# TDLR

TEXAS DEPARTMENT OF LICENSING & REGULATION®

## 2027-2031 STRATEGIC PLAN

# PROTECTING TEXANS. POWERING OPPORTUNITY.

AGENCY STRATEGIC PLAN
FISCAL YEARS 2027-2031
by
THE TEXAS COMMISSION OF LICENSING AND REGULATION
and
TEXAS DEPARTMENT OF LICENSING AND REGULATION

| Commission Member | Term | Hometown |
|---|---|---|
| Rick Figueroa, Chair | 02/01/2027 | Brenham |
| Thomas F. Butler, Vice Chair | 02/01/2025 | Deer Park |
| Gerald R. Callas, M.D., F.A.S.A. | 02/01/2029 | Beaumont |
| Nora Castañeda, M. Ed. | 02/01/2025 | Harlingen |
| Sujeeth Draksharam | 02/01/2027 | Sugar Land |
| Lori High, D.N.P. | 02/01/2027 | Spicewood |
| Gary Wesson, D.D.S., M.S. | 02/01/2029 | Richmond |

**Submitted June 1, 2026**

Executive Director

Commission Chair

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# AGENCY MISSION & VISION

**Who We Are**

The Texas Department of Licensing and Regulation (TDLR) is the state's primary occupational licensing agency, with oversight responsibility for a broad range of business and industry across Texas. Our goals are to protect the health and safety of all Texans by ensuring they are served by qualified and skilled professionals, while providing common-sense regulatory guidance to our licensees and customers. Our long-held philosophy is that the people of Texas are best served by a smaller, smarter government that encourages business to flourish here, providing opportunities for all Texans.

Chapter 51 of the Texas Occupations Code establishes the agency and our responsibilities. Our policies and procedures are guided by the Texas Sunset Advisory Commission's *Sunset Licensing and Regulation Model*, a nationally recognized standard used to evaluate whether occupational licensing and regulatory agencies are efficient, effective, fair, and accountable in their mission to protect the public. The model applies best practices and standards for state agencies and is central to TDLR's charge in the business transformation of programs brought to us by the Texas Legislature.

*Texas Commission of Licensing and Regulation*

The Texas Commission of Licensing and Regulation (Commission) is our governing board and policy-making body. Its seven public members are appointed to staggered six-year terms by the governor with the consent of the Texas Senate. All agency administrative rules must be approved and adopted by the Commission. By law, Commission members and their spouses cannot engage in any of the businesses or trades we regulate, with some exceptions for the healthcare field.

In addition to protecting the health and safety of Texans, the Commission is focused on identifying and removing barriers to business success. To better understand the effect of program rules on the people we regulate, Commission members attend advisory board meetings and participate with program staff on work groups, agency summits, and public outreach events. Before adopting any rule, the Commission carefully considers its potential impact on TDLR licensees and consumers.

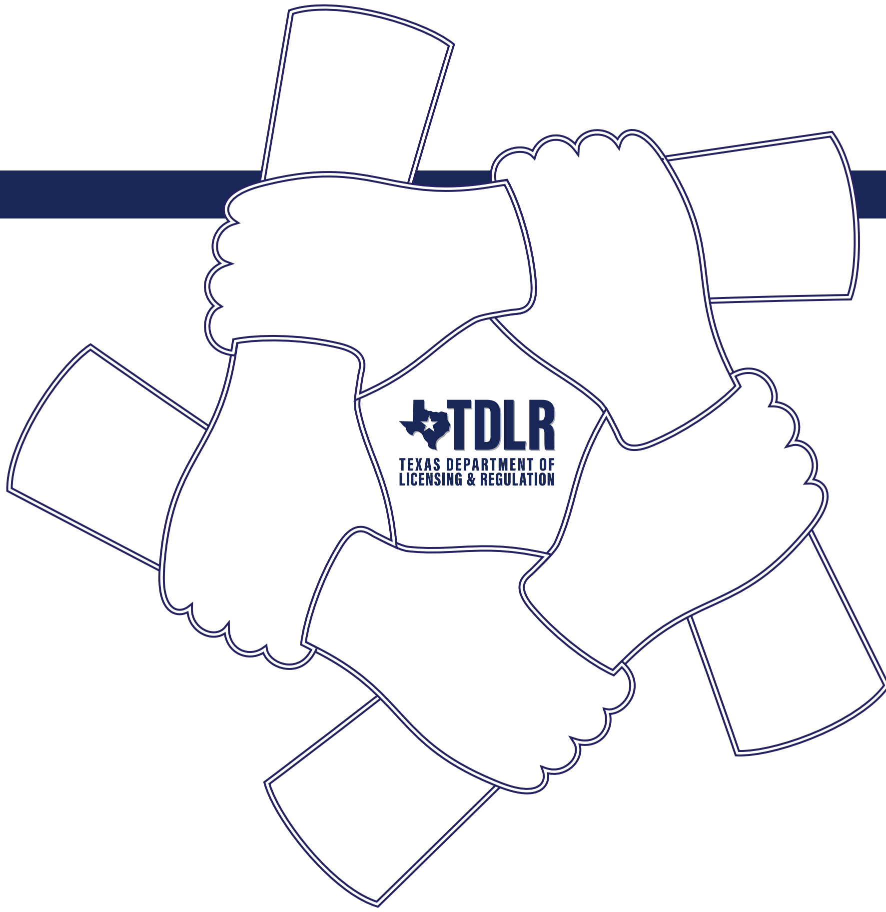
The Commission also values transparency and open government. Commissioners receive regular training from our Office of General Counsel to ensure compliance with the state's open government laws. Commission meeting dates, locations, and agendas are shared in advance with the public, who can address their concerns directly to the Commissioners in person, and meetings are streamed live and archived on TDLR's YouTube channel.

*Advisory Boards*

TDLR's 37 advisory boards are made up of representatives from regulated businesses and industries, including licensees, public members, and other professionals. Advisory board members are appointed by the Commission to provide important technical knowledge and industry expertise, giving the Commissioners and our staff real-world insight into the wide variety of occupations and industries TDLR regulates. Input

**DID YOU KNOW?**

*TDLR's roots can be traced back to 1909, when the 31st Texas Legislature enacted HB 109, creating the Texas Bureau of Labor Statistics. The mission of the Bureau was to collect and report statistical information to the governor regarding labor and industry within the state of Texas.*




from each advisory board is critical in helping us effectively carry out our mission and accomplish our vision.

*Executive Leadership*

The executive director is hired by, and reports directly to, the Commission. The executive director is responsible for:

- administering our programs;
- recruiting, hiring, and leading agency personnel;
- issuing licenses and certificates;
- approving complaint settlements, fines, and sanctions;
- issuing cease and desist orders and emergency orders; and
- referring cases to the Texas Attorney General.

We would not be able to carry out our mission without a team of dedicated public servants. Each workday, our employees conduct inspections, enforce regulations, develop examinations, provide specialized technical expertise, process licensing applications, manage the Texas Lottery and direct revenue to important education and veteran causes, carefully manage public funds, and deliver outstanding customer service, all while developing and adopting best practices that keep the agency operating efficiently. Our 900-plus professionals do this work largely behind the scenes, allowing us to remain one of Texas' top-performing government agencies.

The Commissioners, agency leadership, and our employees share a common mission: to earn the trust of Texans every day by providing innovative regulatory solutions for our licensees and those they serve. In achieving this mission, we are mindful to balance our regulatory responsibilities with the need to preserve economic freedom and ensure that all Texans can pursue their dreams here. We do this in a way that is efficient, courteous, and caring, never forgetting who we work for: **the people of Texas.**

**DID YOU KNOW?**

*Oversight of the Texas Lottery and Charitable Bingo Operations Division was transferred to TDLR in September 2025 following the passage of SB 3070.*

# TDLR AGENCY MISSION & VISION

## CORE VALUES

**Open** and **free** communication

Create an exceptional **customer service** experience

**Teamwork** built on individual strengths and ingenuity

**Accountable** to Texans

Lead through **innovation**

**Respect** for all

**Integrity** in all we do

## MISSION

To earn the trust of Texans every day by providing innovative regulatory solutions for our licensees and those they serve.

## VISION

To be the best at creating 'next' practices that deliver low-cost licensing and regulatory services and an exceptional customer experience.

### Who We Regulate

TDLR currently oversees 41 licensing programs covering 49 rule chapters of Texas statute. The Texas Legislature continues to recognize TDLR's ability to successfully streamline existing licensing programs and to tackle new challenges and responsibilities resulting from legislative action. Over the last two decades, the Legislature has consistently expanded our broad range of responsibilities while at the same time deregulating where necessary.

The chart below shows our license totals (from largest to smallest) for each TDLR program at the end of Fiscal Year 2025, with separate totals for individual license types and business licenses (Table 1). The percentage change in those totals since the previous Strategic Plan report is shown in the right-hand column. Note: while the Texas Lottery and Charitable Bingo programs were not formally transferred to TDLR until FY 2026, we are including them below for context.

**FY 2025: TDLR Individual & Business License Totals**

| Program | Individual Licenses | Business Licenses | FY25 Total Population | % Change from FY23 |
|---|---|---|---|---|
| Barbers & Cosmetologists | 361,056 | 58,631 | 419,687 | +4.9% |
| Electricians | 213,506 | 13,611 | 227,117 | +25.8% |
| Air Conditioning & Refrigeration | 60,552 | 0 | 60,552 | +12.0% |
| Boilers | 248 | 51,599 | 51,847 | -1.1% |
| Massage Therapy | 44,900 | 3,897 | 48,797 | +25.4% |
| Elevators & Escalators | 176 | 44,041 | 44,217 | +22.6% |
| Towing | 15,936 | 16,016 | 31,952 | -1.0% |
| Speech-Language Pathology / Audiology | 27,923 | 0 | 27,923 | +8.3% |
| Architectural Barriers | 551 | 24,868 | 25,419 | +14.0% |
| Texas Lottery Sales License | 0 | 19,694 | 19,694 | -6.3% |
| Motor Fuel Metering & Quality | 503 | 13,193 | 13,696 | +3.4% |
| Dietitians | 10,332 | 0 | 10,332 | +35.4% |
| Charitable Bingo | 8,161 | 2,093 | 10,254 | -6.2% |
| Behavior Analysts | 6,638 | 0 | 6,638 | +47.8% |
| Laser Hair Removal | 5,755 | 416 | 6,171 | +20.8% |
| Mold Assessors & Remediators | 5,001 | 645 | 5,646 | +21.2% |
| Athletic Trainers | 4,363 | 0 | 4,591 | +5.2% |
| Vehicle Storage Facilities | 2,551 | 1,996 | 4,547 | -0.087% |
| Property Tax Professionals | 4,010 | 0 | 4,010 | +6.6% |
| Driver Education and Safety | 2,505 | 922 | 3,427 | +16.5% |
| Code Enforcement Officers | 2,980 | 0 | 2,980 | +10.9% |
| Water Well Drillers & Pump Installers | 2,381 | 0 | 2,381 | +5.2% |
| Continuing Education | 0 | 2,360 | 2,360 | +15.0% |

