, notwithstanding any other law, to determine that a person is not eligible for a license based on other information that indicates that the person lacks the honesty, trustworthiness, and integrity to hold a license issued by TDLR.

SECTION 1.11. Amends Section 51.405, Occupations Code, as follows:

Sec. 51.405. CONTINUING EDUCATION. (a) Creates this subsection from existing text. Requires TDLR, rather than TCLR, to recognize, prepare, or administer continuing education programs for license holders.

(b) Authorizes TCLR by rule, notwithstanding any other law, to establish a minimum number of hours of continuing education required for license renewal, to provide for the registration and renewal of continuing education providers and the approval of continuing education courses, and to assess reasonable and necessary fees on continuing education providers.

(c) Requires TCLR, in adopting rules under this section for a program regulated by TDLR, to consult, if applicable, with the advisory board established for the program.

SECTION 1.12. Amends Subchapter H, Chapter 51, Occupations Code, by adding Section 51.409, as follows:

Sec. 51.409. FINANCIAL DISCLOSURE STATEMENT. (a) Authorizes TCLR by rule to require a person, other than an individual, applying for a license issued by TDLR to submit with the license application a financial disclosure statement. Authorizes the rules to require any of the following 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 has a financial investment in the business and 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 TCLR by rule requires to be included based on the person's exercise of direct or indirect influence or control other than a shareholder or lender of the corporation.

(b) Authorizes TDLR to deny an application for the issuance or renewal of a license or to suspend or revoke a license on the grounds that an applicant or license holder fails to disclose a relationship for which disclosure is required by rules adopted under this section, or 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 TCLR or the executive director.

SECTION 1.13. Amends Section 202.505, Occupations Code, to delete existing text authorizing TDLR to refuse to reinstate a license or to issue a new license until a podiatrist has passed the regular license examination if TCLR or the executive director suspended or revoked the license for failure to satisfy continuing education requirements under Section 202.305 (Continuing Education).

SECTION 1.14. Amends Section 402.207(c), Occupations Code, to delete existing text requiring an apprentice permit holder, during the apprentice year, to complete 20 hours of classroom continuing education as required by Section 402.303 (Continuing Education) for a license holder.

SECTION 1.15. Amends Section 402.305, Occupations Code, to authorize TDLR to renew the license of a license holder who does not comply with the applicable continuing education requirements, rather than the continuing education requirements of Section 402.303 or 402.304 (Alternative to Continuing Education Requirement), if the license holder meets certain criteria.

SECTION 1.16. Amends Section 802.062(b), Occupations Code, to require that an inspection by TDLR, rather than the inspection, be conducted during the facility's normal business hours, and that the licensed dog or cat breeder or a representative of the licensed breeder be given a reasonable opportunity to be present during the inspection.

SECTION 1.17. Amends Section 1151.1581, Occupations Code, as follows:

Sec. 1151.1581. CONTINUING EDUCATION. (a) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to review and approve any, rather than all, continuing education programs for registrants.

(b) Creates this subsection from existing text and makes a conforming change.

Deletes existing text requiring TCLR to recognize, prepare, or administer continuing education programs for registrants under Chapter 1151 (Property Tax Professionals). Deletes existing text requiring a registrant to participate in the programs to the extent required by TDLR to keep the person's certificate of registration. Deletes existing text authorizing TCLR to set fees for continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover TDLR's costs in administering TDLR's duties under this section. Deletes existing text requiring TCLR, as part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, by rule to require the registrant to complete at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b) (relating to certain topics about which the chief appraiser training program is required to provide the appointee) and 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. Amends Section 1152.106, Occupations Code, as follows:

Sec. 1152.106. New heading: VOTE REQUIRED FOR ACTION. Deletes existing text requiring the Property Tax Consultants Advisory Council to meet at least semiannually at the call of the presiding officer or at the call of a majority of its members.

SECTION 1.19. Amends Section 1953.106, Occupations Code, to require a professional sanitarian, to renew a certification of registration under Chapter 1953 (Sanitarians), to provide proof of completion of any applicable continuing education requirements, rather than of continuing education requirements, prescribed by TCLR rule. Makes a conforming change.

SECTION 1.20. Amends Section 1958.104, Occupations Code, to delete existing text including ongoing continuing education required under Section 1958.106 (Training; Continuing Education) in the renewal requirements for a license as a mold assessor or remediator.

SECTION 1.21. Amends Section 1958.106, Occupations Code, as follows:

Sec. 1958.106. New heading: TRAINING. (a) Deletes existing text requiring TCLR to adopt rules regarding continuing education required for a license holder under Chapter 1958 (Mold Assessors and Remediators).

(b) Deletes existing text authorizing inclusion in the rules of requirements regarding continuing education providers.

SECTION 1.22. Amends Section 2308.157, Occupations Code, as follows:

Sec. 2308.157. New heading: REQUIREMENT FOR INITIAL RENEWAL OF INCIDENT MANAGEMENT TOWING OPERATOR'S LICENSE. Deletes existing text requiring TCLR by rule to recognize, prepare, or administer continuing education programs for license holders. Deletes existing text requiring each license holder, except as provided by Subsection (c), to complete a continuing education program before the license holder is authorized to renew the license holder's license. Deletes existing text requiring a person recognized by TCLR to offer a continuing education program to register with TDLR and to comply with rules adopted by TCLR relating to continuing education. Makes nonsubstantive changes.

SECTION 1.23. Amends Section 2308.159(c), Occupations Code, to authorize a license holder to renew a license issued under Chapter 2308 (Vehicle Towing and Booting) by completing any applicable continuing education requirements, rather than by completing continuing education as required by Section 2308.157 (Continuing Education).

SECTION 1.24. (1) Repealer: Section 1001.058(h) (relating to the requirement that the advisory committee meet at the call of the presiding officer), Education Code.

(2) Repealer: Section 469.053(e) (relating to the requirement that the advisory committee meet at least twice each year at the call of the presiding officer), Government Code.

(3) Repealer: Section 754.012(d) (relating to the requirement that the advisory board meet as determined by the executive director or the presiding officer), Health and Safety Code.

(4) Repealer: Section 754.0174 (Continuing Education for Renewal of Elevator Inspector and Contractor Registrations), Health and Safety Code.

(5) Repealer: Section 755.016 (Meetings), Health and Safety Code.

(6) Repealer: Section 51.0021 (Sunset Review of Transferred Programs), Occupations Code.

(7) Repealer: Section 51.252(d) (relating to TCLR complaint procedures), Occupations Code.

(8) Repealer: Section 202.305 (Continuing Education), Occupations Code.

(9) Repealer: Section 202.5085 (Refund), Occupations Code.

(10) Repealer: Section 203.304 (Continuing Midwifery Education), Occupations Code.

(11) Repealer: Section 203.406 (Refund), Occupations Code.

(12) Repealer: Section 401.355 (Continuing Education), Occupations Code.



- (13) Repealer: Section 402.303 (Continuing Education), Occupations Code.
- (14) Repealer: Section 403.152 (Continuing Education), Occupations Code.
- (15) Repealer: Section 455.0571 (Continuing Education), Occupations Code.
- (16) Repealer: Section 506.105 (Meetings), Occupations Code.
- (17) Repealer: Section 605.261 (Continuing Education), Occupations Code.
- (18) Repealer: Section 701.303 (Continuing Education), Occupations Code.
- (19) Repealer: Section 701.512 (Refund), Occupations Code.
- (20) Repealer: Section 802.062(a) (relating to requiring TDLR inspection of licensed dog and cat breeder facilities at least once every 18 months), Occupations Code.
- (21) Repealer: Section 802.065(e) (relating to meeting requirements for an advisory committee on dog and cat breeder regulations), Occupations Code.
- (22) Repealer: Section 1152.204 (Recognition of Educational Programs and Courses), Occupations Code.
- (23) Repealer: Section 1302.208(a) (relating to meeting requirements for an advisory committee on air conditioning and refrigeration contractor regulations), Occupations Code.
- (24) Repealer: Section 1305.055 (Meetings), Occupations Code.
- (25) Repealer: Section 1305.168 (Continuing Education), Occupations Code.
- (26) Repealer: Section 1901.107(a) (relating to the requirement that the Texas Water Well Drillers Advisory Council hold meetings at the call of the presiding officer), Occupations Code.
- (27) Repealer: Section 1952.1051 (Continuing Education), Occupations Code.
- (28) Repealer: Section 1958.056(b) (relating to the requirement that TCLR adopt rules regarding compliance investigations), Occupations Code.
- (29) Repealer: Section 2303.056(b) (relating to TDLR inspection intervals for vehicle storage facilities), Occupations Code.
- (30) Repealer: Section 2308.055 (Meetings), Occupations Code.
- (31) Repealer: Section 2309.056 (Meetings), Occupations Code.
- (32) Repealer: Section 2309.106(a) (relating to TDLR inspection intervals for automotive parts recycling facilities), Occupations Code.

SECTION 1.25. (a) Provides that except as provided by Subsection (b) of this section, Section 51.054, Occupations Code, as amended by this article, applies to a member of TCLR appointed before, on, or after September 1, 2021.

(b) Provides that a member of TCLR 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 51.054, Occupations Code. Prohibits a member described by this subsection from voting, deliberating, or

being counted as a member in attendance at a meeting of TCLR held on or after December 1, 2021, until the member completes the additional training.

## ARTICLE 2. DEREGULATION

SECTION 2.01. (1) Repealer: Chapter 1703 (Polygraph Examiners), Occupations Code.

(2) Repealer: Section 2052.002(11-a) (relating to the definition of "event coordinator"), Occupations Code.

SECTION 2.02. Amends Section 54.0405(d), Family Code, to require that a polygraph examination required as a condition of probation under Subsection (a) (relating to requirements for a child placed on probation for conduct constituting a sexual offense) be administered by an individual who is specified by the local juvenile probation department supervising the child, rather than who is specified by the local juvenile probation department supervising the child and licensed as a polygraph examiner under Chapter 1703, Occupations Code.

SECTION 2.03. Amends Sections 411.0074(c) and (d), Government Code, as follows:

(c) Makes a conforming change.

(d) Deletes existing text authorizing TDLR and the polygraph examiner to disclose the results of a polygraph administered under Section 411.0074 (Polygraph Examinations for Certain Applicants), Government Code, in accordance with Section 1703.306 (Confidentiality of Examination Results), Occupations Code. Makes conforming and nonsubstantive changes.

SECTION 2.04. Amends Section 245.053(d), Human Resources Code, to make conforming and nonsubstantive changes.

SECTION 2.05. Amends Section 2052.107, Occupations Code, to prohibit a person, unless the person holds a license or registration issued under Chapter 2052 (Combative Sports), from acting as a combative sports professional contestant, manager of a professional contestant, referee, or judge, rather than from acting as a combative sports professional contestant, manager of a professional contestant, referee, judge, second, matchmaker, or event coordinator.

SECTION 2.06. Provides that on September 1, 2021, the Polygraph Advisory Committee is abolished.

SECTION 2.07. Provides that on September 1, 2021, a pending regulatory action, including a complaint investigation, disciplinary action, or administrative penalty proceeding, of TDLR with respect to a license, permit, or certification issued under a law repealed by this article, is terminated.

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

SECTION 2.09. Requires TDLR, not later than January 1, 2023, in consultation with the Auctioneer Advisory Board, to study the regulation of auctioneering and prepare a report with any findings and recommendations to improve public safety and TDLR's processes and to eliminate inefficiencies, including any necessary legislative changes. Authorizes TDLR, in conducting the study, to consult with any interested organizations, associations, and stakeholders. Requires TDLR to submit the report to the standing legislative committees with jurisdiction over TDLR.

## ARTICLE 3. BARBERING AND COSMETOLOGY

SECTION 3.01. Amends Section 1603.001, Occupations Code, to define "advisory board," "establishment," "manager," and "school." Deletes existing text providing that unless the context clearly indicates otherwise, the definitions in Chapters 1601 (Barbers) and 1602

(Cosmetologists) apply to Chapter 1603 (Regulation of Barbering and Cosmetology). Makes nonsubstantive changes.

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

Sec. 1603.0011. PRACTICE OF BARBERING OR COSMETOLOGY. (a) Provides that 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;

(3) cleansing, stimulating, or massaging a person's scalp, face, neck, 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) Provides that 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) Provides that 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) Provides that advertising or representing to the public in any manner that a person is licensed to perform a barbering or cosmetology service under Chapter 1603, or that a location or place of business is an establishment or school, constitutes the practice of barbering or cosmetology.

(e) Defines "safety razor."

Sec. 1603.0012. SERVICES NOT CONSTITUTING BARBERING OR COSMETOLOGY. Provides that 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. Provides that Chapter 1603 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 TDLR to practice barbering or cosmetology and the person is licensed in Texas to practice medicine, dentistry, podiatry, chiropractic, or nursing and operating within the scope of the person's license, is a commissioned or authorized medical or surgical officer of the United States armed forces, or is 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 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 photographic sitting at a permanent establishment that charges a fee exclusively for a photographic sitting, a television appearance, or 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. Amends Section 1603.002, Occupations Code, as follows:

Sec. 1603.002. REGULATION OF BARBERING AND COSMETOLOGY BY DEPARTMENT OF LICENSING AND REGULATION. Requires TDLR to administer Chapter 1603. Provides that Chapter 1603 does not limit TDLR or TCLR's general powers under Chapter 51 (Texas Department of Licensing and Regulation). Deletes existing text requiring TDLR to administer Chapters 1601 and 1602, and providing that a reference in Chapter 1603 to TCLR's or TDLR's powers or duties applies only in relation to those chapters.

SECTION 3.04. Amends Subchapter B, Chapter 1603, Occupations Code, as follows:

SUBCHAPTER B. New heading: BARBERING AND COSMETOLOGY  
ADVISORY BOARD

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

- (1) four members who each hold an individual practitioner license under Subchapter E-1, including at least one holder of a Class A barber license and 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) Requires the advisory board to advise TCLR and TDLR on education and curricula for applicants, the content of examinations, proposed rules and standards on technical issues related to barbering and cosmetology, and other issues affecting barbering and cosmetology. Makes conforming and nonsubstantive changes.

(b) Requires the advisory board to respond to questions from TCLR and TDLR regarding barbering and cosmetology.

Sec. 1603.053. TERMS; VACANCY. (a) Provides that 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) Requires the presiding officer, if a vacancy occurs during a member's term, with TCLR's approval, to appoint a replacement to fill the unexpired term.

Sec. 1603.054. PRESIDING OFFICER. (a) Requires the presiding officer to appoint one of the advisory board members to serve as the presiding officer of the advisory board for a two-year term.

Deletes existing text requiring the advisory boards established under Chapters 1601 and 1602 to advise TCLR on administering Chapter 1603 and Chapters 1601 and 1602 regarding barbering or cosmetology, as applicable.

SECTION 3.05. Amends Section 1603.101, Occupations Code, to delete existing text requiring TCLR to adopt rules consistent with Chapter 1603 for the administration of Chapters 1601 and 1602.

SECTION 3.06. Amends Section 1603.103(a), Occupations Code, to delete existing text prohibiting a person from operating a school permitted under Chapter 1601 or Chapter 1602 until TDLR determines, by inspection, that the person has established the school in compliance with Chapter 1603.

SECTION 3.07. Amends the heading to Section 1603.104, Occupations Code, to read as follows:

Sec. 1603.104. INSPECTIONS.

SECTION 3.08. Amends Sections 1603.104(a) and (d), Occupations Code, as follows:

(a) Deletes existing text authorizing TDLR to enter and inspect at any time during business hours the place of business of any person regulated under Chapter 1601 or Chapter 1602. Makes conforming and nonsubstantive changes.

(d) Deletes existing text requiring an inspector who discovers a violation of Chapter 1601 or Chapter 1602 to provide written notice of the violation to the license, certificate, or permit holder on a form prescribed by TDLR and file a complaint with the executive director. Deletes existing text requiring an inspector who discovers a violation of Chapter 1603 or of a rule or order of TCLR or the executive director to file a complaint with the executive director. Makes a conforming change.

SECTION 3.09. Amends Section 1603.1045, Occupations Code, to authorize TDLR to contract with a person to perform for TDLR inspections of a school or establishment, rather than inspections of a school, shop, or other facility under Chapter 1603, Chapter 1601, or Chapter 1602.

SECTION 3.10. Amends Subchapter C, Chapter 1603, Occupations Code, by adding Section 1603.106, as follows:

Sec. 1603.106. CERTAIN BUILDING AND FACILITY STANDARDS PROHIBITED. Prohibits TCLR from establishing 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 square footage of floor space, number of chairs, or number of sinks.