*Continued on next page*

# AGENCY MISSION & VISION

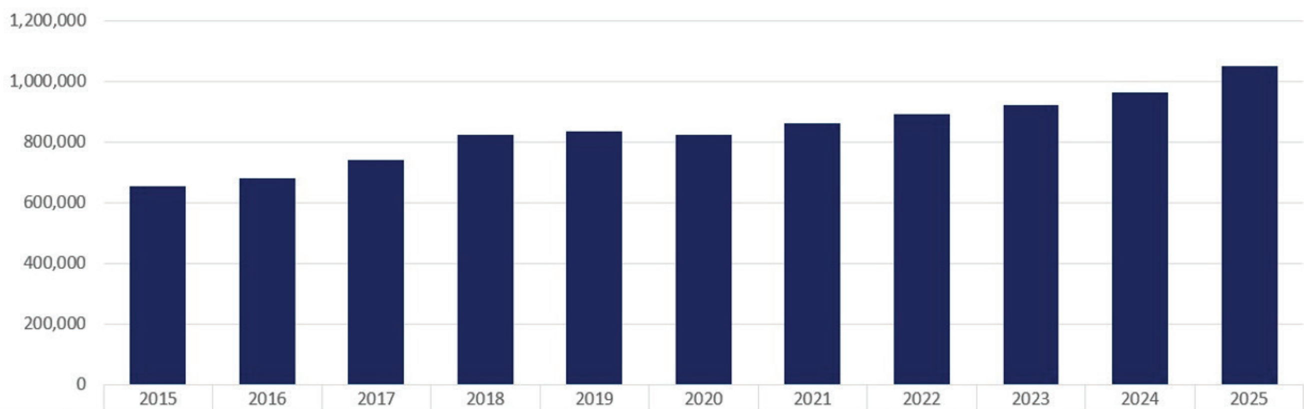

| Program | Individual Licenses | Business Licenses | FY25 Total Population | % Change from FY23 |
|---|---|---|---|---|
| Property Tax Consultants | 2,318 | 0 | 2,318 | +10.4% |
| Auctioneers | 2,121 | 0 | 2,121 | -1.9% |
| Court-Ordered Education Programs | 1,669 | 322 | 1,991 | -9.8% |
| Podiatry | 1,610 | 0 | 1,610 | +13.8% |
| Sanitarians | 1,301 | 0 | 1,416 | +8.8% |
| Dyslexia Practitioners & Therapists | 1,406 | 0 | 1,406 | +25.9% |
| Combative Sports | 1,185 | 82 | 1,267 | +6.9% |
| Hearing Instrument Fitters & Dispensers | 1,022 | 16 | 1,038 | +18.0% |
| Industrialized Housing & Buildings | 72 | 852 | 924 | +10.0% |
| Orthotists & Prosthetists | 647 | 247 | 894 | -2.2% |
| Used Automotive Parts Recyclers | 0 | 664 | 664 | -1.2% |
| Service Contract Providers | 0 | 533 | 533 | +24.5% |
| Professional Employer Organizations | 0 | 462 | 462 | +11.8% |
| Midwives | 411 | 2 | 413 | +16.0% |
| Motorcycle & ATV Operator Safety | 336 | 58 | 394 | +16.9% |
| Licensed Breeders | 0 | 168 | 168 | +29.2% |
| Electric Vehicle Charging Stations | 0 | 86 | 86 | n/a |
| Transportation Network Companies | 0 | 16 | 16 | +6.0% |
| Weather Modification | 0 | 12 | 12 | n/a |
| **Total** | **793,344** | **256,812** | **1,050,156** | **+14.2%** |

*Table 1 Source: Licensing Division Performance Measures*

*Growth & New Responsibilities*

Since 2015, the agency's licensee population has grown by 61% and surpassed one million licenses, permits and registrations issued in 2025, primarily through additional programs sent to us by the Legislature (Table 2). Steady Texas population and workforce growth—fueled by the unparalleled success of the state's economy—has required TDLR to absorb new responsibilities and new licensees while remaining responsive to change and increasingly taking on new tasks.

**Growth in TDLR Licensed Population**
**FY 2015 - FY 2025**




| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| License Population | 652,388 | 679,280 | 738,512 | 823,787 | 832,771 | 824,922 | 860,549 | 892,765 | 919,307 | 962,135 | 1,050,070 |

*Table 2 Source: Licensing Division Performance Measures*

*A Legacy of Transformation*

Beginning with its modern inception in 1989 as the Texas Department of Licensing and Regulation, the Texas Legislature has viewed TDLR as an agency of transformation for both new responsibilities and existing programs and agencies. In 2001, following TDLR's adoption of a functional alignment business model, the 77th Legislature directed TDLR to "incubate" the newly formed Board of Professional Geoscientists for a period of two years before establishing it as an independent agency; in 2003, the 78th Legislature created a statewide electrician licensing program at TDLR, replacing a patchwork of local licensing requirements; and in 2005, the independent barbering and cosmetology boards were abolished and their programs transferred to TDLR, resulting in significant growth in the agency's size and responsibilities. This pattern of incubation, creation, and transformation has continued for the past two decades, while at the same time, some programs have been eliminated through deregulation efforts.

This transformational work has extended beyond program transfers and organizational integration efforts. TDLR has also implemented major operational initiatives focused on strengthening licensing integrity, improving identity and eligibility verification processes, reducing enforcement backlogs, and enhancing protections against fraud and human trafficking in regulated industries.

In all, since 2015 the Legislature has added 28 programs to TDLR's portfolio—22 transferred from other agencies or abolished agencies, five new programs, and one temporary agency attachment, the Texas Board of Veterinary Medical Examiners, which will return to full independence in 2027 (see Table 3).

## 28 New & Transferred Progams at TDLR since 2015

| Year | Program | Transfer/New |
|---|---|---|
| 2015 | Parent-Taught Driver Education | *Transfer from DPS* |
| 2015 | Driver & Traffic Safety Education | *Transfer from TEA* |
| 2016 | Athletic Trainers | *Transfer from DSHS* |
| 2016 | Dietitians | *Transfer from DSHS* |
| 2016 | Dyslexia Therapists & Practitioners | *Transfer from DSHS* |
| 2016 | Hearing Instrument Fitters & Dispensers | *Transfer from DSHS* |
| 2016 | Midwives | *Transfer from DSHS* |
| 2016 | Orthotists & Prosthetists | *Transfer from DSHS* |
| 2016 | Speech-Language Pathologists & Audiologists | *Transfer from DSHS* |
| 2017 | Code Enforcement Officers | *Transfer from DSHS* |
| 2017 | Laser Hair Removal | *Transfer from DSHS* |
| 2017 | Massage Therapy | *Transfer from DSHS* |
| 2017 | Mold Assessors & Remediators | *Transfer from DSHS* |
| 2017 | Offender Education Providers | *Transfer from DSHS* |
| 2017 | Sanitarians | *Transfer from DSHS* |
| 2017 | Behavior Analysts | *New* |
| 2017 | Podiatrists | *Transfer from Podiatry Board* |
| 2017 | Responsible Pet Owners | *New* |
| 2017 | Transportation Network Companies | *New* |
| 2019 | Motor Fuel Metering & Quality | *Transfer from TDA* |
| 2020 | Motorcycle Operator & Training Safety | *Transfer from DPS* |
| 2020 | Off-Highway Vehicle Operator Education & Certification | *Transfer from DPS* |
| 2021 | Residential Service Contracts | *Transfer from TREC* |
| 2023 | Electric Vehicle Charging Stations | *New* |
| 2023 | Texas Board of Veterinary Medical Examiners | *Temporary Attachment* |
| 2025 | Charitable Bingo | *Transfer from TLC* |
| 2025 | Texas Lottery | *Transfer from TLC* |
| 2025 | Residential Solar Retailers | *New* |

*Table 3. Source: Office of Strategic Communication*

# TDLR 3.0

*Transfer of Texas Lottery & Charitable Bingo*

More recently, the 89th Legislature abolished the Texas Lottery Commission and moved responsibility for the Texas Lottery and the Charitable Bingo programs to TDLR. While TDLR has previously absorbed individual licensing programs, and even some smaller agencies, this move was unprecedented in both scope and size, essentially doubling the number of employees, greatly enhancing our financial and budgetary responsibilities, and challenging our ability to successfully run an occupational licensing agency while also absorbing more unique and greater responsibilities. The 89th Legislature also created a new program at TDLR, Residential Solar Retailers, which will begin issuing registrations for retailers and salespeople in FY 2027.

Rather than continue to react each biennium to legislative mandates and incorporate transformational activities into our everyday workflow—with staff who already have defined responsibilities required to become part-time project managers and business analysts as we quickly adapt to absorb new responsibilities—TDLR leadership seeks to recognize that the agency's strengths could be put to more effective use by identifying a new licensing and regulatory model, TDLR 3.0, based on our established professional business transformation skills.

**TDLR 3.0: A Blueprint for the Future**

The agency's growth and evolution have occurred in distinct phases, with each building upon the operational strengths, institutional knowledge, and public-service mission established in the phase before it. Understanding these stages helps define how the agency arrived at its current position and why a more intentional and scalable operational framework is needed moving forward.

TDLR 1.0 reflects the agency's foundational identity as a traditional occupational licensing and regulatory agency. In this phase, TDLR established its regulatory framework and reputation for common-sense regulation, customer service, and streamlined governance. During this period, TDLR developed the operational discipline, regulatory consistency, and business-friendly approach that became the hallmarks of the agency's culture and mission.

TDLR 2.0 reflects the agency's evolution into a statewide transformation and integration agency with expanded responsibilities, increasingly complex programs, and a rapidly growing license population.
In this phase, the Legislature repeatedly entrusted TDLR with absorbing transferred programs, launching new regulatory functions, modernizing statewide licensing structures, and managing major operational transitions. The agency demonstrated an ability not only to regulate industries, but also to

**DID YOU KNOW?**

*The Texas Lottery launched on May 29, 1992, after Texas voters approved the creation of a state lottery by a two-to-one margin. Texans bought more than 23 million tickets in the Lottery's first 24 hours—setting a world record for first-day sales. The cost of the Lottery's start-up, with interest, was earned during the first three hours of ticket sales.*

successfully stabilize, integrate, and improve programs brought under its oversight. This era has been defined by sustained growth, organizational adaptability, operational modernization, increased public engagement, and the development of broader institutional expertise extending beyond traditional occupational licensing and regulation.