SECTION 3.11. Amends Section 1603.151, Occupations Code, to make conforming changes.

SECTION 3.12. Amends the heading to Subchapter E, Chapter 1603, Occupations Code, to read as follows:

SUBCHAPTER E. GENERAL LICENSE AND PERMIT PROVISIONS

SECTION 3.13. Amends Subchapter E, Chapter 1603, Occupations Code, by adding Section 1603.2001, as follows:

Sec. 1603.2001. RULES FOR ISSUANCE OF LICENSE OR PERMIT. (a) Requires TCLR by rule to establish requirements for the issuance of a license for an individual practitioner, establishment, or school, and for a student permit.

(b) Authorizes requirements established by TCLR under Subsection (a) for an individual practitioner to include requirements regarding an applicant's minimum age, education level, and completed hours of instruction.

(c) Requires TCLR, in establishing a requirement under this section for the issuance of a license, to 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) Provides that requirements established under this section for an individual practitioner specialty license are prohibited from being more stringent than requirements for a Class A barber license or a cosmetology operator license, and, for a specialty establishment license, are prohibited from being more stringent than requirements for an establishment license.

(e) Requires TCLR to establish standardized requirements within license categories.

SECTION 3.14. Amends Sections 1603.201 and 1603.202, Occupations Code, as follows:

Sec. 1603.201. APPLICATION FORM. Requires that an application for a license or permit under Chapter 1603 be made on a form prescribed by TDLR, rather than requiring that an application for a certificate, license, or permit be made on a form prescribed and provided by TDLR.

Sec. 1603.202. New heading: DUPLICATE LICENSE OR PERMIT. Deletes existing text requiring TDLR to issue a duplicate certificate to an applicant who submits an application for a duplicate certificate to TDLR and pays the required fee.

SECTION 3.15. Amends Subchapter E, Chapter 1603, Occupations Code, by adding Section 1603.2025, as follows:

Sec. 1603.2025. TEMPORARY LICENSE. (a) Authorizes TDLR to issue a temporary license.

(b) Authorizes TCLR by rule to establish requirements for the issuance of a temporary license.

(c) Provides that a temporary license expires on the 60th day after the date the license is issued. Prohibits a temporary license from being renewed.

SECTION 3.16. Amends Sections 1603.203 and 1603.204, Occupations Code, as follows:

Sec. 1603.203. New heading: PROVISIONAL LICENSE. (a) Authorizes TDLR to issue a provisional license to an applicant currently licensed in another jurisdiction who seeks a license in this state and who meets certain conditions, including having passed a national or other examination recognized by TDLR, rather than recognized by TCLR, relating to the practice of that profession. Deletes existing text authorizing TDLR to issue a provisional certificate to an applicant currently licensed in another jurisdiction who seeks a certificate in this state and who meets certain conditions. Makes conforming changes.

(b) Requires TDLR to issue a license to the provisional license holder if the provisional license holder meets certain conditions, including that the provisional license holder passes the part of the examination 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 TDLR verifies that the provisional license holder meets the education and experience requirements, rather than the academic and experience requirements, for the license. Makes conforming changes.

(c) Makes conforming changes to this subsection.

Sec. 1603.204. New heading: SUBSTANTIALLY EQUIVALENT LICENSE. (a) Deletes existing text authorizing a person who holds a 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 Chapter 1601 or Chapter 1602 to apply for a 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. Makes a conforming change.

(b) Makes conforming changes to this subsection.

(c) Authorizes a person issued a license under this section to perform the acts of barbering or cosmetology authorized by the license, rather than stated on the license, certificate or permit. Makes conforming changes.

SECTION 3.17. Amends Sections 1603.208(a)(2) and (3), Occupations Code, to redefine "digitally prearranged remote service" and "remote service business."

SECTION 3.18. Amends Sections 1603.208(c), (d), (f), (g), and (i), Occupations Code, as follows:

(c) Provides that Sections 1603.2108 and 1603.2109, rather than Sections 1601.453 (Location of Practice), 1601.455 (Service at Unlicensed Location), 1602.251(c) (relating to the requirement that a person licensed by TDLR practice cosmetology only at facilities operated by a person holding certain licenses), and 1602.407 (Service at Unlicensed Location), do not apply to a digitally prearranged remote service scheduled through a remote service business.

(d) Makes conforming changes to this subsection.

(f) Provides that a remote service business, before a person licensed to practice barbering or cosmetology performs a digitally prearranged remote service for a client requesting the service, must, rather than shall, provide through the entity's digital network certain information. Makes conforming and nonsubstantive changes.

(g) and (i) Makes conforming and nonsubstantive changes to these subsections.

SECTION 3.19. Amends Subchapter E, Chapter 1603, Occupations Code, by adding Section 1603.209, as follows:

Sec. 1603.209. INFECTIOUS AND CONTAGIOUS DISEASES. (a) Prohibits a person holding a license or permit issued under Subchapter E-1 from performing 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) Prohibits a person holding an establishment or school license from employing 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.).

SECTION 3.20. Amends Chapter 1603, Occupations Code, by adding Subchapters E-1, E-2, and E-3, 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) Prohibits a person from performing or offering or attempting 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) Prohibits a person, unless the person holds an appropriate license issued under this subchapter, from directly or indirectly using or causing 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. Requires TDLR to issue an individual practitioner license to an applicant who meets the applicable eligibility requirements, passes the applicable examination, pays the required fee, has not committed an act that constitutes a ground for denial of the license, and submits an application on a form prescribed by TDLR.

Sec. 1603.2103. INDIVIDUAL PRACTITIONER LICENSES. (a) Provides that a person holding:

- (1) a Class A barber license is authorized to perform any barbering service;
- (2) a cosmetology operator license is authorized to perform any cosmetology service;
- (3) a manicurist license is authorized to perform any service described by Section 1603.0012(a)(7) or (8);
- (4) an esthetician license is authorized to perform any service described by Section 1603.0011(a)(3), (4), (5), or (6), or (c);
- (5) a manicurist/esthetician license is authorized to perform any service described by Section 1603.0011(a)(3), (4), (5), (6), (7), or (8), or (c);
- (6) a hair weaving specialist license is authorized to perform any service described by Section 1603.0011(a)(9);
- (7) a hair weaving specialist/esthetician license is authorized to perform any service described by Section 1603.0011(a)(3), (4), (5), (6), or (9), or (c); and
- (8) an eyelash extension specialist license is authorized to perform any service described by Section 1603.0011(c).

(b) Requires TDLR by rule to provide for the issuance of a Class A barber license to a person who holds a cosmetology operator license and the issuance of a cosmetology operator license to a person who holds a Class A barber license.

Sec. 1603.2104. WAIVER OF CERTAIN LICENSE REQUIREMENTS. (a) Authorizes TDLR to 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 state.

(b) Requires TDLR to issue a license to an applicant under Subsection (a) if the applicant submits an application on a form prescribed by TDLR, pays the application fee, and 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) Prohibits TDLR from requiring a personal interview as part of the application process under this section.

(d) Authorizes a license issued under this section to be renewed as provided by Subchapter G.

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

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

(c) Provides that a separate application is required for each enrollment. Provides that the application fee applies only to the first enrollment. Prohibits TDLR from charging the application fee for any later enrollment.

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

Sec. 1603.2107. DISPLAY OF LICENSE OR PERMIT. (a) Requires the holder of a license issued under this subchapter to:

(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 working; or

(2) make available at the reception desk of the establishment in which the holder is working, in the manner prescribed by TDLR:

(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) Requires the holder of a student permit issued under this subchapter to display the permit in a reasonable manner at the school in which the permit holder is enrolled.

Sec. 1603.2108. LOCATION OF PRACTICE. Authorizes a person holding a license or permit issued under this subchapter to practice barbering or cosmetology only at a licensed establishment or school.

Sec. 1603.2109. SERVICE AT UNLICENSED LOCATION. (a) Defines "licensed facility."

(b) Authorizes a person holding a license under this subchapter to perform a service within the scope of the license at a location other than a licensed facility for a client who, because of illness or physical or mental incapacitation, is unable to receive the service at a licensed facility, or for a client in preparation for and at the location of a special event, including a wedding.

(c) Requires that an appointment for a service performed under this section be made through a licensed facility.

#### SUBCHAPTER E-2. ESTABLISHMENT LICENSES; OPERATION

Sec. 1603.2201. LICENSE REQUIRED. (a) Prohibits a person from owning, operating, or managing 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) Prohibits a person from leasing 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. Requires TDLR to issue the applicable establishment license under this subchapter to an applicant if:

(1) the applicant owns or rents the establishment, verifies the application, complies with the application requirements of this chapter, pays the required inspection and license fees, and has not committed an act that constitutes a ground for denial of a license; and

(2) the establishment meets TDLR's minimum health standards for an establishment and complies with all TDLR rules.

Sec. 1603.2203. ESTABLISHMENT LICENSES. (a) Provides that an establishment licensed as:

(1) an establishment is authorized to provide any barbering or cosmetology service;

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

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

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

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

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

(7) a mini-establishment is authorized to provide any barbering or cosmetology service; and

(8) a mobile establishment is authorized to provide any barbering or cosmetology service.

(b) Defines "mini-establishment" and "mobile establishment."

Sec. 1603.2204. TRANSFER OF LICENSE PROHIBITED. Provides that a license issued under this subchapter is not transferable.

Sec. 1603.2205. USE OF ESTABLISHMENT AS SLEEPING QUARTERS PROHIBITED. (a) Prohibits an owner or manager of a licensed establishment from permitting a person to sleep in a room used as part of the establishment.

(b) Prohibits a person from performing 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. Prohibits a person from operating 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. Requires TDLR to issue a license under this subchapter to an applicant who, as applicable, submits an application on a form prescribed by TDLR, pays the required fee, provides to TDLR adequate proof of financial responsibility, meets the health and safety standards established by TDLR, and satisfies any other requirements of this chapter or TDLR rule.

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

(1) is authorized to provide instruction in the barbering or cosmetology services for which the license holder has been approved by TDLR; and

(2) is authorized to 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) Authorizes TDLR to 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) Provides that if a licensed school changes ownership, the outgoing owner is required to notify TDLR of the change not later than the 10th day before the date the change takes effect, and the new owner is required to obtain a license under this subchapter in accordance with TDLR rule.

(b) Prohibits a school from changing the location of the school unless the school obtains approval from TDLR before the change by showing that the proposed location meets the requirements of this chapter and TDLR rules.

Sec. 1603.2305. SIGNS REQUIRED. Requires the holder of a school license to place a sign on the front outside portion of the school's building in a prominent place that reads "SCHOOL--STUDENT PRACTITIONERS" in at least 10-inch block letters, or in a manner prescribed by TDLR.

Sec. 1603.2306. INFORMATION PROVIDED TO PROSPECTIVE STUDENT. Requires the holder of a school license to provide to each prospective student, as applicable, a course outline; a schedule of the tuition and other fees assessed; the school's refund policy required under Section 1603.3602; the school's grading policy and rules relating to incomplete grades; the school's rules of operation and conduct, including rules relating to absences; TDLR's name, mailing address, and telephone number for the purpose of directing complaints to TDLR; and 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) Requires a school to design course length and curriculum content to reasonably ensure that a student develops the job skills and knowledge necessary for employment.

(b) Requires a school to submit to TDLR for approval the course length and curriculum content for each course offered by the school. Prohibits the school from implementing a course length and curriculum content without the approval of TDLR.

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

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

(b) Requires TCLR by rule to establish the subjects in which students are required to receive instruction.

(c) Prohibits a school from increasing, decreasing, or withholding for any reason the number of hours earned by a student.

Sec. 1603.2309. **DAILY ATTENDANCE RECORDS.** (a) Requires a school to maintain an attendance record showing the students' daily attendance.

(b) Authorizes TDLR to inspect a school's attendance records at any time.

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

Sec. 1603.2311. **REPORTS TO DEPARTMENT.** (a) Requires a licensed school to maintain a monthly progress report regarding each student attending the school. Requires that the report certify the daily attendance record of each student and the number of hours earned by each student during the previous month.

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

(c) Requires the holder of a school license to provide to TDLR on request the current course completion rates of students who attend a course of instruction offered by the school and job placement rates and employment rates of students who complete a course of instruction.

Sec. 1603.2312. **ADDITIONAL DUTIES OF LICENSE HOLDER.** Requires the holder of a school license to maintain a sanitary premises, establish regular class and instruction hours and grades, hold examinations before issuing diplomas, and 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) Authorizes a student at a licensed school to transfer completed hours of instruction to another licensed school in this state.

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

(c) Requires TDLR, in evaluating a student's transcript, to determine whether the agreed tuition has been paid. Requires TDLR, if the tuition has not been paid, to notify the student that the student's transcript cannot be certified to the school to which the student seeks a transfer until proof is provided that the tuition has been paid.

(d) Requires TDLR, on evaluation and approval, to certify in writing to the student and to the school to which the student seeks a transfer that the stated courses and hours have been successfully completed, and the student is not required to repeat the hours of instruction.

Sec. 1603.2314. IDENTIFICATION OF AND WORK PERFORMED BY STUDENT.

(a) Requires each licensed school to 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) Prohibits a school from receiving 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) Authorizes the license of a school that violates this section to be revoked or suspended.

SECTION 3.21. Amends Section 1603.252(b), Occupations Code, to require the executive director to determine uniform standards for acceptable performance on an examination for a license under Subchapter E-1, rather than for a license or certificate under Chapter 1601 and for a license or certificate under Chapter 1602.

SECTION 3.22. Amends Sections 1603.253 and 1603.255, Occupations Code, as follows:

Sec. 1603.253. WRITTEN EXAMINATION. Requires TDLR, rather than TCLR, to select an examination for each written examination required under Chapter 1603. Deletes existing text requiring TCLR to select an examination for each written examination required under Chapter 1601 or Chapter 1602.

Sec. 1603.255. EARLY EXAMINATION. Authorizes TCLR by rule to allow for the early written examination of a student. Deletes existing text authorizing TDLR to allow for the early written examination of a student who has completed certain provided numbers of hours of instruction in a TDLR-approved training program.

SECTION 3.23. Amends Sections 1603.256(a) and (c), Occupations Code, as follows:

(a) Authorizes TCLR to require a practical examination as it considers necessary for a license issued under Subchapter E-1, rather than under Chapter 1601 or 1602. Makes a conforming change.

(c) Authorizes certain persons to administer a practical examination, including a licensed school that is approved by TDLR to administer the examination under Section 1603.252 (General Examination Requirements), rather than a barber school, private beauty culture school, or a public secondary or postsecondary beauty culture school that is approved by TDLR to administer the examination under Section 1603.252. Makes a conforming change.

SECTION 3.24. Amends Subchapter G, Chapter 1603, Occupations Code, as follows:

SUBCHAPTER G. New heading: LICENSE RENEWAL

Sec. 1603.3001. LICENSE TERMS. (a) Provides that, 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) Provides that a school license expires on the first anniversary of the date the license is issued.

Sec. 1603.3002. RENEWAL RULES. (a) Authorizes TCLR by rule to establish requirements for the renewal of a license issued under Chapter 1603, including continuing education requirements.

(b) Authorizes TCLR to establish separate requirements for the initial renewal of a license and subsequent renewals of a license.

(c) Requires TCLR, before establishing continuing education requirements under this section, to consider the potential impact of continuing education with respect to identifying and assisting trafficked persons and providing license holders with opportunities to acquire new skills.

Sec. 1603.3003. ISSUANCE OF RENEWAL LICENSE. Requires TDLR to issue a renewal license on receipt of a renewal application in the form prescribed by TDLR and any renewal fee.

Sec. 1603.3004. RENEWAL WHILE IN ARMED FORCES. (a) Prohibits TDLR from requiring 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) Requires TDLR to 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. Makes conforming changes to this section.

SECTION 3.25. Amends the heading to Subchapter H, Chapter 1603, Occupations Code, to read as follows:

SUBCHAPTER H. PRACTICE PROVISIONS APPLICABLE TO MORE THAN ONE  
LICENSE TYPE

SECTION 3.26. Amends Section 1603.351, Occupations Code, as follows:

Sec. 1603.351. MINIMUM CURRICULUM FOR SCHOOLS; DISTANCE EDUCATION. (a) Requires TCLR to prescribe the minimum curriculum, including the subjects and the number of hours in each subject, taught by a licensed school, rather than taught by a school licensed under this chapter, Chapter 1601, or Chapter 1602.

(a-1)-(c) Makes conforming changes to these subsections.

SECTION 3.27. Amends Sections 1603.352(a) and (b), Occupations Code, to make conforming and nonsubstantive changes.

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

Sec. 1603.353. EMPLOYMENT OF LICENSE HOLDER. (a) Prohibits a licensed school from employing 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) Prohibits a person holding a license for an establishment from employing or leasing 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. Requires the owner, operator, or manager of a licensed establishment or school to 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 Chapter 1603.

Sec. 1603.355. DISPLAY OF LICENSE. Requires a licensed school or establishment to 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) Requires a licensed school or establishment to display a sign approved by or acceptable to TCLR or TDLR concerning services and assistance available to victims of human trafficking.

(b) Requires that the sign required by this section be in English, Spanish, Vietnamese, and any other language required by TCLR rule and include a toll-free telephone number of a nationally recognized information and referral hotline for victims of human trafficking.

(c) Requires TCLR by rule to establish requirements regarding the posting of signs under this section.

Sec. 1603.357. DISPLAY OF SANITATION RULES. Requires a licensed school or establishment to display a copy of TCLR's sanitation rules.

Sec. 1603.358. OPERATION OF ESTABLISHMENT AND SCHOOL ON SINGLE PREMISES. Prohibits a person from operating 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. Amends Chapter 1603, Occupations Code, by adding Subchapter H-1, as follows:

#### SUBCHAPTER H-1. FINANCIAL PROVISIONS APPLICABLE TO PRIVATE POSTSECONDARY SCHOOLS

Sec. 1603.3601. CANCELLATION AND SETTLEMENT POLICY. Requires the holder of a private postsecondary school license to maintain a cancellation and settlement policy that provides a full refund of money paid by a student if the student 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 if the student entered into the enrollment agreement or contract because of a misrepresentation made in the advertising or promotional materials of the school or by an owner or representative of the school.

Sec. 1603.3602. REFUND POLICY. (a) Requires the holder of a private postsecondary school license to 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, fails to enter the course of training, withdraws from the course of training, or is terminated from the course of training before completion of the course.

(b) Requires that the refund policy 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 TDLR;

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

(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 is authorized to 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) Provides that 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 is authorized to retain 100 percent of the tuition and fees paid by the student and is not obligated to refund any additional outstanding tuition.

(b) Requires a school, 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, to 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 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) Requires that a refund owed under this section 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) Requires the private postsecondary school, if tuition is not refunded within the period required by Section 1603.3603, to 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) Requires that the interest, if tuition is refunded to a lending institution, be paid to that institution and applied against the student's loan.

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

(d) Authorizes TDLR to 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. Requires the school to provide to TDLR on request documentation of the effort to locate the student.

Sec. 1603.3605. REENTRY OF STUDENT AFTER WITHDRAWAL. Requires a private postsecondary school, if a student voluntarily withdraws or is terminated after completing 50 percent of the course at the school, to allow the 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) Requires a private postsecondary school to record a grade of incomplete for a student who withdraws but is not entitled to a refund under Section 1603.3603 if the student requests the grade at the time the student withdraws, and withdraws for an appropriate reason unrelated to the student's academic status.

(b) Authorizes a student who receives a grade of incomplete to 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) Requires TDLR, if a private postsecondary school closes, to attempt to arrange for students enrolled in the closed school to attend another private postsecondary school.

(b) Requires that 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, if a student from a closed school is placed in another private postsecondary school, be paid from the barbering and cosmetology school tuition protection account.

(c) Requires that the student's tuition and fees, if a student from a closed private postsecondary school cannot be placed in another private postsecondary school, be refunded as provided by Section 1603.3602. Requires that the student's tuition and fees, if a student from a closed private postsecondary school does not accept a place that is available and reasonable in another private postsecondary school, be refunded as provided by Section 1603.3603. Requires that a refund under this subsection be paid from the barbering and cosmetology school tuition protection account. Prohibits the amount of the refund from exceeding \$35,000.

(d) Provides that, 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) Requires TDLR, if on January 1 of any year the amount in the barbering and cosmetology school tuition protection account is less than \$225,000, to 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) Requires TDLR to administer claims made against the account.

(c) Requires the comptroller to invest the account in the same manner as other state funds.

(d) Requires that sufficient money from the account be appropriated to TDLR for the purpose described by Section 1603.3607.

(e) Prohibits attorney's fees, court costs, or damages from being paid from the account.

Sec. 1603.3609. RULES. Authorizes TDLR by rule to adjust any tuition reimbursement limit established under this subchapter and to adopt procedures regarding the collection of fees from private postsecondary schools under Section 1603.3608.

SECTION 3.30. Amends Section 1603.401, Occupations Code, as follows:

Sec. 1603.401. DENIAL, SUSPENSION, OR REVOCATION. Authorizes, rather than requires, TDLR to deny an application for issuance or renewal of, or to suspend or

revoke, a license or permit if the applicant or person holding the license or permit, rather than a certificate, license, or permit if the applicant or person holding the certificate, license, or permit, engages in certain conduct, including engages in an act that violates Chapter 1603 or Chapter 51 or a rule or order adopted or issued under Chapter 1603 or Chapter 51, rather than engages in an act that violates Chapter 1603, Chapter 51, Chapter 1601, or Chapter 1602 or a rule or order adopted or issued under those chapters.

SECTION 3.31. Amends the heading to Subchapter J, Chapter 1603, Occupations Code, to read as follows:

#### SUBCHAPTER J. OTHER ENFORCEMENT PROVISIONS

SECTION 3.32. Amends Sections 1603.453 and 1603.454, Occupations Code, to make conforming changes.

SECTION 3.33. Repealer: Chapters 1601 (Barbers) and 1602 (Cosmetologists), Occupations Code.

Repealers: Sections 1603.104(b) (relating to inspection intervals for certain barbering and cosmetology shops and other facilities), Occupations Code.

Repealers: Sections 1603.104(c) (relating to inspection intervals for certain barbering and cosmetology schools), Occupations Code.

Repealers: Sections 1603.104(c-1) (relating to inspection intervals for certain barbering and cosmetology specialty shops), Occupations Code.

Repealer: Section 1603.205 (Dual Barber and Beauty Shop License), Occupations Code.

Repealer: Section 1603.206 (Mobile Shops), Occupations Code.

Repealer: Section 1603.207 (Mini-Salons and Mini-Barbershops), Occupations Code.

Repealer: Section 1603.254 (Examination for Barbers), Occupations Code.

Repealer: Section 1603.451 (Injunctive Relief), Occupations Code.

Repealer: Section 1603.452 (Civil Penalty), Occupations Code.

Repealer: Section 1603.455 (Emergency Orders), Occupations Code.

Repealer: Section 1603.456 (Cease and Desist Orders), Occupations Code.

SECTION 3.34. (a) Requires TCLR, 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, to, 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) Provides that not later than September 1, 2023, TCLR is required to adopt any additional rules necessary to implement the changes in law made by this article, and TDLR is required to begin to issue licenses and permits under Subchapters E-1, E-2, and E-3, Chapter 1603, Occupations Code, as added by this article.

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

SECTION 3.36. Requires TDLR, notwithstanding the repeal by this article of Chapters 1601 and 1602, Occupations Code, until TCLR adopts rules regarding written and practical examination requirements for the issuance of licenses under Chapter 1603, Occupations Code, as amended by this article, to 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 provides that those provisions are continued in effect for that purpose.

SECTION 3.37. (a) Provides that 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 that those chapters and sections are continued in effect for that purpose.

(b) Provides that 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) Provides that 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. Authorizes a person holding a permit under former Subchapter G (Permitting of Barbershops and Specialty Shops), Chapter 1601, Occupations Code, a facility license under former Subchapter G (Licensing of Facilities), 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, notwithstanding any other law, on September 1, 2021, to employ or contract with any qualified 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. Authorizes, 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, notwithstanding any other law, to perform the services described by Sections 1603.0011(a)(6) and (c), Occupations Code, as added by this Act.

SECTION 3.40. (a) Requires the presiding officer, not later than December 1, 2021, to appoint members to the Barbering and Cosmetology Advisory Board in accordance with Section 1603.051, Occupations Code, as amended by this article.

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

(c) Requires the presiding officer, notwithstanding Section 1603.053, Occupations Code, as added by this article, in making the initial appointments to the Barbering and Cosmetology Advisory Board, to 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 3.41. Requires the comptroller, as soon as practicable after September 1, 2021, to 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) Provides that 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. Provides that 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) Provides that 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.

#### ARTICLE 4. DRIVER TRAINING

SECTION 4.01. Amends Section 1001.001, Education Code, by amending Subdivisions (2), (8), (9), (13), and (14) and adding Subdivisions (6-a), (6-b), (14-b), and (14-c), to define, for purposes of Chapter 1001 (Driver and Traffic Safety Education), "classroom instruction," "driver education instructor," "driver education provider," "driver training provider," "driving safety provider," "in-person driver education provider," "online driver education provider," and "parent-taught driver education provider," and to redefine "driver training." Deletes existing text defining "approved driving safety course," "driver training school," and "driving safety school." Makes nonsubstantive changes.

SECTION 4.02. Amends Section 1001.003, Education Code, to provide that it is the intent of the legislature that TCLR rules that affect driver training providers, rather than driver training schools, that qualify as small businesses be adopted and administered so as to have the least possible adverse economic effect on the providers, rather than on the schools.

SECTION 4.03. Amends Section 1001.004(b), Education Code, to make a conforming change.

SECTION 4.04. Amends Section 1001.051, Education Code, as follows:

Sec. 1001.051. New heading: JURISDICTION OVER PROVIDERS. Makes a conforming change.

SECTION 4.05. Amends Sections 1001.053(a) and (b), Education Code, to make conforming changes.

SECTION 4.06. Amends Section 1001.054, Education Code, to authorize TCLR by rule to restrict advertising by a branch location of an in-person driver education provider, rather than by a branch location of a driver training school, so that the location adequately identifies the main business location of the provider, rather than school, in a solicitation. Makes a nonsubstantive change.

SECTION 4.07. Amends Sections 1001.055(a), (a-1), and (a-2), Education Code, as follows:

(a) Requires TDLR to provide to each licensed driver education provider or exempt driver education school, rather than each licensed or exempt driver education school and to each parent taught course provider approved under Chapter 1001, driver education certificates or certificate numbers to enable the provider or school, rather than to enable the school or approved parent taught course provider, to issue TDLR-approved driver education certificates to certify completion of an approved driver education course and satisfy the requirements of certain sections.

(a-1) Makes conforming changes to this subsection.

(a-2) Requires a driver education provider licensed under Chapter 1001, rather than a driver education school or parent taught course provider approved under Chapter 1001, that purchases driver education certificate numbers to issue original and duplicate certificates in a manner that, to the greatest extent possible, prevents the unauthorized production or the misuse of the certificates. Makes a conforming change.

SECTION 4.08. Amends Sections 1001.056(b), (c-1), (d), (e), and (g), Education Code, as follows:

(b), (c-1), and (d) Makes conforming changes to these subsections.

(e) Deletes existing text requiring a course provider that supplies a certificate to an operator to collect from the operator a fee equal to the amount of the fee paid to TDLR for the certificate number.

(g) Makes conforming changes to this subsection.

SECTION 4.09. Amends Section 1001.058(b), Education Code, as follows:

(b) Provides that the advisory committee established to advise TCLR and TDLR on rules and educational and technical matters relevant to the administration of Chapter 1001 consists of nine, rather than eleven, members appointed for staggered six-year terms by the presiding officer, with the approval of TCLR, and includes three driver education providers, three driving safety providers, one driver education instructor, the division head of the Department of Public Safety of the State of Texas (DPS) driver license division or the division head's designee, and one member of the public. Deletes existing text providing that the advisory committee consists of certain members representing various entities. Makes nonsubstantive changes.

SECTION 4.10. Amends Section 1001.059(b), Education Code, to make conforming changes.

SECTION 4.11. Amends Subchapter B, Chapter 1001, Education Code, by adding Section 1001.060, as follows:

Sec. 1001.060. COORDINATION WITH DEPARTMENT OF PUBLIC SAFETY. (a) Requires TDLR to enter into a memorandum of understanding with DPS for the interagency development of the content of driver's license examinations and examination reference materials, and any other matter the agencies consider appropriate.

(b) Requires that the memorandum of understanding authorize DPS to share with TDLR any relevant information, including information related to examination results.

SECTION 4.12. Amends the heading to Subchapter C, Chapter 1001, Education Code, to read as follows:

#### SUBCHAPTER C. DRIVER EDUCATION AND DRIVING SAFETY CURRICULUM

SECTION 4.13. Amends Section 1001.101, Education Code, as follows:

Sec. 1001.101. ADULT AND MINOR DRIVER EDUCATION COURSE CURRICULUM AND TEXTBOOKS. (a) Makes a conforming change.

(b) Requires TCLR by rule to prescribe the minimum number of hours of classroom instruction, observation instruction, and behind-the-wheel instruction that is required to be completed for a driver education course to be approved under Chapter 1001. Deletes existing text requiring that a driver education course require the student to complete certain amounts of behind-the-wheel or observation instruction in the presence of certain individuals.

SECTION 4.14. Amends Sections 1001.1015(b) and (d), Education Code, as follows:

(b) Requires that a driver education course under Subsection (a) (relating to driver education courses exclusively for adults) meet certain conditions, including that the course provide at least the minimum number of hours of classroom instruction required by TCLR rule, rather than that the course be a six-hour course.

(d) Deletes existing text prohibiting a drug and alcohol driving awareness program from being approved as a driver education course under Subsection (a).

SECTION 4.15. Amends Sections 1001.1016(b) and (c), Education Code, as follows:

(b) Requires TCLR by rule to require an in-person driver education provider or online driver education provider, rather than a driver education school providing a driver education course, to meet certain conditions. Makes conforming changes.

(c) Makes conforming changes to this subsection.

SECTION 4.16. Amends Subchapter C, Chapter 1001, Education Code, by adding Section 1001.1017, as follows:

Sec. 1001.1017. COURSE APPROVAL. Requires a driver training provider to submit to TCLR for approval the course length and curriculum content for each course offered by the provider. Authorizes the provider to implement a course length and curriculum content only after approval by TCLR.

SECTION 4.17. Amends Section 1001.112, Education Code, as follows:

Sec. 1001.112. PARENT-TAUGHT DRIVER EDUCATION. (a) Authorizes a person who is eligible under Subsection (b) to conduct a driver education course approved under Section 1001.1017 for another person who is required to complete a driver education course to obtain a Class C license. Requires the person, in conducting the course, to use course materials provided by a parent-taught driver education provider. Deletes existing text requiring TCLR by rule to provide for approval of a driver education course conducted by certain persons with certain noted relationships to a person who is required to complete a driver education course to obtain a Class C license. Makes a nonsubstantive change.

(b) Provides that a person is eligible to conduct a driver education course for another person as provided by Subsection (a) if the person meets certain criteria. Makes nonsubstantive changes.

(c) Authorizes a person conducting a driver education course under this section to provide the classroom instruction portion, the behind-the-wheel instruction portion, or both portions.

(d) Prohibits TDLR from requiring, for a course conducted under this section, that the classroom instruction be provided in a room with particular characteristics or equipment, or that 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. Deletes existing text authorizing TDLR to approve a course described by Subsection (a) if TDLR determines that the course materials are at least equal to those required in a course approved by TDLR. Makes conforming and nonsubstantive changes.

(e) Authorizes a parent-taught driver education provider to administer to an applicant the highway sign and traffic law parts of the examination as provided by Section 521.1655(a-1), Transportation Code, through electronic means.

(f) Creates this subsection from existing text and makes conforming and nonsubstantive changes.

Deletes existing text requiring that the TCLR rules require that the student driver spend a minimum number of hours in classroom and behind the wheel instruction, that the person conducting the course meet certain conditions, and that the rules provide a method by

which certain procedures are carried out, and providing that completion of a driver education course approved under this section has the same effect under Chapter 1001 as completion of a driver education course approved by TDLR. Makes nonsubstantive changes.

SECTION 4.18. Amends Sections 1001.151(b) and (c), Education Code, to make conforming and nonsubstantive changes.

SECTION 4.19. Amends the heading to Subchapter E, Chapter 1001, Education Code, to read as follows:

#### SUBCHAPTER E. LICENSING OF DRIVER TRAINING PROVIDERS

SECTION 4.20. Amends Section 1001.201, Education Code, as follows:

Sec. 1001.201. LICENSE REQUIRED. (a) Prohibits a person from providing:

(1) a driver education course:

(A) in person unless the person holds an in-person driver education provider license, rather than unless the person holds a driver education 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) driving safety courses unless the person holds a driving safety provider, rather than a driving safety school, license.