Throughout 1.0 and 2.0, TDLR has demonstrated an ability to take on new and complex responsibilities, integrate them into the agency, or build them up to successfully stand on their own and deliver results. As the scope and pace of these responsibilities continue to grow, there is a need to move from an implicit, experience-driven approach to a more intentional and scalable model.

The concept of TDLR 3.0 is intended to provide that framework.

It recognizes that the agency already operates across three broad channels: traditional licensing and regulation, the transformation of programs transferred to the agency, and unique or specialized responsibilities that may require a different operational approach. While this work is occurring today, it needs to be consistently defined, measured, and supported in a way that ensures long-term sustainability.

The purpose of TDLR 3.0 is to formalize what has worked, identify best practices, and create a more consistent approach to how the agency absorbs, evaluates, and manages programs over time. This includes establishing clearer expectations around roles, processes, and outcomes, while preserving the flexibility needed to respond to legislative direction and emerging needs.

A central component of this effort is aligning resources with responsibilities. TDLR has a strong track record of operating efficiently, but continued success will require a more deliberate approach to staffing, funding systems, and organizational structure. TDLR 3.0 will help ensure the agency is both disciplined in its use of resources and realistic about when additional capacity is necessary to meet its obligations effectively.

The primary purpose of establishing the TDLR 3.0 concept is to give greater visibility to the mechanisms by which the agency absorbs and rehabilitates programs and to develop blueprints by which we can learn from past successes and replicate processes that have proven to be effective.

Ultimately, TDLR 3.0 is about strengthening the agency's ability to plan for and manage growth. By building on existing strengths and introducing greater clarity and consistency, TDLR 3.0 will position the agency to continue protecting Texans, supporting regulated industries, and maintaining public trust in an increasingly complex environment.

**DID YOU KNOW?**

*Currently, TDLR regulates 41 business and occupational licensing programs with more than 1,000,000 licenses across the state.*

### What We Have Accomplished

| | |
|---|---|
| **Total Licensed Population—FY 2025*** | 1,050,070 |
| • Individuals | 793,344 |
| • Businesses & Equipment | 256,726 |
| **Customer Service Emails Answered** | 38,236 |
| **Customer Service Phone Calls Answered** | 392,375 |
| **Penalties Assessed** | $4,769,650 |
| **Restitution Returned to Texans** | $808,739 |
| **Enforcement Complaints Opened** | 12,913 |
| **Investigations Completed** | 12,694 |
| **Inspections Completed (TDLR + 3rd Party)** | 292,834 |
| **Exams Administered** | 118,325 |

*Including Lottery and Bingo licensees

**DID YOU KNOW?**

*Since launching in 1992, the Texas Lottery has generated more than $41.5 billion in revenue for good causes in the state of Texas, including education, veterans' services and other important state programs. (Through FY 2025)*

***I. Managing Continued Growth & Expansion***

**Transfer and Integration of Texas Lottery and Charitable Bingo**

Senate Bill (SB) 3070 (89-R) by Senator Bob Hall abolished the **Texas Lottery Commission** and transferred the administration of the state lottery and the licensing and regulation of charitable bingo to TDLR effective September 1, 2025. Among other provisions, the bill required a limited-scope sunset review of the state lottery for the biennium ending August 31, 2027, limited the number of lottery tickets allowed to be sold to one individual in a single transaction, and prohibited play or facilitation of play by phone, Internet, or mobile apps.

While the legislation was effective in September, TDLR wasted no time getting to work on this enormous task. Through House Bill (HB) 500 (89R), the legislature also dedicated resources for TDLR to build a transition team, and the hiring of a Transition Director, Transition Special

Counsel, and Project Manager was prioritized. Beginning in June, TDLR leadership began meeting with their lottery and bingo operations (LOBO) counterparts to discuss contingencies and develop a transfer timeline. The first step was to break up the transfer into three distinct phases:

- Phase 1: June 2025 through September 1, 2025
- Phase 2: September 1, 2025, through August 31, 2026
- Phase 3: September 1, 2026, and later

**Phase 1**

The initial focus of Phase 1 centered on staffing. Under SB 3070, all LOBO employees became TDLR employees on September 1, 2025. This required an enormous undertaking on the part of human resources for both agencies, merging staff from two agencies with roughly 500 employees each, into an agency with now nearly 1,000 employees, in less than 90 days.

TDLR leadership stressed the importance of **continuity of operations**, and while some staff retired or separated during Phase 1, all essential lottery and bingo functions continued without interruption, thanks in no small part to dedicated LOBO leadership and staff.

In addition to staff, all money, contracts, leases, property, and obligations of the now-abolished Lottery Commission were transferred to TDLR, with the responsibility to **review all contracts** no later than December 1, 2025, and determine whether to renew, amend, or terminate each contract.

**Phase 2**

One of the first major tasks of the transfer was to **amend the existing contract for lottery operations and services** to extend it to no more than two years beyond the current expiration date of August 31, 2026. This was completed in the second quarter of FY 2026, allowing current games and services to continue uninterrupted during the transition period.

The next challenge for Phase 2 was to draft and issue a Request for Proposal (RFP) to **re-procure the lottery operations contract.** This was completed during Phase 2, and the RFP was issued on April 28, 2026.

During this time, the review of all other existing contracts (besides the operations contract) was underway, led by the transition special counsel.

After successfully integrating human resources during Phase 1, TDLR began the work in Phase 2 of integrating the distinct information technology, finance, and procurement/contracting divisions, and developed a plan for benchmarking legacy LOBO program performance.

SB 3070 also created a new **Lottery Advisory Committee** and transferred the **Bingo Advisory Committee** to TDLR, both serving as TDLR advisory boards. Members of the Bingo Advisory Committee were appointed by the Texas Commission of Licensing and Regulation in September 2025, and the committee held its first meeting at TDLR on October 29, 2025. Appointment of Lottery Advisory Committee members is still underway, with a quorum of members appointed in May 2026.

**DID YOU KNOW?**

*State law and rules require that Electrical Contractors display their business name and TECL# on both sides of vehicles owned/operated by the business and used in the conduct of electrical work.*

Throughout the remainder of Phase 2, TDLR will continue to look for administrative efficiencies and opportunities for integration by:

- Merging policies and procedures
- Identifying additional organizational efficiencies
- Cross-training staff to ensure functional readiness
- Merging or eliminating duplicative processes
- Improving agency-wide communications

**Phase 3**

Looking ahead, we will be submitting an **Annual Report on Lottery Operations**, including information on a comprehensive business plan; lottery revenue, prize disbursements, and other expenses; trends and issues related to violations of state laws under TDLR's lottery and bingo jurisdiction; and a comparison of gross receipts and net proceeds from bingo operations. TDLR is also required to make recommendations to the Legislature on emerging trends and developments affecting the lottery and bingo industries and submit to the Sunset Advisory Commission and the Legislature any **legislative recommendations** necessary to improve the lottery or bingo programs no later than December 1, 2026. Some of those recommendations are included in this strategic plan beginning on page 36.

TDLR will also work with the State Auditor's Office on a first annual audit, to be completed no later than August 31, 2028.

**Texas Board of Veterinary Medical Examiners Attachment**

Following the passage of SB 1414 (88-R), the **Texas Board of Veterinary Medical Examiners (TBVME)** was administratively attached to TDLR for a four-year period, to conclude August 31, 2027. This collaboration has proven to be a productive and effective partnership, enabling TBVME to leverage TDLR's resources and expertise to enhance its service to the public.

Key accomplishments of the attachment include:

- Supporting the procurement and project management of a new licensing database system
- Assisting in the comprehensive redesign and modernization of the TBVME website
- Providing guidance and support in the review and revision of all TBVME administrative rules
- Contributing to TBVME's strategic planning and legislative appropriations processes
- Conducting oversight and review of cases presented to the Board to ensure a high standard of quality and consistency

**DID YOU KNOW?**

*Once upon a time, TDLR regulated Talent Agencies, which was established by SB 759 (71-R). This program was later abolished through enactment of HB 3167 (82-R).*

In April 2026, with TDLR's assistance TBVME completed a thorough overhaul of 22 TAC Chapter 571 and Chapter 573 following substantial public input and feedback. The refreshed rule chapters are on target to be adopted this year, ahead of the December 31, 2026, deadline found in SB 1414. With this final major task completed, the temporary attachment will be on schedule to conclude in August 2027.


## Electric Vehicle Charging Stations

The regulation of Electric Vehicle (EV) chargers at TDLR resulted from the passage of **SB 1001** and **SB 1732** by the 88th Texas Legislature in 2023. The Electric Vehicle Charging Station program (EVS) launched in December 2024, and administrative rules in 16 TAC Chapter 96 took effect on that date.

The rules required new EV chargers to be registered starting March 1, 2025. The rules impose certain operational and safety standards as well as adoption of requirements from the National Institute of Standards and Technology (NIST), the National Electric Code, the Texas Electrical Safety and Licensing Act, the Texas Public Utility Regulatory Act, and Texas Accessibility Standards, adopted pursuant to Chapter 469 of the Government Code. Application of certain standards in statute and rule are staggered through 2030 to allow certain EV chargers in operation prior to March 1, 2025, to be brought up to modern standards recognized in Texas and nationally.

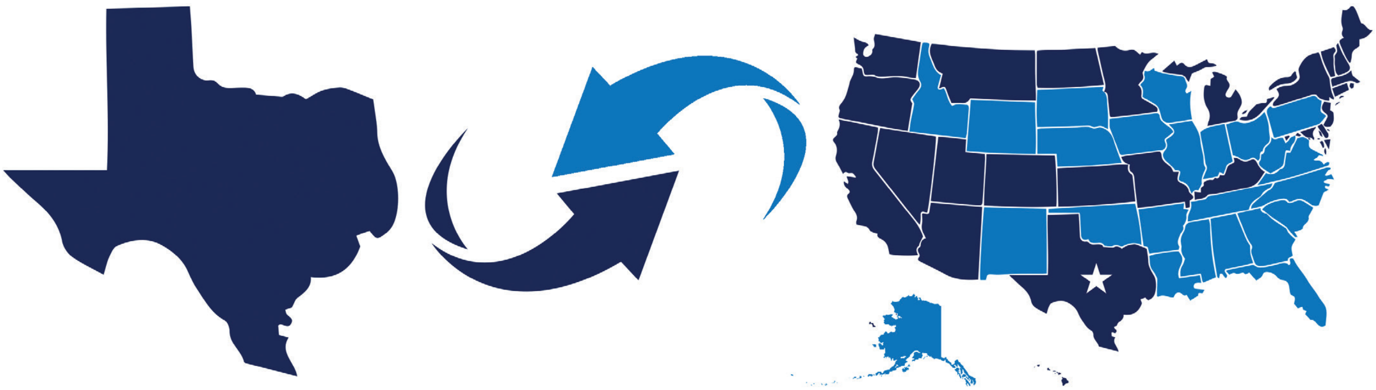
Texas was one of the first states to adopt administrative rules that encourage innovation and expansion of the EV charging infrastructure statewide with an emphasis on customer service, reliability, and end-user safety. At present, **101 provider licenses have been issued statewide, representing 803 locations with 4,490 registered charging units.**

The enforcement plan was updated to include the EVS program, adopted by the Commission on August 21, 2025.