Deletes existing text prohibiting a person from operating as a course provider unless the person holds a course provider license. Makes conforming and nonsubstantive changes.

(b) Requires TDLR by rule to provide for the issuance of:

(1) an in-person driver education provider license to a person who holds an online driver education provider license, a parent-taught driver education provider license, or both of those licenses;

(2) an online driver education provider license to a person who holds an in-person driver education provider license, a parent-taught driver education provider license, or both of those licenses; and

(3) a parent-taught driver education provider license to a person who holds an in-person driver education provider license, an online driver education provider license, or both of those licenses.

SECTION 4.21. Amends Section 1001.202, Education Code, as follows:

Sec. 1001.202. New heading: LOCATIONS FOR IN-PERSON DRIVER EDUCATION PROVIDERS. Requires an in-person driver education provider, rather than a driver education school, that teaches a driver education course at one or more branch locations to obtain a separate in-person driver education provider license, rather than a separate driver education school license, for its main business location and for each branch location. Prohibits an in-person driver education provider, rather than a driver education school, from operating a branch location of a branch location. Deletes existing Subsection (b) authorizing a driving safety school to use multiple classroom locations to teach a



driving safety course if each location is approved by TDLR. Makes nonsubstantive changes.

SECTION 4.22. Amends Section 1001.204, Education Code, as follows:

Sec. 1001.204. New heading: REQUIREMENTS FOR DRIVER EDUCATION PROVIDER LICENSE. (a) Makes conforming changes.

(b) Requires TDLR to approve an application for a driver education provider license, rather than a driver education school license, if the application is submitted on a form approved by TDLR, the application is accompanied by the fee, and TDLR determines that the applicant, rather than the school:

(1) makes no changes to this subdivision;

(2) provides to each student before enrollment or each person before contracting for driver education course materials, to the extent applicable, certain information;

(3) to the extent applicable, maintains adequate records as prescribed by TDLR to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(4) creates this subdivision from existing text and makes no further changes;

(5) complies with all county, municipal, state, and federal laws, including assumed name registration and other applicable requirements, rather than complies with all county, municipal, state, and federal regulations, including fire, building, and sanitation codes and assumed name registration, if applicable;

(6) creates this subdivision from existing text and makes no further changes;

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

(8) creates this subdivision from existing text and makes no further changes;

(9) and (10) creates these subdivisions from existing text and makes conforming changes;

(11) creates this subdivision from existing text and makes no further changes;

(12) meets all requirements applicable to the license type under Section 1001.2041, 1001.2042, or 1001.2043; and

(13) creates this subdivision from existing text and makes a nonsubstantive change.

Deletes existing text requiring TDLR to approve an application for a driver education school license if the application is submitted on a form approved by TDLR, the application is accompanied by the fee, and TDLR determines that the school has adequate

space, equipment, instructional material, and instructors to provide training of good quality in the classroom and behind the wheel, if applicable, has instructors who have adequate educational qualifications and experience, complies with all county, municipal, state, and federal regulations, including fire, building, and sanitation codes and assumed name registration, if applicable, and provides adequate testing and security measures for the school's method of instruction. Makes nonsubstantive changes.

SECTION 4.23. Amends Subchapter E, Chapter 1001, Education Code, by adding Sections 1001.2041, 1001.2042, and 1001.2043, as follows:

Sec. 1001.2041. REQUIREMENTS FOR IN-PERSON DRIVER EDUCATION PROVIDER. Requires TDLR, before an in-person driver education provider license is authorized to be issued, to 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. Requires TDLR, before an online driver education provider license is authorized to be issued, to determine that the applicant has adequate driver education instructors to provide training of good quality and 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-TAUGHT DRIVER EDUCATION PROVIDER. (a) Requires TDLR, before a parent-taught driver education provider license is authorized to be issued, to 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 completion of the course, or passage of an examination administered by the provider under Section 1001.112(e) (relating to prohibiting TDLR from charging a fee for submission of proof of completion of the course or passage of an examination);

(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) Provides that, except as specifically provided by Chapter 1001, 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 TCLR or TDLR for online driver education providers.

SECTION 4.24. Amends Section 1001.206, Education Code, as follows:

Sec. 1001.206. New heading: REQUIREMENTS FOR DRIVING SAFETY PROVIDER LICENSE. (a) Requires TCLR by rule to establish criteria for a driving safety provider license, rather than for a course provider license.

(b) Requires TDLR to approve an application for a driving safety provider license, rather than a course provider license, if the application is submitted on a form approved by the executive director, includes the fee, and TDLR 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;

(2) provides certain information to each student before enrollment, including a copy of certain materials, including the schedule of tuition, fees, and other charges;

(3)-(9) creates these subdivisions from existing text and makes conforming and nonsubstantive changes;

(10) submits to TDLR for approval the applicable course hour lengths and curriculum content for each course offered by the provider;

(11) creates this subdivision from existing text and makes nonsubstantive changes;

(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) makes nonsubstantive changes to this subdivision.

Deletes existing text requiring TDLR to approve an application for a course provider after certain conditions are met, including that, on inspection of the premises of the school, TDLR determines that the course provider has an approved course that at least one licensed driving safety school is willing to offer; that the course provider has adequate educational qualifications and experience; that the course provider will develop and provide to each driving safety school that offers the approved course a copy of certain information; and that a copy of the information provided to each driving safety school under Subdivision (3) (relating to certain provided information and copies of certain information) will be provided to each student by the school before enrollment. Makes nonsubstantive changes.

SECTION 4.25. Amends Section 1001.207, Education Code, as follows:

Sec. 1001.207. New heading: **BOND REQUIREMENTS: DRIVER EDUCATION PROVIDER.** (a) Requires a driver education provider, before a driver education provider is authorized to be issued a license, to file a corporate surety bond with TDLR in the amount of:

(1) \$10,000, rather than \$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, rather than \$5,000 for each branch location.

(b) and (c) Makes conforming changes to these subsections.

(d) Prohibits a driver education provider who files a bond under Subsection (a)(1) or provides an alternate form of security under Section 1001.210 (Alternate Form of Security) to obtain one type of driver education provider license from being 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 education provider license.

SECTION 4.26. Amends Section 1001.209, Education Code, as follows:

Sec. 1001.209. New heading: **BOND REQUIREMENTS: DRIVING SAFETY PROVIDER.** (a) and (b) Makes conforming changes to these subsections.

SECTION 4.27. Amends Section 1001.210, Education Code, to make conforming changes.

SECTION 4.28. Amends Sections 1001.211(b) and (c), Education Code, to make conforming changes.

SECTION 4.29. Amends Sections 1001.213(b), (c), and (d), Education Code, as follows:

(b) Makes conforming changes to this subsection.

(c) Authorizes TCLR by rule to establish fees for each branch location of an in-person driver education provider if the new owner is substantially similar to the previous owner and there is no significant change in the management or control of the provider. Makes conforming changes.

(d) Authorizes TDLR to inspect a driver training provider's main or branch location, as applicable, rather than a school or a branch location, after a change of ownership.

SECTION 4.30. Amends Section 1001.214, Education Code, to make a conforming change.

SECTION 4.31. Amends Section 1001.251(a), Education Code, to prohibit a person, except as authorized under Section 1001.112, from teaching or providing driver education or conducting any phase of driver education unless the person holds a driver education instructor license issued by the executive director. Makes a conforming change.

SECTION 4.32. Amends Section 1001.2511(e), Education Code, to make a conforming change.

SECTION 4.33. Amends Section 1001.2512, Education Code, to make a conforming change.

SECTION 4.34. Amends Section 1001.2513, Education Code, to make a conforming change.

SECTION 4.35. Amends Sections 1001.2514(a) and (d), Education Code, to make conforming changes.

SECTION 4.36. Amends Section 1001.2531(b), Education Code, to delete existing text requiring an applicant for a driver education instructor license under Section 1001.2531 (Driver Education Instructor Requirements) to present to TDLR satisfactory evidence that the applicant holds a high school diploma or high school equivalency certificate. Makes nonsubstantive changes.

SECTION 4.37. Amends Sections 1001.255(a), (b), and (c), Education Code, as follows:

(a) Requires TDLR to regulate as a driver education provider of the type determined appropriate by TDLR, rather than as a driver education school, a driver education instructor who teaches driver education courses in a county having a population of 50,000 or less, and who does not teach more than 200 students annually.

(b) and (c) Makes conforming changes to these subsections.

SECTION 4.38. Amends Section 1001.301, Education Code, as follows:

Sec. 1001.301. New heading: EXPIRATION OF DRIVER TRAINING PROVIDER LICENSE. Prohibits the term of a driver training provider license, rather than of a driver education school, driving safety school or course provider license, from exceeding one year.

SECTION 4.39. Amends Section 1001.302, Education Code, as follows:

Sec. 1001.302. New heading: EXPIRATION OF DRIVER EDUCATION INSTRUCTOR LICENSE. Prohibits the term of a driver education instructor license, rather than of a driver education instructor or driving safety instructor license, from exceeding one year.

SECTION 4.40. Amends Section 1001.351, Education Code, as follows:

Sec. 1001.351. New heading: DRIVING SAFETY PROVIDER RESPONSIBILITIES. (a) and (b) Makes conforming changes to these subsections.

Deletes existing Subsection (c) requiring a course provider to conduct driving safety instructor development courses for its approved driving safety courses.

SECTION 4.41. Amends Section 1001.352, Education Code, to make a conforming change.

SECTION 4.42. Amends Section 1001.353, Education Code, to make conforming changes.

SECTION 4.43. Amends Section 1001.355, Education Code, to make conforming changes.

SECTION 4.44. Amends Section 1001.356, Education Code, to make conforming changes.

SECTION 4.45. Amends Section 1001.357, Education Code, as follows:

Sec. 1001.357. New heading: CONTRACT WITH UNLICENSED DRIVER TRAINING PROVIDER. Makes a conforming change.

SECTION 4.46. Amends Section 1001.401, Education Code, to make conforming changes.

SECTION 4.47. Amends Section 1001.402, Education Code, to make conforming changes.

SECTION 4.48. Amends Section 1001.403, Education Code, to make a conforming change.

SECTION 4.49. Amends Sections 1001.404(a) and (c), Education Code, to make conforming changes.

SECTION 4.50. Amends Subchapter I, Chapter 1001, Education Code, by adding Section 1001.405, as follows:

Sec. 1001.405. APPLICABILITY TO PARENT-TAUGHT DRIVER EDUCATION PROVIDER. Requires TCLR to adopt rules as necessary to ensure Subchapter I (Refund Policies) applies as appropriate to a parent-taught driver education provider.

SECTION 4.51. Amends Section 1001.451, Education Code, to prohibit a person from conducting any part of an approved driver education course without having an instructor adequately available to the student, rather than physically present in appropriate proximity to the student, for the type of instruction being given. Makes conforming changes.

SECTION 4.52. Amends Section 1001.452, Education Code, as follows:

Sec. 1001.452. New heading: COURSE OF INSTRUCTION OR PROVISION OF MATERIALS. Prohibits a driver training provider from conducting a course of instruction or providing driver education course materials, as appropriate, rather than from conducting a course of instruction, in this state before the date the provider receives the necessary driver training provider license from TDLR. Makes conforming changes.

SECTION 4.53. Amends the heading to Section 1001.453, Education Code, to read as follows:

Sec. 1001.453. DISTRIBUTION OF WRITTEN INFORMATION ON DRIVING SAFETY PROVIDER.

SECTION 4.54. Amends Sections 1001.453(a) and (b), Education Code, to make conforming changes.

SECTION 4.55. Amends Section 1001.455, Education Code, as follows:

Sec. 1001.455. New heading: DENIAL, SUSPENSION, OR REVOCATION OF DRIVER EDUCATION INSTRUCTOR LICENSE. (a) Makes conforming changes to this subsection.

SECTION 4.56. Amends Section 106.115(a), Alcoholic Beverage Code, to delete existing text including a drug and alcohol driving awareness program approved by the Texas Education Agency in the list of certain programs that the court, on the placement of a minor on deferred disposition for an offense under certain sections, is required to require the defendant to attend. Makes conforming and nonsubstantive changes.

SECTION 4.57. Amends Article 45.051(b-1), Code of Criminal Procedure, to delete existing text authorizing the judge, if a defendant pleading guilty or nolo contendere or found guilty in a misdemeanor case punishable by fine only is younger than 25 years of age and the offense committed by the defendant is a traffic offense classified as a moving violation, to 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 (Driving Safety Course for Driver Younger Than 25 Years of Age), Education Code.

SECTION 4.58. Amends Section 28.012(a)(3), Education Code, to define "driver training provider," rather than "driver training school" for purposes of Section 28.012 (Instruction on Interaction with Law Enforcement).

SECTION 4.59. Amends Section 28.012(e), Education Code, to make a conforming change.

SECTION 4.60. Amends Section 29.902(c), Education Code, to make conforming changes.

SECTION 4.61. Amends Section 123.007, Government Code, to authorize the commissioners court of a county or a court to use other drug awareness programs, rather than other drug awareness or drug and alcohol driving awareness programs, to treat persons convicted of drug or alcohol related offenses.

SECTION 4.62. Amends Section 521.165(e), Transportation Code, to make a conforming change.

SECTION 4.63. Amends Sections 521.1655(a) and (a-1), Transportation Code, as follows:

(a) Authorizes an in-person driver education provider or online driver education provider, rather than a driver education school, licensed under Chapter 1001, Education Code, to administer to a student of that provider, rather than of that school, the vision, highway sign, and traffic law parts of the examination required by Section 521.161 (Examination of License Applicants).

(a-1) Authorizes a parent-taught driver education provider licensed under Chapter 1001, Education Code, rather than a driver education course provider approved under Section 521.205 (Department-Approved Courses), to administer to a student of that course the highway sign and traffic law parts of the examination required by Section 521.161.

SECTION 4.64. Amends Sections 521.206(a) and (b), Transportation Code, to make conforming and nonsubstantive changes.

SECTION 4.65. Amends Section 521.222(a), Transportation Code, to authorize DPS to issue a learner license, including a Class A or Class B driver's learner license, to a person who meets certain conditions, including who has satisfactorily completed and passed the classroom phase of an approved driver education course, which is authorized to be a course taught, rather than approved, under Section 1001.112, Education Code.

SECTION 4.66. Amends Section 542.304(a), Transportation Code, as added by Chapter 1094 (H.B. 2048), Acts of the 86th Legislature, Regular Session, 2019, to conform to Section 4.40, Chapter 1352 (S.B. 346), Acts of the 86th Legislature, Regular Session, 2019, and further amends it, as follows:

(a) Deletes existing text including Article 102.022 (a) (relating to the definition of "moving violation"), Code of Criminal Procedure, in the list of certain sections for which DPS is required by rule to designate the offenses involving the operation of a motor vehicle that constitute a moving violation of the traffic law. Makes a conforming change.

SECTION 4.67. Repealer: Article 45.0511(u) (relating to procedures for a defendant charged with an offense relating to child passenger safety seat systems), Code of Criminal Procedure.

Repealers: Sections 1001.001(4), (7), (10), and (11), (relating to the definitions of "course provider," "driver education school," "driver training school employee," "driver training school owner," and "instructor"), Education Code.

Repealers: Sections 1001.056(a) (relating to the definition of operator) and (f) (relating to a course provider license entitling a course provider to purchase certificate numbers for only one approved driving safety course), Education Code.

Repealer: Section 1001.1015(c) (relating to authorizing a driver education course exclusively for adults to be offered as an online course), Education Code.

Repealer: Section 1001.103 (Drug and Alcohol Driving Awareness Programs), Education Code.

Repealer: Section 1001.111 (Driving Safety Course for Driver Younger Than 25 Years of Age), Education Code.

Repealer: Section 1001.151(e) (relating to authorizing fees for an application for approval to offer a driver education course), Education Code.

Repealer: Section 1001.205 (Requirements for Driving Safety School License), Education Code.

Repealer: Section 1001.208 (Bond Not Required for Driving Safety School), Education Code.

Repealer: Section 1001.251(b) (relating to prohibiting a person from teaching or providing driving safety training unless the person holds a driving safety instructor license), Education Code.

Repealer: Section 1001.2531(a) (relating to TCLR standards for a driver education instructor), Education Code.

Repealer: Section 1001.2532 (Teaching Assistant), Education Code.

Repealer: Section 1001.2533 (Driver Education Teacher), Education Code.

Repealer: Section 1001.2534 (Supervising Teacher), Education Code.

Repealer: Section 1001.2535 (Development Course for Teaching Assistant, Driver Education Teacher, or Supervising Teacher), Education Code.

Repealer: Section 1001.303 (Renewal of School or Course Provider License), Education Code.

Repealer: Section 1001.304 (Renewal of Instructor License), Education Code.

Repealer: Section 1001.354 (Locations Authorized for Driving Safety Course), Education Code.

Repealer: Section 1001.3541 (Alternative Method of Instruction for Driver Education Course), Education Code.

Repealer: Section 1001.3542 (Method of Instruction for Driver Education Course), Education Code.

Repealer: the heading to Subchapter K (Class Action Suits), Chapter 1001 (Driver and Traffic Safety Education), Education Code.

Repealer: Section 545.412(g) (relating to requirements for a program offered to a defendant on probation for the offense of transporting certain children outside of a child passenger safety seat system), Transportation Code.

Repealer: Section 545.413(i) (relating to requirements for a program offered to a defendant in lieu of taking a driving safety course approved by TDLR for the offense of allowing certain children to ride in a vehicle without a safety belt), Transportation Code.

SECTION 4.68. Provides that on December 1, 2021:

(1) the terms of members serving on the driver training and traffic safety advisory committee under Section 1001.058 (Advisory Committee), Education Code, immediately before that date expire; and

(2) the presiding officer is required to 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.

SECTION 4.69. Requires TDLR and DPS, not later than June 1, 2023, to enter into the memorandum of understanding required by Section 1001.060, Education Code, as added by this article.

SECTION 4.70. (a) Requires TCLR, not later than June 1, 2023, to adopt rules necessary to implement the changes in law made by this article to Chapter 1001, Education Code.

(b) Provides that a driver education school license, driving safety school license, or course provider license issued under Chapter 1001, Education Code, before the date TDLR implements the changes described in Subsection (a) of this section continues to be valid until the date the license expires. Requires the license holder, on expiration of that license, to 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) Provides that 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.

SECTION 4.71. Provides that 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 September 1, 2021. Provides that 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.



SECTION 4.72. Provides that 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.

#### ARTICLE 5. RESIDENTIAL SERVICE CONTRACTS

SECTION 5.01. Amends Section 1101.006, Occupations Code, as follows:

Sec. 1101.006. APPLICATION OF SUNSET ACT. Deletes existing text providing that, unless continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act), Chapter 1303 (Residential Service Companies) expires September 1, 2025.

SECTION 5.02. Amends Section 1304.003(a), Occupations Code, by amending Subdivision (2) and adding Subdivision (4), as follows:

(2) Redefines, for purposes of Chapter 1304 (Service Contract Providers and Administrators), "service contract" to include an agreement that is entered into for a separately stated consideration and for a specified term under which a provider agrees to provide a service, reimbursement, or payment under a residential service contract. Makes nonsubstantive changes.

(4) Defines, for purposes of Chapter 1304, "residential service contract" to mean 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, 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 5.03. Amends Section 1304.003(b), Occupations Code, to authorize a service contract described by Subsection (a)(2)(A) (relating to a service contract to repair, replace, or maintain a product, or provide indemnification for the repair, replacement, or maintenance of a product, for certain damage and wear) to provide for, rather than to also provide for, certain services.

SECTION 5.04. Amends Section 1304.004(b), Occupations Code, to delete existing text providing that Chapter 1304 does not apply to a residential service contract sold by an entity licensed by the Texas Real Estate Commission (TREC) under Chapter 1303. Makes nonsubstantive changes.

SECTION 5.05. Amends Subchapter A, Chapter 1304, Occupations Code, by adding Section 1304.0041, as follows:

Sec. 1304.0041. CERTAIN EXEMPT AGREEMENTS. Provides that Chapter 1304 does not apply to:

(1) a performance guarantee offered by the builder of a residential property or by 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 designed to guarantee or warrant the repair or service of an appliance, system, or component of a residential property and that is 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 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 that 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 (Definitions), Insurance Code.

SECTION 5.06. Amends Section 1304.005, Occupations Code, to delete existing text providing that marketing, selling, offering for sale, issuing, making, proposing to make, and administering a service contract are exempt from Chapter 1303. Makes nonsubstantive changes.

SECTION 5.07. Amends Section 1304.151, Occupations Code, by amending Subsection (b) and adding Subsection (b-4), as follows:

(b) Prohibits the amount of the security deposit, except as provided by Subsections (b-1) (relating to certain occasions when the amount of the security deposit is prohibited from being less than \$25,000) and (b-4), rather than except as provided by Subsection (b-1), from being less than \$250,000.

(b-4) Prohibits the amount of the security deposit required under Subsection (b) from being less than \$25,000 for a provider of a residential service contract.

SECTION 5.08. Amends Section 1304.156, Occupations Code, by adding Subsection (f), to require that a residential service contract 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 5.09. Amends Subchapter D, Chapter 1304, Occupations Code, by adding Section 1304.157, as follows:

Sec. 1304.157. RESIDENTIAL SERVICE CONTRACTS. (a) Prohibits a person from selling, offering to sell, arranging or soliciting the sale of, or receiving an application for a residential service contract unless the person is employed by a provider or administrator of a residential service contract who is licensed under Chapter 1304 or unless the person is licensed as a real estate sales agent, real estate broker, mobile home dealer, or insurance agent in this state.

(b) Authorizes a person compensated by a provider or administrator, but who is not employed by that provider or administrator, notwithstanding Subsection (a), to 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." Provides that 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 directs and controls the person's

performance and is responsible for representations made by the person when acting within the scope of the person's employment.

(c) Authorizes a provider of a residential service contract, notwithstanding Section 1304.151(a)(1) (relating to insurance of a provider's service contract to ensure faithful performance of a provider's obligations), to use a reimbursement insurance policy issued by a captive insurance company as defined by Section 964.001 (Definitions), 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. Provides that a reimbursement insurance policy issued to a residential service contract provider in accordance with this subsection is not subject to Section 1304.152 (Reimbursement Insurance Policy) and is considered to satisfy the requirements of Sections 1304.1025 (Additional Registration and Renewal Requirements for Providers) and 1304.151(a)(1) for purposes of this chapter.

SECTION 5.10. Repealer: Chapter 1303 (Residential Service Companies), Occupations Code.

SECTION 5.11. Requires TCLR, not later than June 1, 2022, to adopt rules necessary to implement the changes in law made by this article to Chapter 1304, Occupations Code.

SECTION 5.12. (a) Requires 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 (Amount of Security), Occupations Code, to continue to maintain security in an amount not less than the amount required under that section until September 1, 2026, and provides that the former law is continued in effect for that purpose.

(b) Provides that 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, 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) Requires 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, to update the company's financial security documents to list TDLR as a party to the financial security document and to replace each reference to TREC with a reference to TDLR, not later than September 1, 2022.

SECTION 5.13. (a) Defines "department."

(b) Provides that on September 1, 2021:

(1) a license issued by TREC under former Chapter 1303, Occupations Code, is continued in effect as a license of TDLR;

(2) all rules, fees, policies, procedures, decisions, and forms of TREC that relate to a program or activity transferred under this article are continued in effect as rules, fees, policies, procedures, decisions, and forms of TCLR or TDLR, as applicable, and remain in effect until changed by TCLR or TDLR; and

(3) a complaint, investigation, contested case, or other proceeding related to a program that is transferred under this article and that is pending on September 1, 2021, is transferred without change in status to TCLR or TDLR, as appropriate.

(c) Provides that on September 1, 2021, all money, contracts, leases, property, software source code and documentation, records, and obligations of TREC relating to a program or activity transferred to TDLR under this article are transferred to TDLR; and the

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

(d) Requires TREC, as soon as practicable after September 1, 2021, to transfer to TCLR or TDLR, 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) Provides that unless the context indicates otherwise, a reference in law or administrative rule to TREC with respect to a program or activity transferred from TREC to TDLR under this article means TCLR or TDLR, as appropriate.

(f) Requires TREC to provide TDLR with access to any systems, facilities, or information necessary to implement the change in law made by this article.

## ARTICLE 6. SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

SECTION 6.01. Amends Section 401.304(a), Occupations Code, as follows:

(a) Requires an applicant, to be eligible for licensing as a speech-language pathologist or audiologist, to meet certain conditions, including, if the application is for a license in audiology, to possess at least a master's degree, rather than a doctoral degree, in audiology or a related hearing science from a program accredited by a national accrediting organization that is approved by TCLR or TDLR 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.

SECTION 6.02. Makes application of Section 401.304(a), Occupations Code, as amended by this Act, prospective to September 1, 2021.

## ARTICLE 7. REGULATION OF RACING

SECTION 7.01. Amends Subchapter C, Chapter 51, Occupations Code, by adding Section 51.1041, as follows:

Sec. 51.1041. PEACE OFFICERS. (a) Authorizes TDLR to 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) Authorizes a peace officer commissioned by TDLR to enforce any provision of Chapter 51 (Texas Department on Licensing and Regulation) relating to the regulation of racing or any law establishing a program regulated by TDLR under Subtitle A-1 (Texas Racing Act), Title 13 (Sports, Amusements, and Entertainment), related to the regulation of racing.

(c) Provides that a peace officer commissioned under this section has the powers, privileges, and immunities of a peace officer while carrying out duties authorized by Chapter 51 or a law establishing a program regulated by TDLR.

SECTION 7.02. Amends Section 2021.003, Occupations Code, by amending Subdivisions (2), (8), (9), (14), (20), (21), (24), (35), and (54) and adding Subdivisions (2-a) and (12-a), to redefine "active license," "advisory board," "commission," "concessionaire," "department," "executive director," "horsemen's organization," "inactive license," "maiden," "performance," and "trainer."

SECTION 7.03. Amends Sections 2021.004(1) and (5), Occupations Code, to redefine "authorized agent" and "jockey" or "apprentice jockey" for purposes of administering Subtitle A-1 (Texas Racing Act).

SECTION 7.04. Amends Section 2021.006, Occupations Code, to include the executive director of TDLR (executive director) and a TDLR employee, rather than a Texas Racing Commission

(TRC) employee, among the actors 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 Subtitle A-1 or a rule adopted under Subtitle A-1 if the person has acted in good faith.

SECTION 7.05. Amends Sections 2021.008(a), (b), (c), and (d), Occupations Code, as follows:

(a) Provides that the Texas Racing Advisory Board (advisory board), rather than TRC, is subject to Chapter 325 (Sunset Law), Government Code (Texas Sunset Act). Requires the advisory board to be reviewed during the period in which TCLR and TDLR are reviewed under Section 51.002 (Application of Sunset Act). Provides that unless the advisory board is continued in existence and TCLR and TDLR are continued in existence as provided by Section 51.002, and except as provided by Subsections (b) and (c), Subtitle A-1 expires on the date provided by Section 51.002, rather than as provided by Chapter 51, and except as provided by Subsections (b) and (c), TCLR is abolished and Subtitle A-1 expires September 1, 2021.

(b) Provides that if, at the time TCLR, TDLR, and the advisory board, rather than TRC, would be abolished under Subsection (a), a racetrack association has outstanding long-term liabilities:

(1) makes no change to this subdivision; and

(2) TCLR, TDLR, and Subtitle A-1, rather than TCLR and Subtitle A-1, are continued in effect for the purpose of regulating that racetrack association under this subtitle.

(c) Makes conforming and nonsubstantive changes to this subsection.

(d) Makes conforming changes to this subsection.

SECTION 7.06. Amends the heading to Chapter 2022, Occupations Code, to read as follows:

#### CHAPTER 2022. TEXAS RACING ADVISORY BOARD

SECTION 7.07. Amends the heading to Section 2022.001, Occupations Code, to read as follows:

Sec. 2022.001. ADVISORY BOARD MEMBERSHIP.

SECTION 7.08. Amends Section 2022.001(a), Occupations Code, to provide that the advisory board, rather than TRC, consists of 11 certain members appointed by the presiding officer of TCLR, with TCLR approval. Deletes existing text relating to the appointment process and composition of TRC members.

SECTION 7.09. Amends Subchapter A, Chapter 2022, Occupations Code, by adding Section 2022.0011, as follows:

Sec. 2022.0011. DUTIES OF ADVISORY BOARD. Requires the advisory board to provide advice and recommendations to TDLR on technical matters relevant to the administration of Subtitle A-1.

SECTION 7.10. Amends the heading to Section 2022.002, Occupations Code, to read as follows:

Sec. 2022.002. TERM OF OFFICE; VACANCIES.

SECTION 7.11. Amends Section 2022.002, Occupations Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that advisory board members, rather than appointed TRC members, hold office for staggered terms of six years with the terms of three members, rather than two or three members, expiring February 1 of each odd-numbered year.

(c) Requires the presiding officer of TCLR, with TCLR approval, if a vacancy occurs during a member's term, to appoint a member to fill the vacancy for the remainder of the unexpired term.

SECTION 7.12. Amends Section 2022.008, Occupations Code, as follows:

Sec. 2022.008. PRESIDING OFFICER. (a) Creates this subsection from existing text. Requires the presiding officer of TCLR to designate a member of the advisory board as the presiding officer of the advisory board to serve in that capacity for a one-year term. Deletes existing text requiring the governor to designate a public member of TRC as the presiding officer of TRC to serve in that capacity at the pleasure of the governor.

(b) Authorizes the presiding officer of the advisory board to vote on any matter before the advisory board.

SECTION 7.13. Amends the heading to Section 2022.009, Occupations Code, to read as follows:

Sec. 2022.009. ADVISORY BOARD MEETINGS.

SECTION 7.14. Amends Section 2022.009(a), Occupations Code, to require the advisory board to meet at the call of the presiding officer of TCLR or the executive director, rather than requiring TRC to hold at least six regular meetings each year on dates fixed by TRC.

SECTION 7.15. Amends the heading to Section 2022.052, Occupations Code, to read as follows:

Sec. 2022.052. RESTRICTIONS ON EMPLOYMENT.

SECTION 7.16. Amends Section 2022.052(c), Occupations Code, as follows:

(c) Prohibits TCLR or TDLR from employing or continuing to employ a person who:

(1) makes a conforming change to this subdivision;

(2) is employed by or serves as a paid consultant to a license holder under this subtitle, an official state breed registry, or a Texas trade association, as defined by Section 51.0535(a) (relating to the definition of "Texas trade association"), rather than as defined by 2022.004(a) (relating to the definition of "Texas trade association"), in the field of horse or greyhound racing or breeding; or

(3)-(5) makes no changes to these subdivisions.

Makes a conforming change.

SECTION 7.17. Amends the heading to Section 2022.103, Occupations Code, to read as follows:

Sec. 2022.103. DEPARTMENT INVESTIGATIVE FILES CONFIDENTIAL.

SECTION 7.18. Amends Sections 2022.103(a), (b), and (c), Occupations Code, as follows:

(a) Provides that the contents of the investigatory files of TDLR, rather than TRC, are not public records and are confidential except in a criminal proceeding, in a hearing conducted by the State Office of Administrative Hearings or TCLR, on court order, or with the consent of the party being investigated.

(b) Makes nonsubstantive changes to this subsection.

(c) Provides that an investigation report or other document submitted by DPS to TDLR, rather than to TRC, becomes part of the investigative files of TDLR and is subject to discovery by a person who is the subject of the investigation report or other document

submitted by DPS to TDLR that is part of the investigative files of TDLR. Makes conforming and nonsubstantive changes.

SECTION 7.19. Amends Section 2022.105(a), Occupations Code, to make conforming changes.

SECTION 7.20. Amends the heading to Chapter 2023, Occupations Code, to read as follows:

**CHAPTER 2023. COMMISSION, DEPARTMENT, AND RACE MEETING OFFICIAL  
POWERS AND DUTIES**

SECTION 7.21. Amends Section 2023.001, Occupations Code, as follows:

Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION OF HORSE RACING AND GREYHOUND RACING. (a) Authorizes TDLR under the direction of TCLR, rather than authorizing TRC, notwithstanding any contrary provision in Subtitle A-1, to license and regulate all aspects of horse racing and greyhound racing in this state, regardless of whether that racing involves pari-mutuel wagering.

(b) Requires TCLR in adopting rules and TDLR in the supervision and conduct of racing to consider the effect of a proposed action on the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industry. Makes a conforming change.

SECTION 7.22. Amends Section 2023.002, Occupations Code, as follows:

Sec. 2023.002. REGULATION AND SUPERVISION OF WAGERING AT RACE MEETINGS. (a) Makes conforming changes to this subsection.