Staff anticipate there may be some amendments to the applicable NIST Handbooks regarding operational standards in the future that could affect the program, possibly later in 2026. Until that time, TDLR staff continue to monitor the expansion of the charging infrastructure and assist providers as development progresses across the state.

## Establishment of Residential Solar Retailers Program

SB 1036, enacted by the 89th Texas Legislature, established the **Residential Solar Retailers** program at TDLR, beginning September 1, 2025. Under Occupations Code, Chapter 1806, TDLR now regulates contracts involving the sale or lease of residential solar energy systems, including solar panels and solar shingles, with some limited exceptions. SB 1036 contains strong homeowner



protections regarding the use of third-party lenders, right-to-cancel requirements, contract recission, and consumer refunds.

Following the passage of SB 1036, TDLR appointed a stakeholder workgroup to help develop program rules and consumer educational materials. The workgroup was selected in September 2025 and made up of representatives from local and national industry, consumer protection groups, and other state regulators involved in solar issues and electric distribution. The workgroup approved the initial program rule package in March 2026, and the Texas Commission of Licensing and Regulation adopted the rules at 16 TAC Chapter 71 in May 2026, effective July 1, 2026.

Licensing applications for residential solar retailers and salespersons will be available this summer, and licenses are required starting September 1, 2026.

### *II. Removing Barriers to Licensing & Finding Efficiencies*

#### Expanding Licensing Reciprocity

HB 11 (89-R) directed TDLR to maximize licensing **reciprocity agreements** with other states to the extent allowed by law. TDLR's Commission adopted rules in January 2026 directing the agency to create more reciprocity agreements by providing clear notice to other jurisdictions of the criteria and conditions TDLR will examine and consider going forward.

TDLR has the following reciprocity agreements now in place, with several more currently underway:

- **Journeyman Electrician**: Alabama, Alaska, Arkansas, Idaho, Iowa, Nebraska, New Mexico, Oklahoma, South Dakota, and Wyoming
- **Master Electrician**: Alabama, Arkansas (master electrician), Iowa (Class A master electrician), Louisiana (state contractor's license), Nebraska, and North Carolina (master electrician or unlimited electrical contractor)
- **Air Conditioning & Refrigeration**: Georgia (Class A Environmental) and South Carolina (Class A Environmental, Class A Commercial, Class B Environmental)

To date, bill implementation staff have created reciprocity frameworks for many TDLR programs that include licensing requirements, contact information, and requirement links for boards and agencies in other states. TDLR's existing barbering and cosmetology reciprocity database has been updated as well. While TDLR does not yet have formal barbering and cosmetology agreements with other states, our online database assists out-of-state applicants and, in most cases, licensed barbers and cosmetologists from other states simply need to submit copies of their current license, transcripts, and state certification to get licensed in Texas without any additional requirements.

For active-duty military, military veterans, and military spouses, this process is accelerated and easy to navigate, essentially already functioning as nationwide reciprocity for those licensed in other states.

Starting December 1, 2027, and each odd-numbered year after, TDLR will submit to the governor and the Legislative Budget Board a written report that summarizes our reciprocity efforts, including a description of the extent to which Texas licensing requirements exceed the requirements of other states. This report will also describe our efforts to enter into reciprocity agreements with other states, including a list of each reciprocity agreement entered into, any unsuccessful effort to enter into a reciprocity agreement with another state, and recommendations for any legislative action necessary to increase the number of reciprocity agreements, including any reduction of Texas licensing requirements that would make more reciprocity agreements possible.

SAN JACINTO COLLEGE

**San Jacinto College Licensing Pilot**

The San Jacinto College licensing pilot was implemented to advance a key agency and statewide workforce objective: **accelerating licensure for students by enabling eligible candidates to test and receive licenses closer to or at graduation.** The pilot aligned with TDLR's mission to support timely entry into licensed occupations while maintaining regulatory standards that ensure public health and safety. It also served as an opportunity to evaluate alternative testing and licensing workflows in partnership with a large public institution.

Chapter 1603, Occupations Code —the statute governing barbering and cosmetology—gives TDLR's executive director authority to "accept, approve, develop, or contract for the examinations required by this chapter, including the administration of the examinations." A written examination is required, while the practical examination—a hands-on test of skill—is permitted under the statute, but not required. Historically, a practical examination has been a required component under TDLR administrative rule.

TDLR contracts with a private third-party to administer all required examinations. Testing centers in Texas are in major cities across the state, facilitating licensing exams for various professions. Typically, students are required to schedule examinations far in advance, which can lead to any number of barriers—lack of transportation to a testing location, knowledge gaps between the date when studies are completed and the date of the examination, lack of familiarity with testing facilities, etc.

In the Barbering/Cosmetology pilot program, approximately 140 students began the program. Of those, 128 passed both exams—**a 91.4% pass rate**, compared to an overall average pass rate of 66.5% during FY 2025. Of those 128 who passed, 114 went on to apply for a license. We believe the demonstrated increase in the pass rate can be attributed to the knowledge retention gained by taking the exam immediately following the

**DID YOU KNOW?**

*A licensed Electrical Contractor is required to maintain employee records and records of all work performed, for a period of four years after completion of the work. Contractors are required to make those records available to the Department (at the contractor's place of business) during normal business hours for inspection and copying. 16 TAC §73.51(a)(2)* completion of studies, rather than weeks or months later due to exam scheduling delays or other factors.

In the Massage Therapy pilot program, 12 students began the program and nine completed the program; all nine that participated to completion passed, compared with an overall average pass rate of 70.2% during FY 2025.

Most students who participated received their licenses at their graduation ceremony, ensuring they could join the workforce as soon as possible.

The San Jacinto College licensing pilot demonstrates both the potential benefits of accelerated licensure pathways and the organizational effort required to deliver them under current rules and systems.

TDLR staff successfully implemented the pilot while maintaining regulatory integrity and service delivery. The lessons learned provide leadership with a clear foundation to determine how similar initiatives may be refined, sustained, or expanded—particularly through rule alignment that reduces administrative burden and reliance on waivers.

TSTC Texas State Technical College™

### TSTC Journeyman Program

Texas State Technical College (TSTC) is a state-funded, multicampus technical college focused on placing Texans in high-demand, good-paying jobs through hands-on training. In Fall 2025, TSTC contacted TDLR and expressed interest in developing an **alternative pathway to journeyman electrician licensure,** to help meet the staggering demand in Texas for qualified electricians. TSTC gave a presentation on their journeyman concept at TDLR's Electrical Safety and Licensing Advisory Board meeting in January 2026, and in February hosted the advisory board for a tour of its newly constructed Construction Technologies Center in Waco, combined with an in-person advisory board meeting.

Under the pathway proposed by TSTC, students would receive intensive hands-on instruction, similar to on-the-job training (OJT), and would earn an associate's degree in electrical construction. Some, but not all the educational activities under the program fall within the statutory definition of "electrical work" and as licensed apprentices, students would receive OJT credit for that work. TSTC sought to incentivize prospective students and requested that program graduates be eligible to immediately sit for the journeyman electrical exam and receive credit toward the current 8,000 hours of OJT required for licensure.

TSTC provided a proposed curriculum and a computation of contact hours, and TDLR staff developed a rule package which was published in the Texas Register for public comment in April 2026. The Commission adopted the proposal with amendment at their May 20, 2026, public meeting.

Under the adopted rules:

- TDLR is empowered to approve accelerated Journeyman Electrician Education Programs (JEEPs). A student who graduates from that program receives 4,000 hours of credit toward the statutory 8,000-

## DID YOU KNOW?

*Transportation Network Companies were regulated statewide for the first time through enactment of HB 100 (85-R). The bill, which created a consistent regulatory framework in Texas for ride-hailing companies, was signed into law by Governor Greg Abbott on May 29, 2017 and took effect immediately. The program now includes Delivery Network Companies, which use similar technology to arrange pickup and delivery of food, beverages, or goods from restaurants or retailers to customers.*

hour OJT requirement. In most instances, each contact hour the student spends on the program counts for one hour of OJT, with additional credit based on the quality of the training and intensive nature of the program.

- OJT hours earned through the JEEP program can later be used toward the statutory 12,000 hours required for master electricians.
- TDLR will approve and publish a model curriculum for JEEP programs, audit and investigate the programs, and may revoke approval.
- TDLR's early examination policy is solidified into rule, and an exception is carved out to allow JEEP students to immediately sit for the examination upon completion of the program.

To be clear, graduates of the JEEP program will still be required to reach 8,000 hours of OJT before becoming eligible for the TDLR journeyman license, which translates into an additional two to three years of full-time work experience. TDLR is confident that exam pass rates, which currently sit at 27% for journeyman applicants, can improve without compromising safety, with the exam serving as a "final" for program graduates.

With the exam completed, trained graduates can focus on working and gaining additional experience hours to further their careers in the electrical field and help meet the demands of the present and the future.

### Agency Efficiencies Tracker

The Agency Efficiencies Tracker, launched in March 2025, is a strategic initiative designed to identify and capture **cost-reallocation opportunities** across the licensing and regulatory divisions of TDLR. Through a coordinated and transparent approach, divisions evaluated their operations and submitted efficiency measures that could potentially reduce expenditures while maintaining service quality. The tracker serves as a tool to document, monitor, and report the identified savings, further promoting TDLR's culture of fiscal responsibility.

Key areas identified through the tracker include:

- Reductions in contract and contractor expenses
- Canceling redundant subscriptions
- Limiting conference attendance
- Streamlining training resources

Additionally, divisions across TDLR continue to target savings through optimization of travel routes and decreasing printing and certified mail costs.

Together, these efforts contribute to more effective resource allocation, enabling the organization to operate more efficiently while continuing to meet its mission and service commitments. Overall, the agency has achieved more than $596K in recurring annual cost reallocations by making practical operational changes and shifting toward more efficient ways of working.