(b) Requires TCLR to adopt rules on the issuance of licenses and other rules necessary to regulate horse racing and greyhound racing and requires TDLR to issue licenses and take any other necessary action relating to the regulation of horse racing or greyhound racing. Deletes existing text requiring TRC to adopt rules, issue licenses, and take any other necessary action relating exclusively to horse racing or greyhound racing.

SECTION 7.23. Amends Section 2023.003(b), Occupations Code, to authorize TDLR to charge in the amount set by TCLR 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 is prohibited from exceeding the actual cost of enforcing rules adopted by TCLR for the licensing and regulation of races and workouts at such a facility. Makes a conforming change.

SECTION 7.24. Amends Section 2023.004(d), Occupations Code, to require TDLR to post at each racetrack notice of a meeting of TCLR, rather than a meeting under Subsection (c) (relating to the requirement to hold a meeting on a proposed rule), that includes an agenda of the meeting and a summary of the proposed rule.

SECTION 7.25. Amends Section 2023.006, Occupations Code, to make a conforming change.

SECTION 7.26. Amends Section 2023.007, Occupations Code, as follows:

Sec. 2023.007. RIGHT OF ENTRY. Includes a TDLR employee and an authorized TDLR agent or peace officer among the actors authorized to enter any part of a racetrack or any other place of business of a racetrack association at any time to enforce and administer Subtitle A-1. Makes a conforming change.

SECTION 7.27. Amends Section 2023.008, Occupations Code, as follows:

Sec. 2023.008. TESTIMONY AND SUBPOENA POWER. (a) Redefines "agent" for purposes of this section.

(b) Authorizes a TDLR employee or an agent, rather than a TRC member or an agent, while involved in carrying out functions under this subtitle, to take testimony, require by subpoena the attendance of a witness, and require the production of books, records, papers, correspondence, and other documents that TDLR considers advisable.

(c) Requires that a subpoena be issued under the signature of the executive director or the executive director's designee, rather than under the signature of TRC or an agent. Requires a person designated by the executive director, rather than by TRC, to serve the subpoena.

(d) Authorizes a TDLR employee, rather than a TRC member, or an agent to administer an oath to a witness appearing before TDLR or an agent. Makes a conforming change.

(e) Authorizes TDLR, rather than TRC, or an agent, if a subpoena issued under this section is disobeyed, to invoke the aid of a Travis County district court in requiring compliance with the subpoena.

SECTION 7.28. Amends Sections 2023.051 and 2023.052, Occupations Code, to make conforming changes.

SECTION 7.29. Amends Section 2023.053(f), Occupations Code, to include an administrative penalty remitted to the Comptroller of Public Accounts of the State of Texas (comptroller) for deposit in the general revenue fund under Section 2033.058 among the revenue to which Section 2023.053 (Texas Racing Commission Fund; Additional Appropriations) does not apply. Makes nonsubstantive changes.

SECTION 7.30. Amends the heading to Section 2023.054, Occupations Code, to read as follows:

Sec. 2023.054. STANDARDS ON GREYHOUND FARMS AND FACILITIES.

SECTION 7.31. Amends Sections 2023.056, 2023.057, 2023.058, 2023.059, and 2023.061, Occupations Code, as follows:

Sec. 2023.056. COOPERATION WITH LAW ENFORCEMENT. (a) and (b) Makes conforming changes to these subsections.

Sec. 2023.057. ACCESS TO CRIMINAL HISTORY RECORDS. Authorizes TDLR to obtain criminal history record information that relates to each applicant for a license issued under Subtitle A-1 by TDLR, including an occupational license described by Section 2025.251(c), rather than information that relates to each applicant for employment by TRC and to each applicant for a license issued by TRC, and that is maintained by DPS or the Federal Bureau of Investigation Identification Division. Authorizes TDLR to refuse to issue a license to, rather than refuse to recommend, an applicant who fails to provide a complete set of fingerprints. Makes conforming changes.

Sec. 2023.058. COST OF CRIMINAL HISTORY RECORD CHECK. (a) Requires TDLR, in determining the amount of a license fee, to set the fee in at least an amount necessary to cover the cost to TDLR of conducting a criminal history record check on a license applicant.

(b) Requires TDLR to reimburse DPS for the cost of conducting a criminal history record check under Subtitle A-1. Makes conforming changes.

Sec. 2023.059. DISTANCE LEARNING. Makes a conforming change to this section.

Sec. 2023.061. New heading: BIENNIAL REPORT. (a) Requires TDLR, not later than January 31 of each odd-numbered year, to file a report with the governor, lieutenant governor, and speaker of the house of representatives. Makes a conforming change.



(b) Requires that the report cover the operations of TDLR under this subtitle, rather than TRC, and the condition of horse breeding and racing and greyhound breeding and racing during the preceding two-year period, rather than during the previous year.

(c) Requires TDLR to obtain from DPS a comprehensive report of any organized crime activities in this state, rather than a comprehensive report of any organized crime activities in this state that DPS may wish to report, and information concerning illegal gambling that may be related to this subtitle known to exist in this state. Requires TDLR to include in the biennial report, rather than the annual report, DPS's report and any recommendations TDLR considers appropriate. Makes conforming changes.

SECTION 7.32. Amends Sections 2023.101(b), (c), and (d), Occupations Code, as follows:

(b) Requires TDLR to employ or contract with, rather than employ, each steward and judge for the supervision of a horse race or greyhound race meeting. Makes a conforming change.

(c) and (d) Makes conforming changes to these subsections.

SECTION 7.33. Amends Section 2023.102(a), Occupations Code, to make a conforming change.

SECTION 7.34. Amends Section 2023.103, Occupations Code, as follows:

Sec. 2023.103. New heading: STATE VETERINARIANS. Requires TDLR, for each race meeting, to employ or contract for, rather than employ, at least one state veterinarian. Makes a conforming change.

SECTION 7.35. Amends Section 2023.104(b), Occupations Code, to make a conforming change.

SECTION 7.36. Amends Section 2023.105, Occupations Code, to make conforming changes.

SECTION 7.37. Amends Section 2023.106(b), Occupations Code, as follows:

(b) Requires TCLR to adopt rules that specify:

(1) creates this subdivision from existing text and makes a nonsubstantive change; and

(2) procedures for hearings conducted under Section 2023.106 (Race Meeting Official Powers and Duties; Rules).

SECTION 7.38. Amends Section 2023.109, Occupations Code, by adding Subsection (c), to authorize TCLR to adopt rules specifying the requirements for appealing a decision and eligibility of orders for consideration under Section 2023.109 (Appeal From Decision of Race Meeting Official; Decisions Not Appealable).

SECTION 7.39. Amends Section 2024.002(a), Occupations Code, to authorize the comptroller to inspect all books, records, and financial statements required by TCLR or obtained by TDLR, rather than required by TCLR, under Section 2022.105 (Books and Records; Inspection).

SECTION 7.40. Amends Sections 2024.053(a) and (b), Occupations Code, to make conforming changes.

SECTION 7.41. Amends Sections 2025.001 and 2025.002, Occupations Code, as follows:

Sec. 2025.001. New heading: COMMISSION AND DEPARTMENT LICENSING DUTIES. (a) Requires TCLR, to preserve and protect the public health, welfare, and

safety, to adopt rules relating to license applications and the financial responsibility and ability of applicants, rather than the financial responsibility, moral character, and ability of applicants.

(b) Makes a conforming change to this subsection.

(c) Requires TCLR to prescribe, rather than to annually prescribe, reasonable license fees for each category of license issued under Subtitle A-1.

(d) Makes a conforming change to this subsection.

Sec. 2025.002. LICENSE AS PRIVILEGE. Makes conforming changes to this section.

SECTION 7.42. Amends Sections 2025.003(a), (c), (d), and (e), Occupations Code, as follows:

(a) Makes a conforming change to this subsection.

(c) Requires a peace officer of any state or any TDLR employee designated by the executive director, rather than a peace office of any state or any district office of TRC, to take the fingerprints of an applicant for a license or license renewal on forms approved and furnished by DPS and immediately deliver the forms to TDLR. Makes conforming and nonsubstantive changes.

(d) and (e) Makes conforming changes to these subsections.

SECTION 7.43. Amends Section 2025.051, Occupations Code, to make a conforming change.

SECTION 7.44. Amends Sections 2025.052(a) and (b), Occupations Code, as follows:

(a) Makes conforming changes to this subsection.

(b) Requires that an application be attested, rather than sworn, to by the applicant or if the applicant is a corporation or association, by its chief executive officer.

SECTION 7.45. Amends Sections 2025.053(a) and (c), Occupations Code, as follows:

(a) Requires that the fee accompany the application and be paid in the form of a cashier's check, certified check, or other form of payment acceptable to TDLR, rather than in the form of a cashier's check or certified check. Makes conforming and nonsubstantive changes.

(c) Makes a conforming change to this subsection.

SECTION 7.46. Amends Sections 2025.054(a) and (b), Occupations Code, as follows:

(a) Makes conforming changes to this subsection.

(b) Requires an applicant or license holder to:

(1) creates this subdivision from existing text and makes a conforming and a nonsubstantive change; and

(2) at the request of TDLR, provide any information TDLR considers necessary to review the change.

SECTION 7.47. Amends Sections 2025.055 and 2025.056, Occupations Code, as follows:

Sec. 2025.055. CONFIDENTIALITY OF APPLICATION DOCUMENTS. Makes a conforming change to this section.

Sec. 2025.056. BACKGROUND CHECK. (a) Makes a conforming change to this subsection.

(b) Authorizes TDLR to refuse to issue or renew a license or to revoke a license if, rather than requires TRC to refuse to issue or renew a licenses if, in TRC's sole discretion, the background checks reveal anything that may be detrimental to the public interest or the racing industry. Provides that a proceeding under this section is subject to Subchapter G (Other Penalties and Enforcement Provisions), Chapter 51.

(c) Prohibits the executive director, rather than TRC, from holding 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 TDLR. Makes a conforming change.

SECTION 7.48. Amends Section 2025.057(a), Occupations Code, to make a conforming change.

SECTION 7.49. Amends Section 2025.058, Occupations Code, to make a conforming change.

SECTION 7.50. Amends Sections 2025.101(b), (c), (e), and (f), Occupations Code, as follows:

(b) and (c) Makes conforming changes to these subsections.

(e) Makes a nonsubstantive change to this subsection.

(f) Makes a conforming change. Deletes existing text authorizing TRC to amend the rules at any time and condition the continued holding of the license on compliance with the rules as amended.

SECTION 7.51. Amends Section 2025.102, Occupations Code, to make conforming changes.

SECTION 7.52. Amends Sections 2025.103(a), (c), and (d), Occupations Code, to make conforming changes.

SECTION 7.53. Amends Sections 2025.104(a), (b), and (d), Occupations Code, to make conforming changes.

SECTION 7.54. Amends Section 2025.105, Occupations Code, by amending Subsections (a), (b), (c), (d), and (e) and adding Subsection (g) as follows:

(a) and (b) Makes conforming changes to these subsections.

(c) Authorizes TDLR to refuse to renew an inactive license if, after notice and opportunity for a hearing, rather than after notice and a hearing, TDLR makes certain determinations. Makes conforming changes.

(d) Includes the advisory board in the list of certain entities TDLR is required to consult with in developing the license renewal process under Section 2025.105 (Renewal of Inactive Racetrack License; Fees). Makes a conforming change.

(e) Requires TCLR to set and requires TDLR to collect, rather than requires TRC to set and collect, renewal fees in amounts reasonable and necessary to cover the costs of administering and enforcing Section 2025.105 (Renewal of Inactive Racetrack License; Fees).

(g) Provides that a proceeding under Section 2025.105 is a contested case for purposes of Chapter 2001 (Administrative Procedure), Government Code.

SECTION 7.55. Amends Section 2025.106, Occupations Code, as follows:

Sec. 2025.106. New heading: DEPARTMENT REVIEW OF ACTIVE RACETRACK LICENSE; FEE. (a) and (b) Makes conforming changes to these subsections.

(c) Requires TDLR to charge fees for the review in amounts set by TCLR, rather than amounts, as sufficient to implement Section 2025.106. Makes a conforming change.

SECTION 7.56. Amends Section 2025.107(b), Occupations Code, to make a conforming change.

SECTION 7.57. Amends Sections 2025.108 and 2025.151, Occupations Code, to make conforming changes.

SECTION 7.58. Amends Section 2025.201, Occupations Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Authorizes TDLR to refuse to issue a racetrack license or to revoke or suspend a license if, after notice and opportunity for a hearing, TDLR finds that the applicant or license holder, as appropriate:

(1) makes no changes to this subdivision;

(2) has been convicted of or placed on deferred adjudication for a felony or misdemeanor, rather than has been convicted of a felony or 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 Subtitle A-1;

(3) is unqualified, by experience or otherwise, to perform the duties required of a license holder under Subtitle A-1;

(4) failed to answer or falsely or incorrectly answered a question in an application;

(5) fails to disclose the true ownership or interest in a horse or greyhound as required by TCLR rules;

(6) is indebted to this state for any fee or for the payment of a penalty imposed by Subtitle A-1 or a TCLR 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 at least the minimum age necessary to purchase alcoholic beverages in this state;

(9) is authorized to be excluded from an enclosure under Subtitle A-1;

(10) has not been a United States citizen residing in this state for the 10 consecutive years preceding the filing of the application;

(11) has improperly used a credential, including a license certificate or identification card, issued under Subtitle A-1;

(12) resides with a person whose license was revoked for cause during the 12 months preceding the date of the present application;

(13) is engaged or has engaged in activities or practices TDLR determines are detrimental to the best interests of the public and the sport of horse racing or greyhound racing; or

(14) fails to fully disclose the true owners of all interests, beneficial or otherwise, in a proposed racetrack.

Deletes existing text relating to other certain applicant behaviors for which TDLR is authorized to refuse to issue a racetrack license or revoke or suspend a license. Makes conforming and nonsubstantive changes.

(c) Makes a conforming change to this subsection.

(d) Provides that a proceeding under Section 205.201 is a contested case for purposes of Chapter 2001, Government Code.

SECTION 7.59. Amends Section 205.202(b), Occupations Code, to make conforming changes.

SECTION 7.60. Amends Section 205.203(a), Occupations Code, to make conforming changes.

SECTION 7.61. Amends Section 205.204(d), Occupations Code, to make a conforming change.

SECTION 7.62. Amends Sections 205.205, 205.251, 205.253, 205.254, and 205.255, Occupations Code, as follows:

Sec. 205.205. SUMMARY SUSPENSION FINAL ORDER. (a) Creates this subsection from existing text. Requires TCLR, rather than requires the executive director, after the hearing on the suspension of a racetrack license, to affirm modify, or set aside, wholly or partly, the summary suspension order. Provides that an order affirming or modifying the summary suspension order is final for purposes of enforcement and appeal.

(b) Authorizes a final order under Section 205.205 to be appealed in the manner provided by Subchapter G, Chapter 2001, Government Code.

Sec. 205.251. OCCUPATIONAL LICENSE REQUIRED. (a) and (b) Makes conforming changes to these subsections.

(c) Authorizes TCLR by rule to require certain persons to hold an occupational license under Subtitle A-1.

Sec. 205.253. EXAMINATION NOTIFICATION. (a) and (b) Makes conforming changes to these subsections.

Sec. 205.254. ISSUANCE OF LICENSE. Makes a conforming change to this section.

Sec. 205.255. ISSUANCE OF IDENTIFICATION CARD. Makes conforming changes to this section.

SECTION 7.63. Amends Section 205.256(c), Occupations Code, to make a conforming change.

SECTION 7.64. Amends Section 205.258(a), Occupations Code, to make a conforming change.

SECTION 7.65. Amends Section 205.259, Occupations Code, to make a conforming change.

SECTION 7.66. Amends Section 205.260(a), Occupations Code, to make a conforming change.

SECTION 7.67. Amends Sections 205.261 and 205.262, Occupations Code, as follows:

Sec. 205.261. RECIPROCAL LICENSES; OUT-OF-STATE APPLICANTS. (a) and (b) Makes conforming changes to these subsections.

Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND SUSPENSION OF OCCUPATIONAL LICENSE. (a) Creates this subsection from existing text. Authorizes TDLR to refuse to issue any original or renewal license under this subchapter or revoke or suspend the license if, after notice and opportunity for a hearing, TDLR finds that the applicant or license holder, as appropriate:

- (1) makes no changes to this subdivision;
- (2) has been convicted of or placed on deferred adjudication for a felony or misdemeanor, rather than a felony or a crime involving moral turpitude, that is reasonably related to the person's present fitness to hold a license under Subtitle A-1;
- (3) is unqualified, by experience or otherwise, to perform the duties required of a license holder under Subtitle A-1;
- (4) failed to answer or falsely or incorrectly answered a question in an application;
- (5) fails to disclose the true ownership or interest in a horse or greyhound as required by TCLR rules;
- (6) is indebted to this state for any fee or for the payment of a penalty imposed by Subtitle A-1 or a TCLR 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 authorized to be excluded from an enclosure under Subtitle A-1;
- (9) has improperly used a temporary pass, license certificate, credential, or identification card issued under Subtitle A-1;
- (10) resides with a person whose license was revoked for cause during the 12 months preceding the date of the present application;
- (11) has failed or refused to furnish a true copy of the application to TDLR's district office in the district in which the premises for which the license is sought are located; or
- (12) 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.

Deletes existing text relating to other certain applicant behaviors for which TDLR is authorized to refuse to issue any original or renewal license or revoke or suspend a license. Makes conforming and nonsubstantive changes.

(b) Provides that a proceeding under Section 2025.262 is a contested case for purposes of Chapter 2001, Government Code.

SECTION 7.68. Amends Section 2026.003, Occupations Code, as follows:

Sec. 2026.003. FINANCIAL DISCLOSURE. (a) Requires TCLR by rule to require that each racetrack association that holds a license for a class 1 racetrack, class 2 racetrack, or greyhound racetrack annually file with TDLR, rather than TRC, a detailed financial statement that contains certain information. Makes a conforming change.

(b) Makes a conforming change to this subsection.

SECTION 7.69. Amends Section 2026.004(b), Occupations Code, as follows:

(b) Requires the affected racetrack association, if the racetrack or enclosure designated in the license becomes unsuitable for racing because of fire, flood, or other catastrophe, with the prior approval of the executive director of TCLR, rather than with the approval of TRC, to conduct a race meeting or any remaining portion of a meeting temporarily at any other racetrack if the other racetrack license holder:

- (1) makes a conforming change to this subdivision; and
- (2) makes no changes to this subdivision.

SECTION 7.70. Amends Sections 2026.005 and 2026.006, Occupations Code, as follows:

Sec. 2026.005. CHANGE OF RACING LOCATION. Makes conforming changes to this section.

Sec. 2026.006. LEASE OF RACETRACK PREMISES. (a) Requires TCLR by rule to provide for TDLR to authorize a racetrack association, as lessee, to contract for the lease of a racetrack and the surrounding structures.

- (b) and (c) Makes conforming changes to these subsections.

SECTION 7.71. Amends Section 2026.007(e), Occupations Code, as follows:

(e) Requires TCLR to adopt rules implementing Section 2026.007 (Inappropriate or Unsafe Conditions; Enforcement; Rules), including rules:

- (1) makes no changes to this subdivision; and
- (2) determining the methods and manner by which the executive director is authorized to determine and remedy inappropriate or unsafe conditions on the premises, including the methods and manner in which TDLR, rather than the executive director of TDLR, is authorized to conduct inspections of the premises and remedy emergency situations.

SECTION 7.72. Amends Section 2026.008, Occupations Code, as follows:

Sec. 2026.008. SUPERVISION OF CONSTRUCTION, RENOVATION, AND MAINTENANCE; ENFORCEMENT. (a) Requires TCLR by rule to adopt a method of supervising and approving the construction, renovation, or maintenance of any building or improvement on the premises of a racetrack.

- (b) - (e) Makes conforming changes to these subsections.

SECTION 7.73. Amends Section 2026.013(b), Occupations Code, to make a conforming change.

SECTION 7.74. Amends Section 2026.051, Occupations Code, as follows:

Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR EJECTION. Requires TCLR to 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) - (6) makes no changes to these subdivisions;
- (7) makes a conforming change to this subdivision;
- (8) makes no change to this subdivision;
- (9) who is guilty of disorderly conduct, rather than boisterous or disorderly conduct, while inside an enclosure;

(10) who is an agent, rather than agent or habitual associate, of a person excludable under this section; or

(11) makes a nonsubstantive change to this subdivision.

Deletes text providing for the exclusion or ejection from an enclosure of a person who has been convicted of committing a lewd or lascivious act or other crime involving moral turpitude. Makes nonsubstantive changes.

SECTION 7.75. Amends Sections 2026.052(a) and (b), Occupations Code, as follows:

(a) Makes a conforming change to this subdivision.

(b) Provides that a proceeding under Section 2026.052 (Exclusion or Ejection From Enclosure; Hearing; Appeal) is a contested case for purposes of Chapter 2001, Government Code. Provides that if, after a hearing as provided under Subchapter C of Chapter 2001, TCLR determines that the exclusion or ejection was proper:

(1) TCLR is required to issue an order to that effect, rather than issue an order and enter the order in TRC's minutes; and

(2) makes no changes to this subdivision.

Deletes existing text providing that an application for a hearing under Subsection (a) constitutes a contested case under Chapter 2001, Government Code.

SECTION 7.76. Amends Section 2026.102(a), Occupations Code, to make a conforming change.

SECTION 7.77. Amends Section 2026.103, Occupations Code, to make conforming changes.

SECTION 7.78. Amends Section 2026.105(b), Occupations Code, to make a conforming change.

SECTION 7.79. Amends Section 2026.106, Occupations Code, to make conforming changes.

SECTION 7.80. Amends Section 2026.107(b), Occupations Code, to make a conforming change.

SECTION 7.81. Amends Sections 2026.151 and 2026.152, Occupations Code, as follows:

Sec. 2026.151. New heading: DEPARTMENT APPROVAL REQUIRED. (a) and (b) Makes conforming changes to these subsections.

Sec. 2026.152. New heading: DEPARTMENT REVIEW OF SECURITY PLANS AND CERTAIN CONTRACTS. (a) and (b) Makes conforming changes to these subsections.

SECTION 7.82. Amends Section 2026.153(b), Occupations Code, to make a conforming change.

SECTION 7.83. Amends Section 2027.001(b), Occupations Code, as follows:

(b) Makes a conforming change to this subsection.

SECTION 7.84. Amends Sections 2027.003 and 2027.004, Occupations Code, as follows:

Sec. 2027.003. WAGERING COMPUTATION EQUIPMENT. (a) and (b) Makes conforming changes to these subsections.

Sec. 2027.004. AUTOMATED TELLER MACHINES: RULES, LIMITATIONS, AND FEES. (a) Requires TCLR to:

(1) makes no changes to this subdivision; and

(2) direct TDLR 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) and (c) Makes conforming changes to these subsections.

SECTION 7.85. Amends Section 2027.006(d), Occupations Code, to make a conforming change.

SECTION 7.86. Amends Section 2027.052(a), Occupations Code, to make a conforming change.

SECTION 7.87. Amends the heading to Section 2027.053, Occupations Code, to read as follows:

Sec. 2027.053. DEPARTMENT APPROVAL REQUIRED FOR PARI-MUTUEL POOL INCLUSION.

SECTION 7.88. Amends Section 2027.053(a), Occupations Code, to make a conforming change.

SECTION 7.89. Amends Section 2027.054(c), Occupations Code, to make a conforming change.

SECTION 7.90. Amends the heading to Subchapter A, Chapter 2028, Occupations Code, to read as follows:

#### SUBCHAPTER A. OVERSIGHT OF PARI-MUTUEL RACING FUNDS

SECTION 7.91. Amends Section 2028.001(a), Occupations Code, to make a conforming change.

SECTION 7.92. Amends Sections 2028.002 and 2028.003, Occupations Code, as follows:

Sec. 2028.002. INDEPENDENT AUDIT REPORT; RECORDS REVIEW. (a) and (b) Makes conforming changes to these subsections.

Sec. 2028.003. SUSPENSION AND WITHHOLDING OF FUNDS. Authorizes TCLR to adopt rules authorizing TDLR to suspend or withhold funds from an organization, rather than authorizes TRC by rule to suspend or withhold funds from an organization:

(1) that TDLR, rather than TRC, determines has failed to comply with the requirements or performance measures adopted under Section 2028.001 (Adoption of Requirements or Other Performance Measures); or

(2) for which material questions on the use of funds by the organization are raised following an independent audit or other report to TDLR, rather than to TRC.

SECTION 7.93. Amends Section 2028.102(e), Occupations Code, to make a conforming change.

SECTION 7.94. Amends Sections 2028.103(a) and (a-1), Occupations Code, to make conforming changes.

SECTION 7.95. Amends Sections 2028.105(b), (d), and (d-1), Occupations Code, as follows:

(b) Provides that the appropriate state horse breed registries include the Texas Thoroughbred Association for Thoroughbred horses, rather than the Texas Breeders Association for Thoroughbred horses. Makes a conforming change.

(d) and (d-1) Makes conforming changes to these subsections.

SECTION 7.96. Amends Section 2028.154(a), Occupations Code, to make conforming changes.

SECTION 7.97. Amends Section 2028.201, Occupations Code, as follows:

Sec. 2028.201. RULES. (a) Creates this subsection from existing text. Requires TCLR to adopt rules relating to this subchapter and the oversight of the amounts allocated under Sections 2028.202(b)(1), (2), and (3) and (c) (relating to the amounts a certain horse racetrack is required to distribute from each pool wagered on the signal at the racetrack), rather than under Sections 2028.202(b), and (c).

(b) Requires TCLR to adopt rules relating to the oversight of the amounts allocated under Section 2028.202(b)(4).

SECTION 7.98. Amends Sections 2028.202(a), (a-1), and (b), Occupations Code, as follows:

(a) and (a-1) Makes conforming changes to these subsections.

(b) Requires a greyhound racetrack association that receives an interstate cross-species simulcast signal, from the total amount deducted under Subsection (a) (relating to the amount a racetrack association is required to distribute from each simulcast pari-mutuel pool and each simulcast cross-species pari-mutuel pool), to distribute the following amounts from each pari-mutuel pool wagered on the signal at the racetrack:

(1) - (3) makes no changes to these subdivisions; and

(4) a purse of 4.5 percent to be deposited in the horse industry escrow account as provided by Section 2028.204, rather than a purse of 4.5 percent to be escrowed with TRC in the manner provided by Section 2028.204.

SECTION 7.99. Amends Sections 2028.203 and 2028.204, Occupations Code, as follows:

Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST. Requires TDLR from the horse industry escrow account established under Section 2028.204, rather than from the escrowed account under Section 2028.202(b)(4), if a racetrack association purchases an interstate simulcast signal and the signal cost exceeds five percent of the pari-mutuel pool, to 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. New heading: HORSE INDUSTRY ESCROW ACCOUNT; DEPOSIT AND ALLOCATION OF MONEY. (a) Provides that the horse industry escrow account is a trust account in TDLR's registry composed of money deposited to the account in accordance with this subtitle.

(b) Creates this subsection from existing text. Requires a greyhound racetrack association to deposit into the horse industry escrow account, rather than an escrow account in TRC's registry, the purse set aside under Section 2028.202(b)(4).

(c) Creates this subsection from existing text and makes conforming changes.

SECTION 7.100. Amends Section 2028.2041, Occupations Code, as follows:

Sec. 2028.2041. New heading: ALLOCATION OF CERTAIN FUNDS IN HORSE INDUSTRY ESCROW ACCOUNT TO GENERAL REVENUE FUND; MAXIMUM ACCOUNT BALANCE. (a) Requires the comptroller, in each state fiscal biennium, to deposit the amounts allocated under Section 151.801(c-3), Tax Code, into the horse industry escrow account established under Section 2028.204, rather than into the escrow account established under Section 2028.204(b), until the comptroller determines the amount deposited into the account in that fiscal biennium equals the greater of certain amounts. Makes a conforming change.

(b) and (c) Makes conforming changes to these subsections.

SECTION 7.101. Amends Section 2028.205, Occupations Code, as follows:

Sec. 2028.205. New heading: ADDITIONAL ALLOCATIONS FROM HORSE INDUSTRY ESCROW ACCOUNT FOR CERTAIN RACETRACKS. (a) - (c) Makes conforming changes to these subsections.

SECTION 7.102 Amends Section 2028.301, Occupations Code, to make conforming changes.

SECTION 7.103. Amends Chapter 2028, Occupations Code, by adding Subchapter H, as follows:

## SUBCHAPTER H. NATIONAL EVENT INCENTIVES

Sec. 2028.401. NATIONAL EVENT INCENTIVES. (a) Defines "Breeders' Cup costs," "Breeders' Cup races," "development organization," and "political subdivision."

(b) Authorizes an association conducting the Breeders' Cup races to 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 (Set-Aside from Live Pari-Mutuel Pool) and 2028.202(a)(1) (relating to requiring a racetrack association to distribute an amount equal to one percent of each simulcast pari-mutuel pool to TCLR) 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. Requires that 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), beginning on January 1 of the year for which the association has been officially designated to host the Breeders' Cup races, be set aside, in accordance with procedures prescribed by the comptroller, for deposit into the Breeders' Cup Developmental Account. Provides that the Breeders' Cup Developmental Account is an account in the general revenue fund. Requires TDLR to administer the account. Authorizes the money in the account to be appropriated only to TDLR and to be used only for the purposes specified in this section. Provides that the account is exempt from the application of Section 403.095 (Use of Dedicated Revenue), Government Code.

(c) Requires TDLR to 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. Prohibits disbursements from the account from at any time exceeding the aggregate amount actually paid for Breeders' Cup costs by political subdivisions and development organizations, as certified by TDLR to the comptroller, or \$2 million, whichever is less.

(d) Requires the association, not later than January 31 of the year following the year in which the association hosts the Breeders' Cup races, to submit to TDLR 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 TCLR.

(e) Requires TDLR, following receipt of the report required by Subsection (d), to take any steps it considers appropriate to verify the report. Requires TDLR, not later than March 31 of the year following the event, to 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) Authorizes TCLR and the comptroller, in addition to the authority otherwise granted in Subtitle A-1, to adopt rules for the administration of this section as follows:

- (1) TCLR is authorized to 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 is authorized to adopt rules relating to:

(A) procedures and requirements for transmitting or otherwise delivering to the treasury the money set aside under this section; and

(B) depositing funds into the Breeders' Cup Developmental Account.

(g) Authorizes TCLR to 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) Provides that to the extent of any conflict between this section and another provision of Subtitle A-1, this section prevails.

SECTION 7.104. Amends Section 2029.001, Occupations Code, as follows:

Sec. 2029.001. ALLOCATION OF HORSE RACING DAYS; PROHIBITED RACING DAYS. (a) and (b) Makes conforming changes to these subsections.

(c) Authorizes TCLR by rule to prohibit racing on Sunday unless the prohibition would conflict with another provision of Subtitle A-1. Authorizes TCLR to delegate to the executive director TCLR's authority under this subsection.

SECTION 7.105. Amends Sections 2029.002(a) and (c), Occupations Code, to make conforming changes.

SECTION 7.106. Amends Section 2029.003, Occupations Code, to make conforming changes.

SECTION 7.107. Amends Sections 2029.052(a) and (b), Occupations Code, to make conforming changes.

SECTION 7.108. Amends Section 2029.053, Occupations Code, as follows:

Sec. 2029.053. SUBSTITUTE RACING DAYS OR ADDITIONAL RACES. Authorizes the executive director, rather than TCLR, in the executive director's discretion and at the request of the racetrack association, as a substitute for the race, 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 TDLR, to substitute certain racing days. Makes conforming changes.

SECTION 7.109. Amends Section 2030.001(b), Occupations Code, to make a conforming change.

SECTION 7.110. Amends Section 2030.002(b), Occupations Code, to make a conforming change.

SECTION 7.111. Amends Sections 2030.005 and 2030.006, Occupations Code, as follows:

Sec. 2030.005. EQUITABLE NUMBER OF RACES FOR EACH BREED. (a) Makes a conforming change to this subsection.

(b) Authorizes TCLR by rule, rather than by rule or by order, to allow for an exception to Subsection (a) (relating to requiring a racetrack association to provide an equitable number of races for each breed) if an insufficient number of horses of a breed are available to provide sufficient competition. Authorizes TCLR to delegate to the executive director TCLR's authority under this subsection.

Sec. 2030.006. **EQUITABLE STABLING.** Makes a conforming change to this subsection.

SECTION 7.112. Amends Section 2030.051(b), Occupations Code, to make a conforming change.

SECTION 7.113. Amends Section 2031.001, Occupations Code, as follows:

Sec. 2031.001. **ESTABLISHMENT OF TEXAS DERBIES.** (a) Requires TCLR by rule to establish as Texas Derbies certain annual stakes races.