### DID YOU KNOW?

*Regulation of Sanitarians began at the State Board of Health (later Department of State Health Services) with the enactment of SB 333 (59-R) and the creation of the Sanitarian Advisory Committee. Because this regulation was considered by the Legislature necessary to preserve public health and safety, SB 333 was passed as emergency legislation and took effect immediately upon enactment.*


***III. Improving Public Safety***

**Anti-Human Trafficking Efforts: AHT Division**

Following the transfer of the Massage Therapy program to TDLR from the Department of State Health Services in 2017, TDLR became aware of the scourge of human trafficking in the massage industry. Anti-trafficking efforts began in earnest in early 2020, with the establishment of the agency's first specialized anti-trafficking unit, which performed onsite inspections and referred findings for enforcement.

While TDLR's anti-trafficking unit worked successfully in collaboration with law enforcement and community organizations to conduct inspections and investigations to bring down illegal fronts for human trafficking and connect victims with services, it needed a clear statutory framework so that we could continue our work combating human trafficking wherever we encounter it.

Following the passage in 2023 of HB 3579 (88-R) by Rep. Ben Bumgarner, which broadened TDLR's authority to issue emergency orders shutting down massage establishments suspected of engaging in human trafficking, TDLR established a new division focused solely on our efforts to stop trafficking. On March 1, 2025, the agency established the **Anti-Human Trafficking (AHT) Division**.

The AHT Division represents a strategic advancement of prior efforts. It combines our previous inspection-based insights and prevention-focused work, while adding dedicated legal enforcement capacity. By integrating staff with legal personnel from the Enforcement Division, AHT delivers a more coordinated, comprehensive, and purposeful approach.

In 2025, SB 610 (89-R) by Sen. Angela Paxton codified these practices by formally establishing an anti-trafficking unit in Chapter 51, Occupations Code—TDLR's foundational statute—to identify businesses in any regulated program that are impacted by human trafficking and coordinate efforts with the attorney general; local, state, and federal law enforcement; and nongovernmental entities. SB 610 also included important privacy protections to victims of human trafficking by exempting any identifying information from disclosure.

Today, the AHT Division works in close partnership with TDLR's Field Inspections Division, where designated anti-trafficking inspectors conduct inspections aligned with AHT's data-driven priorities and enforcement strategies. This coordination ensures field operations are targeted, strategic, and responsive to identified risks.

The AHT Division's mission is to protect Texas communities by

**DID YOU KNOW?**

*Because TDLR regulates massage therapists, massage establishments, cosmetologists, nail salons, and many other professions where trafficking may be present, TDLR employees and licensees can be the first ally in contact with potential human trafficking victims.*

combating human trafficking within TDLR-regulated industries through three core pillars:

- **Identify**. Use data, analysis, inspections, and partnerships to detect potential trafficking activity.
- **Protect**. Address violations through enforcement and connect potential victims to resources.
- **Prevent**. Reduce risk through education, compliance, and proactive regulatory action.

To operationalize this approach, AHT implements key initiatives that disrupt trafficking systems and strengthen community response.

- The **AHT License Review Process** serves as an upstream intervention by reviewing new and renewal applications for ties to the illicit massage industry and denying licensure where appropriate.
- The **Community Impact Project Model** partners with agencies and local communities to shut down illicit massage businesses (IMB) through coordinated enforcement, legal action, and policy reforms, while equipping communities with tools to prevent future activity and disrupt the IMB model.
- The **Law Enforcement Engagement Group** convenes monthly to enhance statewide collaboration among law enforcement, code enforcement, and local prosecutors. These efforts are reinforced through ongoing collaboration with the Office of the Attorney General, local governments, NGOs, and national partners, strengthening coordination and amplifying impact across Texas.

Through this integrated framework, the AHT Division has strengthened and expanded the agency's anti-trafficking efforts, achieving meaningful progress in its first full year.

**AHT Division Successes Since March 2025**

| Initiative | Details | Data |
|---|---|---|
| **Emergency Orders Issued** | Shutting down illicit massage businesses (IMBs) engaged in trafficking and establishments where sexual assault occurs. | 48 |
| **Closed Diploma Mill Schools** | Diploma mill massage schools stock the pipeline that feeds massage establishments and IMBs, enabling trafficking in Texas and across the country. | 6 |
| **Revoked Licenses** | From the massage therapy program that were connected to indicators of human trafficking. | 100 |
| **Denied Licenses** | New applicants and renewed licenses identified as being connected to indicators of human trafficking and illicit operations. | 70+ |
| **Human Trafficking Training** | Presented or hosted to internal and external audiences, including law enforcement and cities across Texas. | 55 |
| **Community Impact Projects** | Targeting IMBs, one community at a time, using focused enforcement, collaboration with external agencies and local representatives, and effectively disrupts illicit operations. | 3 |

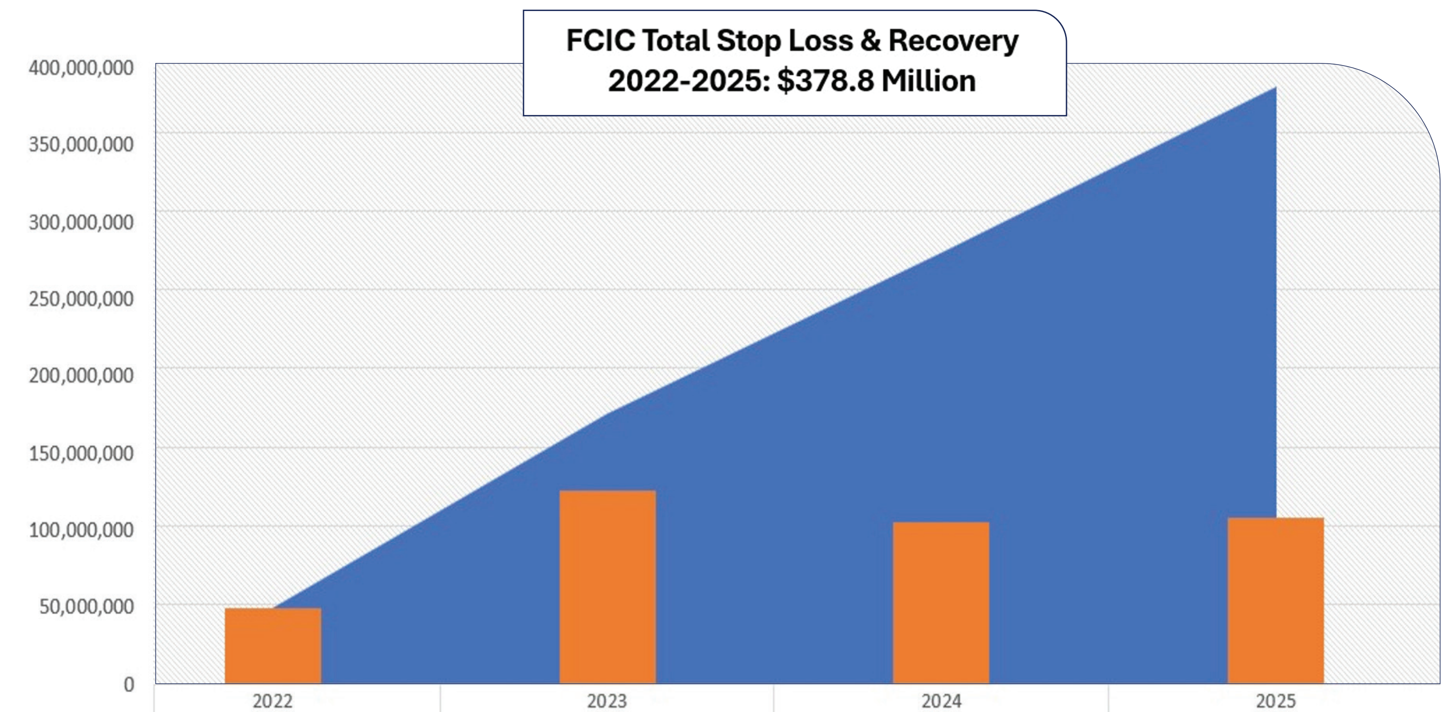
## Texas Financial Crimes Intelligence Center

With increased funding from the Texas Legislature, last year the Texas Financial Crimes Intelligence Center (FCIC) achieved several milestones in the areas of staffing, capabilities, casework, and partnerships. In 2025 alone, the FCIC's stop loss and recovery efforts totaled more than $105 million, bringing the total to $378.8 million since its inception in 2022 (see Figure 1).

The FCIC now maintains a presence in Houston, San Antonio, and Dallas-Fort Worth, in addition to its Tyler home base, and deploys technology and experience that few agencies possess. This has led to established and continuous working relationships with Texas law enforcement and federal agency partners. The FCIC also works regularly with law enforcement throughout the country and trades intelligence with international law enforcement.

Transnational criminal organizations continue to be the major players in organized financial crime in Texas, and the FCIC continues to lead the way in this fight, credited with numerous arrests throughout the state and the country. At the same time, the FCIC works directly with the financial, fuel and retail sectors to prevent or minimize crime and financial loss to Texas and its citizens. These relationships have created a highly effective intelligence partnership that is unique to Texas.

As criminal organizations targeting the Texas economy continuously evolve their technology, the FCIC worked closely with legislators throughout the 89th Legislature to update the Texas Penal Code




| | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Cumulative Total | 48,493,324 | 171,516,828 | 273,848,699 | 378,858,842 |
| Annual | 48,493,324 | 123,023,504 | 102,331,871 | 105,010,143 |

*Figure 1: FCIC Total Stop Loss & Recovery 2022-2025*

and Code of Criminal Procedure so our laws would match crimes and methods that legislators had not previously envisioned. The FCIC played a role in assisting with nine bills that became law last session, addressing search warrants for skimming devices, more types of payment fraud, forgery, and gift card fraud, and expanding jurisdiction for investigating and prosecuting credit and debit card offenses.

**FCIC Digital Forensics Laboratory**

The FCIC Digital Forensics Laboratory was established in 2023, with an initial staff of two digital forensic examiners. Within two years of being operational, the Lab has evolved from a startup unit into one of the nation's premier digital forensics laboratories specializing in financial-crime investigations, including, ATM jackpotting, point-of-sale skimming and data recovery from encrypted digital evidence.

In September 2025, the lab doubled its examination capacity, growing to four digital forensic examiners, and continues to deliver real-time actionable intelligence to field agents, criminal intelligence analysts, Texas state law enforcement agencies, and federal law enforcement partners. The lab is one of only a handful of laboratories in the nation consistently successful in defeating Microsoft BitLocker full-disk encryption on seized computers and storage devices, enabling the recovery of critical evidence in skimming, financial fraud, and money laundering investigations.