(b) and (c) Makes conforming changes to these subsections.

SECTION 7.114. Amends Section 2031.003(a), Occupations Code, to make a conforming change.

SECTION 7.115. Amends Sections 2031.004(a) and (e), Occupations Code, to make conforming changes.

SECTION 7.116. Amends Chapter 2032, Occupations Code, by adding Section 2032.004, as follows:

Sec. 2032.004. **RULES.** Authorizes TCLR to adopt rules as necessary to administer Chapter 2032 and ensure public safety and welfare.

SECTION 7.117. Amends Section 2033.006(a), Occupations Code, to provide that a person commits an offense if the person knowingly possesses or displays a credential issued by TDLR, rather than knowingly possesses or displays a credential, or a false credential that identifies the person as the holder of the credential and the person knows that the credential is not issued to the person or that the person is not a license holder.

SECTION 7.118. Amends Sections 2033.007(a) and (b), Occupations Code, as follows:

(a) Makes conforming changes to this subsection.

(b) Provides that a person commits an offense if, after a lawful request, the person knowingly fails or refuses to perform certain actions, including to display a credential issued by TDLR to another person, rather than to display a credential, to another person.

SECTION 7.119. Amends Section 2033.008(a), Occupations Code, to make a conforming change.

SECTION 7.120. Amends Section 2033.009(a), Occupations Code, to make a conforming change.

SECTION 7.121. Amends Section 2033.012(c), Occupations Code, to make a conforming change.

SECTION 7.122. Amends Section 2033.013(c), Occupations Code, to make conforming changes.

SECTION 7.123. Amends Sections 2033.018(a) and (b), Occupations Code, as follows:

(a) Provides that a person consents to a search for a prohibited device, prohibited substance, or other contraband at a time and location described by Subsection (b) (relating to the actors authorized to conduct a search, except in certain locations) if the person:

(1) accepts a license or other credential issued by TDLR under Subtitle A-1, rather than a license or other credential issued under Subtitle A-1; or

(2) enters a racetrack under the authority of a license or other credential alleged to have been issued by TDLR under Subtitle A-1, rather than a license or other credential alleged to have been issued under Subtitle A-1.

(b) Makes a conforming change to this subsection.

SECTION 7.124. Amends Sections 2033.021, 2033.051, and 2033.052, Occupations Code, as follows:

Sec. 2033.021. New heading: DEPARTMENT AUTHORITY. Makes a conforming change to this section.

Sec. 2033.051. IMPOSITION OF PENALTY. Authorizes TCLR or the executive director, rather than TCLR, if TCLR or the executive director determines that a person regulated under Subtitle A-1 has violated Subtitle A-1 or a rule or order adopted under Subtitle A-1 in a manner that constitutes a ground for a disciplinary action under Subtitle A-1, to assess an administrative penalty against that person as provided by Subchapter B (Administrative Penalty) or Subchapter F (Administrative Penalty), Chapter 51, rather than as provided by Subchapter B.

Sec. 2033.052. AMOUNT OF PENALTY. (a) Authorizes TCLR or the executive director, rather than TCLR, notwithstanding Subchapter F, Chapter 51, to assess an administrative penalty under Subchapter B in an amount not to exceed \$10,000 for each violation.

(b) Requires TCLR or the executive director, rather than TCLR, in determining the amount of the penalty, to consider the criteria listed in Section 51.302(b), rather than the seriousness of the violation.

SECTION 7.125. Amends Section 2033.057(a), Occupations Code, to make a conforming change.

SECTION 7.126. Amends Subchapter B, Chapter 2033, Occupations Code, by adding Section 2033.058, as follows:

Sec. 2033.058. DISPOSITION OF ADMINISTRATIVE PENALTY. Requires TCLR to remit an administrative penalty collected under Subtitle A-1 to the comptroller for deposit in the general revenue fund.

SECTION 7.127. Amends Section 2033.101(b), Occupations Code, as follows:

(b) Requires a TDLR employee or authorized TDLR agent, rather than the executive director, on issuance of a cease and desist order, to 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.

SECTION 7.128. Amends Sections 2033.102(b) and (c), Occupations Code, as follows:

(b) Requires a TDLR employee or authorized TDLR agent, rather than the executive director, on receiving a request for a hearing, to serve notice of the time and place of the hearing by personal delivery or registered or certified mail, return receipt requested.

(c) Provides that TDLR, rather than TRC, at a hearing, has the burden of proof and is required to present evidence in support of the order.

SECTION 7.129. Amends Section 2033.104(b), Occupations Code, as follows:

(b) Requires a TDLR employee or authorized TDLR agent, rather than the executive director, after the executive director issues an emergency cease and desist order, to serve 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, 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. Makes a nonsubstantive change.

SECTION 7.130. Amends Sections 2033.105(c) and (d), Occupations Code, as follows:

(c) Requires a TDLR employee or authorized TDLR agent, rather than the executive director, on receiving a request for a hearing, to serve notice of the time and place of the hearing by personal delivery or registered or certified mail, return receipt requested.

(d) Provides that TDLR, rather than TRC, at the hearing, has the burden of proof and is required to present evidence in support of the order. Deletes existing text providing that Section 2003.021(b), Government Code, does not apply to hearings conducted under this section.

SECTION 7.131. Amends Section 2033.106(a), Occupations Code, to authorize the executive director, if the executive director reasonably believes that a person has violated a final and enforceable cease and desist or emergency order, rather than an enforceable cease and desist order, to take certain actions.

SECTION 7.132. Amends Section 2033.151, Occupations Code, as follows:

Sec. 2033.151. DISCIPLINARY ACTIONS. (a) Authorizes, rather than requires, TDLR to 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 Subtitle A-1 or a TDLR rule.

(b) Makes a conforming change to this subsection.

(c) Provides that a disciplinary proceeding under Subtitle A-1 is governed by Chapter 51 and TDLR rules adopted under Chapter 51.

SECTION 7.133. Amends the heading to Section 2033.152, Occupations Code, to read as follows:

Sec. 2033.152. PROCEEDING FOR DISCIPLINARY ACTION CONCERNING SUSPENSION, REVOCATION, OR REFUSAL TO RENEW LICENSE.

SECTION 7.134. Amends Section 2033.152(b), Occupations Code, to provide that a proceeding for a disciplinary action, other than those conducted by a steward or judge, in which TDLR proposes to suspend, revoke, or refuse to renew a person's license, rather than proceedings for a disciplinary action other than those conducted by a steward or judge, is governed by Chapter 2001, Government Code. Makes nonsubstantive changes.

SECTION 7.135. Amends Section 2033.153, Occupations Code, to make a conforming change.

SECTION 7.136. Amends Section 2033.154(b), Occupations Code, to make a conforming change.

SECTION 7.137. Amends Section 2034.001, Occupations Code, by amending Subsections (b)

and (c) and adding Subsection (e), as follows:

(b) Requires that the rules adopted under Section 2034.001 (Rules Relating to Unlawful Influences on Racing and Required Testing) by TCLR to require testing, rather than requiring TCLR to require testing, to determine whether a prohibited substance has been used.

(c) Requires that the rules adopted under Section 2034.001, rather than TCLR's rules, require state-of-the-art testing methods. Makes a conforming change.

(e) Requires TCLR to adopt rules regarding disciplinary actions under Chapter 2034 (Unlawful Influence on Racing), including the right of appeal to TCLR from a disciplinary action under Section 2034.006 (Disciplinary Action for Prohibited Device or Substance).

SECTION 7.138. Amends Section 2034.002, Occupations Code, to make conforming changes.

SECTION 7.139. Amends Sections 2034.003(c), (d), and (e), Occupations Code, to make conforming changes.

SECTION 7.140. Amends Sections 2034.005(a) and (b), Occupations Code, to make conforming changes.

SECTION 7.141. Amends Section 2034.007, Occupations Code, as follows:

Sec. 2034.007. DISCIPLINARY ACTION FOR RULE VIOLATION OF PROHIBITED DEVICE OR SUBSTANCE. Authorizes a person who violates a rule adopted under Chapter 2034, in addition to any other disciplinary action authorized by Chapter 51, Subtitle A-1, or TCLR rule, rather than authorizing a person who violates a rule adopted under Chapter 2034, to experience certain repercussions. Makes conforming changes.

SECTION 7.142. Amends Section 2035.001(a), Occupations Code, to make a conforming change.

SECTION 7.143. Amends Section 2035.052, Occupations Code, to make a conforming change.

SECTION 7.144. Amends Section 151.801(c-3), Tax Code, to make conforming changes.

SECTION 7.145. Amends Article 2.12, Code of Criminal Procedure, to provide that certain officials are peace officers, including investigators employed by TDLR in relation to the regulation of racing under Subtitle A-1, Title 13, Occupations Code, rather than investigators employed by TRC.

SECTION 7.146. (a) Repealer: Section 411.096 (Access to Criminal History Record Information: Texas Racing Commission), Government Code.

(b) Repealer: Section 2022.001(b) (relating to ex officio membership in TRC), Occupations Code.

Repealer: Section 2022.001(c) (relating to appointed members in TRC), Occupations Code.

Repealer: Section 2022.001(d) (relating to the authorized veterinarian member of TRC), Occupations Code.

Repealer: Section 2022.001(e) (relating to appointments to TRC being made without regard to race, color, disability, sex, religion, age, or national origin of the appointees), Occupations Code.

Repealer: Section 2022.001(f) (relating to the requirement of the governor to attempt to reflect minority groups in the state when making appointments to



TRC), Occupations Code.

Repealer: Section 2022.002(b) (relating to the time an ex officio member of TRC holds office), Occupations Code.

Repealer: Section 2022.003 (Financial Statement Required), Occupations Code.

Repealer: Section 2022.004 (Restrictions on Commission Appointment, Membership, and Employment), Occupations Code.

Repealer: Section 2022.005 (Grounds for Removal), Occupations Code.

Repealer: Section 2022.006 (Member Training), Occupations Code.

Repealer: Section 2022.007 (Member Per Diem And Reimbursement for Expenses), Occupations Code.

Repealer: Section 2022.009(b) (relating to the adoption of rules by TRC providing for the holding of special meetings), Occupations Code.

Repealer: Section 2022.009(c) (relating to the requirement that TRC keep a public record of every vote at its general office), Occupations Code.

Repealer: Section 2022.010 (Commission Offices), Occupations Code.

Repealer: Section 2022.011 (Money Paid to Commission), Occupations Code.

Repealer: Section 2022.012 (Legal Representation), Occupations Code.

Repealer: Section 2022.013 (Negotiated Rulemaking and Alternative Dispute Resolution Procedures), Occupations Code.

Repealer: Section 2022.014 (Public Participation), Occupations Code.

Repealer: Section 2022.051 (Executive Director; Duties), Occupations Code.

Repealer: Section 2022.052(a) (relating to the requirement that TRC hire employees as necessary to administer Subtitle A-1), Occupations Code.

Repealer: Section 2022.052(b) (relating to requiring TRC to employ the executive director and other employees to reflect the diversity of the state), Occupations Code.

Repealer: Section 2022.053 (Commission Investigators), Occupations Code.

Repealer: Section 2022.054 (Career Ladder; Performance Evaluations), Occupations Code.

Repealer: Section 2022.055 (Equal Employment Opportunity Policy), Occupations Code.

Repealer: Section 2022.056 (Division of Responsibility), Occupations Code.

Repealer: Section 2022.057 (Background Checks and Qualification Criteria), Occupations Code.

Repealer: Section 2022.101 (Public Interest Information), Occupations Code.

Repealer: Section 2022.102 (Information Relating to Complaint Procedures), Occupations Code.

Repealer: Section 2022.106 (Public Inspection of Records), Occupations Code.

Repealer: Section 2023.004(b) (relating to TRC establishing separate sections to review or propose TRC rules), Occupations Code.

Repealer: Section 2023.004(c) (relating to TRC holding a meeting on a proposed rule before publishing the proposed rule), Occupations Code.

Repealer: Section 2023.004(f) (relating to TRC appointing a committee of experts to advise TRC about a proposed rule), Occupations Code.

Repealer: Section 2023.009 (Judicial Review of Commission Order), Occupations Code.

Repealer: Section 2025.204(e) (relating to the application of a certain section to a summary suspension hearing for a racetrack association), Occupations Code.

Repealer: Section 2025.258(b) (relating to TRC ensuring that criminal history record information is obtained on each license holder at least once every 36 months), Occupations Code.

Repealer: Section 2033.053 (Preliminary Report and Notice of Violation and Penalty), Occupations Code.

Repealer: Section 2033.054 (Penalty to be Paid or Hearing Requested), Occupations Code.

Repealer: Section 2033.055 (Hearing), Occupations Code.

Repealer: Section 2033.056 (Options Following Decision: Pay or Appeal), Occupations Code.

Repealer: Section 2033.057(b) (relating to a complaint alleging a violation of Subtitle A-1 being decided by TRC under certain contested case provisions), Occupations Code.

Repealer: Section 2033.152(a) (relating to a person entitled to a hearing if TRC proposes to suspend, revoke, or refuse to renew the person's license), Occupations Code.

Repealer: Section 2033.152(c) (relating to TRC rules of practice not conflicting with State Office of Administrative Hearings rules), Occupations Code.

(c) Repealer: Title 6 (Amusements - Public Houses Of), Vernon's Texas Civil Statutes.

SECTION 7.147. (a) Provides that TRC is abolished on September 1, 2021, 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 TDLR. Provides that TDLR assumes all of the obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions of TRC as they exist immediately before the effective September 1, 2021. Provides that all unexpended funds appropriated to TRC are transferred to TDLR.

(b) Provides that on September 1, 2021, all full-time equivalent employee positions at TRC become positions at TDLR. Provides that on September 1, 2021, all employees who were employed by TCR on August 31, 2021, become employees of TDLR, except for any employee in an exempt position or a position at or above salary group B27 in the Texas Position Classification Plan, 1961.

(c) Requires TRC and TDLR, in consultation with appropriate state entities, to ensure that the transfer of the obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions of TRC to TDLR is completed not later than December 1, 2021.

(d) Provides that all rules, fees, policies, procedures, decisions, and forms adopted by TRC are continued in effect as rules fees, policies, procedures, decisions, and forms adopted by TDLR until amended or superseded by a rule , fee, policy, procedure, decision, or form adopted by TCLR. Provides that a license issued by TRC is continued in effect as provided by the law in effect immediately before September 1, 2021. Provides that an application for a license, endorsement, or certificate of registration pending on the effective date of this Act is continued without change in status after September 1, 2021. Provides that a complaint, investigation, contested case, or other proceeding pending on September 1, 2021, is continued without change in status after September 1, 2021.

(e) Requires TRC, beginning on the effective date of this subsection, to provide TDLR, and other appropriate state entities, access to any systems or information necessary for TDLR 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 TRC.

(f) Requires TCLR to adopt any rules necessary to implement the changes in law made by this Act to Subtitle A-1, Title 13, Occupations Code, not later than September 1, 2022.

(g) Provides that a reference to TRC in a law or administrative rule means TDLR, unless the context indicates otherwise.

SECTION 7.148. (a) Requires the presiding officer of TCLR, not later than December 1, 2021, with the approval of TCLR, to appoint members to advisory board in accordance with Section 2022.001, Occupations Code, as amended by this Act. Provides that a member of TRC whose term expired under Section 18.01 of this Act is eligible for appointment to the advisory board.

(b) Requires the members of TRC whose terms expire under Section 18.01 of this Act to continue to provide advice to TDLR until a majority of the members of the advisory board are appointed under Subsection (a) of this section and qualified.

SECTION 7.149. (a) Requires the executive director, not later than September 1, 2023, in accordance with Section 51.202(c) (relating to the development of cost management procedures by the executive director), Occupations Code, to determine with reasonable accuracy the cost to TDLR of the racing program and activities for which a fee is charged.

(b) Requires the executive director, on development of the cost management procedures, to make recommendations to TCLR for review and consideration.

SECTION 7.150. Provides that 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.

SECTION 7.151. Provides that a violation of a law that is repealed by this Act is governed by the law in effect when the violation occurred, and the former law is continued in effect for that

purpose.

#### ARTICLE 8. TRANSITION AND EFFECTIVE DATE

SECTION 8.01. Provides that 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 8.02 (a) Provides that except as otherwise provided by Subsection (b) of this section, this Act takes effect September 1, 2021.

(b) Provides that 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. Provides that if this Act does not receive the vote necessary for immediate effect, Section 7.147(e) of this Act takes effect September 1, 2021.