With expanded staffing projected throughout 2026 and continued strong partnerships, the Texas FCIC Lab is positioned to further accelerate case support, develop new forensic techniques against evolving criminal technologies, and serve as a model for state-level financial-crime digital forensics across the country.

Over the current biennium, the Texas Financial Crimes Intelligence Center is advancing its mission as a national leader in combating organized financial crimes, coordinating intelligence and investigations across Texas and beyond. More in-depth information about the FCIC's successful role in fighting financial crimes can be found at **fcic.texas.gov**.

| 2025 FCIC Statistics | |
|---|---|
| Total amount of loss prevented or recovered | $105,010,143 |
| Total amount of loss prevented or recovered since 2022 | $378,858,842 |
| Skimmers recovered (including gas pump, ATM, and POS) | 323 |
| Arrests/Warrants | 308 |
| Credit cards recovered | 5,459 |
| Suspects identified | 801 |
| Digital forensic examinations | 258 |
| Crypto wallets traced | 2,593 |
| Intelligence Products distributed to law enforcement | 631 |
| Intelligence Products distributed to industry | 71 |
| FCIC Intel list server subscriptions | 1,484 |

### *IV. System Modernization*

**TDLR Core: Welcome to the Future of Licensing At TDLR**

TDLR serves Texans by providing low-cost licensing and regulatory services across a wide range of professions, businesses, equipment, and facilities. TDLR currently issues over one million licenses across 41 programs, supported by uniform processes for application development, inspections, enforcement, education, examination, and compliance.

As programs have been transferred from other agencies, TDLR has grown, and with that growth has come the challenge of managing multiple outdated licensing systems. These siloed systems are often cumbersome, difficult to maintain, and inefficient for both staff and customers, requiring manual workarounds that increase workload and slow service. Today, these systems fall short in functionality, cost efficiency, and data management.

To address this, TDLR secured funding from the 88th Texas Legislature and launched a competitive procurement in August 2024. In May 2025, TDLR contracted with a vendor to develop CORE, a modern unified online licensing system. CORE will replace legacy systems entirely, improving efficiency, reporting, functionality, and long-term sustainability.

Implementation is occurring in 10 waves, with the first wave launched in February 2026. Additional programs launched in May 2026, and the project is expected to be completed by mid-2028.

Anticipated benefits include:

- Faster license processing
- Reduced manual work
- Improved accuracy
- Enhanced customer self-service
- Quicker, lower-cost implementation of new licensing programs

**Integrating AI Workflow**

Aligned with the **Texas Responsible Artificial Intelligence Governance Act (TRAIGA)** and statewide guidance from the Department of Information Resources (DIR), TDLR has adopted a "Human-Led, AI-Supported" framework for our initial AI integrations.

To ensure fiscal responsibility and technical feasibility, the agency has launched a high-impact, low-risk proof-of-concept effort. By securing a limited license pool, TDLR is assessing the platform's ability to enhance internal knowledge management and enterprise search capabilities, allowing the agency to evaluate generative AI's efficiency gains while maintaining strict adherence to state data privacy and security standards.

**DID YOU KNOW?**

*In 1973 with the enactment of HB 901, the Bureau of Labor Statistics became the Texas Department of Labor and Standards, then was renamed Texas Department of Licensing and Regulation in 1989 by the 71st Legislature.*

Simultaneously, TDLR is prioritizing constituent experience by seeking a modernized **AI-based chatbot solution**. This initiative follows Texas' strategic priority of democratizing AI to improve public-facing digital services.

By integrating these tools, TDLR is not only modernizing its operational infrastructure but also establishing the foundational governance and human-in-the-loop review processes required by 2026 state mandates. These efforts ensure that as AI evolves, TDLR remains a compliant and effective steward of Texan information and regulatory excellence.

CHARITABLE BINGO
TEXAS DEPARTMENT OF LICENSING & REGULATION

**Charitable Bingo IT Update**

The 89th Texas Legislature appropriated funding to the modernization and upgrade of Charitable Bingo IT systems, following recommendations in the Sunset Advisory Commission's Staff Report of the Texas Lottery Commission. Primary systems planned for upgrade include: the Bingo Operations Service System (BOSS), used by TDLR staff in the Charitable Bingo Operations Division to regulate Bingo, and the Bingo Service Portal (BSP), the public-facing system used by industry customers to apply for licenses and report on bingo activities.

Within the last year, the agency has completed one major milestone with a technology platform upgrade of BOSS, a prerequisite for implementing additional features and functionality. The next phase of work will include converting paper-based processes to digital ones, improving compliance and auditing functionality, and other improvements to efficiency and usability. TDLR expects to continue working on major changes to Bingo systems through August 2027.

***V. Open and Free Communication***

**Commission and Advisory Board Meetings and Communications**

TDLR continues to prioritize transparency and accessibility through a consistent cadence of public meetings and broad-based communications. Over the past two years, TDLR convened sixteen meetings of the Texas Commission of Licensing and Regulation and 81 advisory board and stakeholder workgroup meetings across its programs, providing structured opportunities for stakeholder input, public testimony, and deliberation on rules, policies, and program direction.

To support awareness and participation, TDLR utilized GovDelivery to distribute timely notices, updates, and meeting information to a wide audience. During FY 2025, the agency sent 488 email communications to more than 41 million email deliveries across distribution lists.

These communications included meeting notices, rulemaking updates, program alerts, and other important information intended to keep licensees, stakeholders, and the public informed and engaged.

Together, this combination of

**DID YOU KNOW?**

*Charitable Bingo in Texas was first approved by voters in a constitutional amendment election in 1980. The Legislature enacted the Bingo Enabling Act in 1981 and the first licenses to conduct charitable bingo were issued in 1982. In 1990, the regulation of charitable bingo was transferred from the Comptroller of Public Accounts to the Texas Alcoholic Beverage Commission. Regulation transferred to the former Texas Lottery Commission in 1994 and, through SB 3070, to Texas Department of Licensing and Regulation in 2025.*

regular public meetings and high-volume targeted communications reflects TDLR's commitment to open government, ensuring that stakeholders have both the information and the access needed to participate meaningfully in the regulatory process.

**Stakeholder Summits and Workgroups**

Over the current biennium, in consultation with TDLR advisory board members, TDLR has hosted stakeholder summits to bring different parties together to discuss ongoing issues that have proven difficult to resolve, with the goal of providing a space for open and frank dialogue outside of the more formal board meeting structure.

These summits included key stakeholders, licensees, and industry experts from the **Barber and Cosmetology, Behavior Analyst,** and **Industrialized Housing and Building** fields. Through these efforts, we have helped resolve misunderstandings around policies, laws, or rules and removed barriers to efficiency, finding common-sense solutions through dialogue.

TDLR has also made use of volunteer stakeholder workgroups for the implementation of new programs without a statutorily created advisory board. The **Residential Solar Retailers** Stakeholder Workgroup and the **Electric Vehicle Supply Equipment** Stakeholder Workgroup have both been essential in helping TDLR staff develop program rules, policies, and procedures for new technology programs brought to TDLR in recent years.

The use of temporary workgroups made up of a mix of industry, stakeholders, and government to help launch new programs sent to TDLR by the Legislature is a key element in TDLR's 3.0 approach to responsive and efficient regulation.

# Goal 1

| Agency Operational Goal |
|---|
| **Remove barriers and identify innovations in licensing and regulation to improve outcomes and efficiencies.** |
| **Specific Action Items to Achieve This Goal** |
| 1. Upgrades to modernize Bingo online licensing processes after successful completion of Bingo Operating Service System (BOSS) and Bingo Service Portal (BSP) (August 31, 2027) by implementing additional paper reduction measures and improving online licensing and reporting processes for licensed charitable organizations. (September 1, 2029) |
| 2. Continue licensing modernization (CORE expansion) by transitioning from legacy systems to a modern cloud-based environment and improving automation to reduce manual processing and improve consistency. (September 1, 2028) |
| 3. Enhance advanced data analytics and financial integrity by implementing automated anomaly detection and fraud prevention for Lottery and Bingo transactions and improved monitoring, reporting, and analytical tools to support oversight, audit requirements, and program performance. (Ongoing) |
| 4. Evaluate fingerprint-based background check requirements for select licensees to strengthen public protection, improve enforcement consistency, and ensure licensing requirements are appropriately aligned with program risk. (March 15, 2028) |
| 5. Examine industry-specific testing approaches to determine the most secure and accessible methods for administering exams for regulated programs. (June 1, 2027) |

## How Goal 1 Supports Each Statewide Objective

**1. Accountable to tax and fee payers of Texas:**
- Improving oversight of Lottery and Bingo transactions through enhanced data analytics and financial monitoring
- Strengthening compliance and enforcement by evaluating fingerprint-based background check requirements for select licensees

**2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions:**
- Reducing paper-based processes in Bingo licensing and reporting
- Replacing legacy systems and improving system integration through CORE expansion
- Reducing manual application processing through workflow automation and document verification

**3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve:**
- Improving consistency in licensing and regulatory activities through integrated systems and standardized processes
- Enhancing decision-making through improved data tools and reporting capabilities

**4. Attentive to providing excellent customer service:**
- Simplifying application and renewal processes through automation
- Improving access to testing through evaluation of exam delivery methods

**5. Transparent such that agency actions can be understood by any Texan:**
- Improving access to licensing and reporting information through modernized systems
- Providing more consistent processes and clearer requirements across regulated programs

# Goal 2

| Agency Operational Goal |
|---|
| **Continue to integrate all functions of the Texas Lottery and Charitable Bingo programs at TDLR.** |
| **Specific Action Items to Achieve This Goal** |
| 1. Continue to build on the integration work of the transition by completing administrative and functional integration, merging policies and procedures, appointing advisory committee members, benchmarking legacy program performance, and identifying additional organizational efficiencies. (January 1, 2029) |
| 2. Continue to prioritize revenue generation for the Lottery's beneficiary programs, primarily public education and veterans' services, by maintaining a disciplined product portfolio, supporting retailer development, monitoring sales performance, and expanding market reach while upholding responsible gaming standards and consumer protection. (Ongoing) |
| 3. Enhance oversight and regulation of Charitable Bingo by strengthening training, licensing, compliance, audit, and inspection capabilities, and by continuing implementation of modernized Bingo systems. (September 1, 2028) |
| 4. Successfully complete integration of Microsoft networks by assessing, planning, migrating, and supporting the transition of Texas Lottery Microsoft tenant components into TDLR's technology environment. (January 1, 2028) |

## How Goal 2 Supports Each Statewide Objective

**1. Accountable to tax and fee payers of Texas:**
- Ensuring consumers and stakeholders can engage seamlessly with one agency
- Maintaining strong standards for security, integrity, responsible gaming, and consumer protection
- Strengthening bingo game inspection criteria to ensure fiscal accountability

**2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions:**
- Eliminating redundant activities, duplicative processes, and unnecessary administrative barriers
- Maintaining administrative overhead for the Lottery program well below the 7% statutory cap, not including the separate 5% retailer commissions, to support a fiscally responsible integration
- Improving the Bingo Service Portal (BSP) functionality to better serve customers and save resources

**3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve:**
- Supporting continued operation of the Texas Lottery through disciplined product management, performance monitoring, and fiscal controls
- Strengthening Charitable Bingo regulation through improved licensing, compliance, audit, and inspection capabilities
- Completing technology integration to support stable operations and consistent agency processes

**4. Attentive to providing excellent customer service:**
- Simplifying interactions so licensees, retailers, charitable organizations, lottery players, and the public can receive timely and accurate assistance
- Maintaining responsive customer service through dedicated hotlines, email, mail, business support channels, and secure web portals
- Improving access to services and information through user-friendly system improvements

**5. Transparent such that agency actions can be understood by any Texan:**
- Sharing across all divisions across TDLR to increase clarity and responsiveness
- Providing clear reporting on revenue generated and transfers to beneficiary programs
- Making integrated agency operations easier for customers, stakeholders and the public to understand

# Goal 3

## Agency Operational Goal

**Define and implement TDLR 3.0 to strengthen TDLR's ability to efficiently, effectively, and responsibly manage its current and future operational responsibilities while ensuring the resources, structure, and processes necessary to carry out its mission successfully.**

## Specific Action Items to Achieve This Goal

1. Develop and finalize a TDLR 3.0 operating model that organizes agency functions into clear scalable categories:
   - Vocational and Professional Licensing and Regulation
   - Business Transformation
   - Special Cases

   (June 1, 2027)

2. Assess workload, program complexity, staffing needs, technology needs, and operational risk to ensure resources are aligned with agency responsibilities. (Ongoing)

3. Implement process, structural, and technology improvements to standardize workflows, reduce duplication, improve timeliness, and strengthen customer service. (Ongoing)

| How Goal 3 Supports Each Statewide Objective |
| --- |
| **1. Accountable to tax and fee payers of Texas:**<br>• Establishes a clear framework for managing agency responsibilities and aligning resources with mission-critical work |
| **2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions:**<br>• Reduces duplication, standardizes workflows, and helps ensure staff and technology are used effectively |
| **3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve:**<br>• Uses performance measures and workload data to improve operations, identify needs, and support continuous improvement |
| **4. Attentive to providing excellent customer service:**<br>• Creates more consistent, timely, and predictable service for licensees, regulated businesses, and the public |
| **5. Transparent such that agency actions can be understood by any Texan:**<br>• Clarifies how TDLR organizes, manages, and evaluates its work so agency operations are easier to understand |

# Goal 4

| Agency Operational Goal |
|---|
| **Continue efforts to combat human trafficking and protect the public within TDLR-regulated industries.** |
| **Specific Action Items to Achieve This Goal** |
| 1. Clarify anti-human trafficking efforts as an agency strategy, clearly identify resources dedicated to protecting licensees and individuals receiving services from regulated industries, and add tracking and performance measures to assess outcomes, enforcement activity and impact on public protection. (January 1, 2028) |
| 2. Establish a restitution fund to support payment for specific third-party services that directly assist victims of human trafficking. (September 1, 2027) |

## How Goal 4 Supports Each Statewide Objective

**1. Accountable to tax and fee payers of Texas:**

- Strengthening oversight of regulated industries through tracking and performance measures of anti-human trafficking efforts
- Building trust in regulated industries by supporting enforcement actions that protect the public from exploitation and abuse

**2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions:**

- Applying anti-human trafficking resources where they can most effectively protect Texans receiving services in regulated industries
- Establishing clear funding mechanisms to support victims without creating unnecessary administrative barriers

**3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve:**

- Strengthening TDLR's ability to identify, respond to, and disrupt human trafficking activities within regulated industries
- Supporting safer regulated industries through enforcement tools

**4. Attentive to providing excellent customer service:**

- Improving responsiveness to reports and concerns, helping ensure Texans receive timely and appropriate support when potential exploitation is identified

**5. Transparent such that agency actions can be understood by any Texan:**

- Clearly identifying anti-human trafficking resources and support mechanisms so Texans can understand how TDLR protects the public
- Reinforcing public confidence by showing how enforcement actions promote safe and trustworthy regulated industries

# Goal 5

## Agency Operational Goal

**Support the continued expansion of the Financial Crimes Intelligence Center and strengthen their efforts to combat skimmers, card fraud, fuel theft, and financial crimes in Texas.**

## Specific Action Items to Achieve This Goal

1. Help secure additional funding from the Texas Legislature for FCIC staffing expansion offering more strategic, tactical, and crypto analytical options. (September 1, 2027)

2. Enable FCIC to establish a large standalone money laundering unit, to recover more money for victims and follow money overseas, obtain international arrest warrants, and seize assets from transnational criminal organizations. (January 1, 2029)

3. Assist FCIC in their efforts to enhance their intelligence capabilities through CJIS-compliant AI tool integration. (Ongoing)

## How Goal 5 Supports Each Statewide Objective

**1. Accountable to tax and fee payers of Texas:**

- The FCIC protects the Texas economy, consumers and taxpayers by stopping crimes that impact financial health and security in ways the public is often not aware of
- Expanding these efforts will lead to more Texans receiving the protection of the FCIC regardless of where they are located

**2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions:**

- The FCIC assists local, state and federal agencies who lack the technical expertise and tools possessed by the FCIC
- By working more closely with local law enforcement across Texas, the FCIC can share resources that benefit all Texans and help solve crimes that other law enforcement agencies may not have the resources to pursue, which is a significant value-add for local authorities and their constituents

**3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve:**

- The FCIC's effectiveness is demonstrated in the growing dollar amount their efforts have recovered or averted from theft
- The FCIC issues an annual report detailing their successes and efforts and outlines their future goals to continuously improve

**4. Attentive to providing excellent customer service:**

- The FCIC communicates daily with other law enforcement agencies, financial institutions, and other private stakeholders, to disseminate information about financial crime
- The FCIC works hand in hand to provide services to the financial, fuel, and retail sectors of the Texas economy, as well as state and federal partners including U.S. Secret Service and FBI

**5. Transparent such that agency actions can be understood by any Texan:**

- The FCIC's website, fcic.texas.gov, describes their efforts and offers consumer resources, merchant and financial institution resources, and law enforcement resources
- The FCIC educates Texans by producing helpful videos for consumers
- Expansion of the FCIC workforce will include more public outreach

**Recommended Statutory Changes**

| AIR CONDITIONING & REFRIGERATION CONTRACTORS | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Amend §1302.255(e) to include experience obtained by "Certain Maintenance Personnel" under §1302.054 as qualifying practical experience for purposes of contractor licensure, subject to verification by employer documentation.** | Occupations Code, §1302.255(e) | Section 1302.255(e) recognizes certain categories of unsupervised experience as qualifying practical experience, including work performed by utility personnel, engineers, industrial operations personnel, and governmental employees. However, it does not include experience gained by "Certain Maintenance Personnel" under §1302.054. As a result, individuals who perform substantially similar air conditioning and refrigeration maintenance work—often in commercial or institutional settings—are excluded from receiving credit for that experience unless it was performed under a licensed contractor. This omission creates an inconsistency in the statute by recognizing some exempt categories of experience while excluding others that involve comparable work and technical competency. According to stakeholder input, many maintenance technicians and chief engineers perform work equivalent in scope and complexity to those recognized categories. | Allowing this experience to qualify, with appropriate verification, would reduce unnecessary barriers to licensure for qualified individuals; align treatment of similarly situated worker categories; expand the pool of eligible applicants without lowering competency standards; and improve workforce mobility while maintaining public protection. |
| **2. Amend §1302.255 to allow an applicant who previously held a contractor license in good standing for at least four years to satisfy the practical experience requirement without regard to the "preceding six years" limitation, provided the applicant passes the current licensing examination.** | Occupations Code §1302.255 | Section 1302.255(a)(2) requires that practical experience be obtained within the preceding 72 or 48 months, depending on the pathway. This requirement applies equally to individuals who have never been licensed and those who were previously licensed contractors. As a result, individuals who previously held a license for many years but allowed it to expire—often due to career changes or temporary exits from the industry—must restart the experience requirement from the beginning if more than six years have passed. This creates a significant barrier to reentry for experienced professionals. | Allowing prior license holders with a history of compliance and experience to bypass the recentness requirement would reduce redundant regulatory burdens for previously qualified individuals and encourage reentry into the licensed workforce. |

| ANTI-HUMAN TRAFFICKING | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Increase the existing pool of statutory reasons for the denial or revocation of a license, including increased reporting requirements for allegations of sexual contact, inspection requirements, and landlord notification.** | Occupations Code, Chapter 51 | Suspected human traffickers have taken advantage of regulatory gaps, limitations of on-site inspection requirements, and vague reporting requirements. Additionally, landlords are often unaware of human trafficking, prostitution and other criminal activity taking place on their properties unless contacted by law enforcement. Requiring notification will help increase awareness of human trafficking in commercial real estate. | Strengthening statutory tools for increased oversight and awareness will increase TDLR operational efficiency and improve health and safety outcomes for Texas patrons and victims of human trafficking. |
| **2. For emergency shutdown orders of establishments suspected of engaging in human trafficking, shift the hearing request burden to the Respondent and extend hearing timeframes.** | Occupations Code §51.3511 | Under §51.3511(c), when an emergency order is issued without a hearing, the executive director must set the time and place for a hearing conducted by the State Office of Administrative Hearings (SOAH) within 10 days. The statute's intent was to preserve the right to a speedy hearing for the Respondent, but by the time the Respondent is notified, they often don't have enough time to hire an attorney who can properly prepare for a SOAH hearing. As a result, hearings are frequently continued, defaulted, or settled, creating scheduling bottlenecks for both SOAH and TDLR staff, as well as inconvenience for the Respondent. A better solution would be to allow the Respondent, if so desired, to request a hearing within 15 days, then require TDLR to set the hearing date within 15 days of the Respondent's request. | This will improve efficiency and will allow TDLR and SOAH to better process the enforcement docket, saving both agencies time and resources. This will also ensure that a Respondent has adequate time to prepare for a hearing or decline a hearing and go directly to a default judgment, within a reasonable timeframe that respects individual rights. |

| BARBERING & COSMETOLOGY | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Add a provision to Chapter 1603 establishing criminal history disqualifiers for licensure similar to Occupations Code §455.152 (Massage Therapy).** | Occupations Code, Chapter 1603 | Chapter 1603 does not include specific criminal disqualifiers for offenses such as human trafficking and related sexual offenses. While the department has general authority to consider criminal history, that authority is broad and discretionary and does not clearly identify which offenses warrant denial of licensure. This gap is particularly significant given that human trafficking and related criminal activity have been identified in the barbering and cosmetology industry, which includes environments involving close physical contact, private services, and vulnerable populations. Without clear statutory disqualifiers, the department faces challenges in consistently denying licensure to individuals with criminal histories who present a direct risk to public safety. | Adding explicit criminal disqualifiers would provide clear statutory authority to deny licensure to individuals with relevant criminal histories and strengthen TDLR's ability to address known risks related to human trafficking and exploitation. This change would improve consistency and transparency in licensing decisions; strengthen the legal basis for denying licenses; and align the program with existing safeguards in similar TDLR programs. |

| BARBERING & COSMETOLOGY (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **2. Amend Chapter 1603 to require licensed barbering and cosmetology schools to maintain a surety bond or comparable security, similar to the requirements for driver education and driving safety (DES) providers under Education Code, Chapter 1001.** | Occupations Code, Chapter 1603 | Chapter 1603 currently relies on the Barbering and Cosmetology School Tuition Protection Account to reimburse students when a school closes or fails to provide services. Sections 1603.3607–1603.3608 provide that claims are paid from a pooled account with funding thresholds and reimbursement caps, which may limit available funds and require allocation among multiple claimants. In contrast, Education Code §1001.207 and 1001.209 require DES providers to maintain a surety bond dedicated to refunding students and covering certain obligations, ensuring a direct and reliable source of funds tied to each licensee. | Requiring a bond or comparable security would improve the department's ability to ensure full reimbursement to affected students and provide a more direct and reliable mechanism for recovery tied to each school. This approach would also strengthen accountability for school operators, reduce the administrative burden associated with managing limited pooled funds, and enhance the department's ability to protect students from financial harm associated with noncompliant or exploitative operations. |
| **3. Amend §1603.2301 to prohibit a person from operating, offering to operate, or advertising a school for instruction in the practice of barbering or cosmetology without a license.** | Occupations Code §1603.2301 | Current law prohibits only the operation of an unlicensed school and does not expressly address offering or advertising a school. As a result, the department may be unable to take action against entities marketing or enrolling students in unlicensed programs until instruction has begun, requiring additional investigation to establish that a school is actively operating. | Allows earlier and more efficient enforcement by addressing unlicensed activity at the advertising and enrollment stage, reduces the need to prove active operation, and improves the department's ability to prevent consumer harm before students incur costs. |

| BARBERING & COSMETOLOGY (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **4. Repeal §1603.3001(b) to allow barbering and cosmetology (BAC) school license terms to be set by §1603.3001(a), which establishes a two-year license term.** | Occupations Code §1603.3001(b) | Section 1603.3001(b) establishes a one-year license term for BAC schools as a statutory exception to §1603.3001(a), which otherwise provides a two-year license term for licenses under the chapter. This exception also differs from the general licensing framework in Occupations Code §51.203(b), under which license terms for most TDLR programs are set by rule and commonly established at two years. As a result, school licenses are uniquely subject to a shorter, one-year term set by statute. This creates unnecessary administrative burden by requiring more frequent renewal processing, including application intake, fee collection, compliance review, and customer support. | This change would reduce the frequency of renewals and associated administrative workload; improve efficiency by conserving staff resources; and align school license terms with the standard two-year cycle used across most TDLR licenses. |
| **5. Amend withdrawal and termination refunds for barbering and cosmetology students under existing law so schools have a transparent refund deadline. Add a Cancellation and Settlement Policy to required disclosures so that students know up front that they have a short deadline to cancel the school contract and receive a full refund. Consider requiring schools to put all their refund, cancellation, and termination policies on their websites, to match what is in their disclosure documentation, so prospective students can review the information prior to contacting a school for enrollment.** | Occupations Code, Chapter 1603 | Most barbering and cosmetology students in private schools complete the required 1,000 hours of education in nine months to a year. Other specialty license types take less time. In current statute, anyone who completes a course scheduled to run 12 months or less and withdraws or is "terminated" after completing 50% or more of the curriculum is not entitled to a refund in any amount. Unethical schools have used this policy to intentionally keep students enrolled past 50% of their hours, then they terminate students and keep 100% of tuition and fees. This is sometimes done for retaliatory purposes, as well. Schools will also incentivize students to pay all monies up front by offering a discount, all of which can be lost after 50% completion. This provision is not required to be disclosed to prospective students, so students do not always receive notice of these refund terms when they enroll. Because "termination" is not defined, §1603.3603 also has the effect of making students who have completed more than 50% of their coursework ineligible for a refund in unusual situations, such as the death of a school's owner. | The inequitable provisions of §1603.3603 will be removed, and prospective students will be able to review a school's refund policy and determine whether it is acceptable to them or not, thus informing their enrollment decision. |

TDLR

| BEHAVIOR ANALYSTS | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Expand statutory authority to regulate behavior analyst facilities or create a Registered Behavior Technician license type to provide needed regulatory coverage of unlicensed service providers in facilities that provide behavior analysis services in Texas.** | Occupations Code, Chapter 506 | Increased reports of abuse or neglect by unlicensed individuals in facilities providing behavior analysis services have left a significant regulatory gap, providing a statutory impediment to the agency from protecting a vulnerable population. A single licensed behavior analyst may be responsible for multiple unregulated employees in a facility, none of whom can be disciplined by TDLR for violations of Chapter 506. | Increased regulatory oversight will provide needed protections for a vulnerable population and provide necessary guidelines for a growing industry in Texas. |
| **2. Ban the use of non-disclosure agreements within facilities providing behavior analysis services and increase mandatory reporting training.** | Occupations Code, Chapter 506 | TDLR has received reports that facility owners require employees to sign non-disclosure agreements as a means of controlling and discouraging mandatory reporting requirements in instances of alleged abuse. This is a clear threat to public health and safety and requires statutory intervention and clarity. | This change will help protect vulnerable populations, improve safety outcomes, and provide added protections for individuals from workplace retaliation who wish to report allegations of abuse. |

| CHAPTER 51—SUSPENSION/REVOCATION AUTHORITY | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Grant the executive director the authority to immediately suspend or revoke a license upon notification that a licensee plead guilty to, was convicted of, placed on deferred adjudication for, or plead nolo contendere to a guideline crime listed on the department's website.** | Occupations Code, Chapter 51 | Programs with a fingerprint requirement provide the department with a rap-back notification when a person has been arrested or convicted of a crime. Enforcement lacks a similar tool for non-fingerprint programs. This change would grant the department more flexibility to quickly address serious criminal conduct by a current licensee rather than waiting until the licensee files a renewal application. | Maximize enforcement actions against bad actors and ensure the public is protected from those who have been arrested or convicted of a guideline crime and are still practicing in homes, schools, and businesses. |

| CHAPTER 51—UNLICENSED ACTIVITY | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Clarify the executive director's authority to assess administrative penalties and cease & desist orders, and to obtain injunctions when a person offers or advertises services and is not licensed or has a suspended, revoked, or expired license; modify the restrictions on the regulation of advertising.** | Occupations Code, Chapter 51 | Some program statutes seem to prohibit only practicing without a license and not advertising or offering to perform services. This will clarify the department's authority to address the issue of unlicensed activity agencywide. The current §51.204 is too restrictive and does not align with newer statutes, such as Occupations Code, Chapter 1806 (Residential Solar Retailers), which require certain affirmative disclosures and prohibit certain advertising practices. | This will allow the department to more effectively and proactively respond to unlicensed activity or misleading advertising practices before a consumer is harmed, and act on consumer complaints in a clear, consistent manner across all TDLR programs. |

| CHARITABLE BINGO | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Remove the "advisory opinion" request language.** | Occupations Code §2001.059 | Section 2001.059 allows, "An officer, bingo chairperson, or authorized representative of a license holder or an attorney, accountant, or bookkeeper employed or retained by a license holder" to request from the Commission an advisory opinion regarding compliance with the laws and rules of the Commission. Requiring the Commission to issue on-demand legal opinions of laws and rules to licensees, outside of the proper rulemaking process, is inconsistent with TDLR practice and could lead to ad hoc rulemaking. | Aligns the Charitable Bingo statute with TDLR best practices for providing agency advice on state laws and rules. |

CHARITABLE BINGO (Continued)

| Recommended Change | Statutory Cite | Reason for Change | Benefit of Change |
|---|---|---|---|
| **2. Amend §2001.451(k) waiver from compliance with clarifying statutory definitions such as the "force majeure" and "credible business plan" clauses.** | Occupations Code §2001.451(k) | Section 2001.451(k) allows licensed authorized organizations to request from the agency a waiver from compliance with the requirements of §2001.451, relating to the financial health of the organization. The standards for issuing the waiver are vague—a showing of "good cause" that continued compliance with this section would be "detrimental to the organization's existing or planned charitable purposes." Good cause is established by providing credible evidence of circumstances beyond the organization's control including "force majeure," which is subjective, or submitting "a credible business plan" for the organization's charitable purposes, a term that is also subjective and not within the scope of bingo staff to determine. The financial requirements in §2001.451 are clear and easily understood; providing unlimited waivers to compliance with those requirements does not serve the public interest, places a burden on agency staff, and is unfair to organizations that regularly abide by the requirements in §2001.451. | Enforces practices from statute that are consistent with fair and predictable regulation; removes impediments from staff requiring subjective judgments and analyses outside of their scope. |

| CHARITABLE BINGO (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **3. Include language to strengthen the provisions that restrict a manufacturer from also holding a distributor license and vice versa.** | Occupations Code §2001.202(8) and §2001.207(8) | The intent of the current statute is to provide a tiered system between manufacturers and distributors, with strict separation between the tiers, but the law does not address wholly owned subsidiaries, so a little bit of paperwork can render this restriction useless. For example, a licensed manufacturer could own a holding company that could hold a distributor license under the current law. Helpful language may be found in Occupations Code §2301.476(a):<br>1. "Manufacturer" includes:<br>B. a representative; or<br>C. a person who:<br>i. is affiliated with a manufacturer or representative; or<br>ii. directly or indirectly through an intermediary, is controlled by, or is under common control with, a manufacturer. | Aligning current statute with the intent of the Legislature to create a tiered system that ensures manufacturers are not controlling distribution and creating monopolies; ensuring that companies are not using loopholes in the current law to avoid compliance. |
| **4. Expand bingo training program requirement to other bingo staff.** | Occupations Code §2001.107 | Current statute only requires unit managers and bingo chairpersons to complete an online training program. The training program, approved by the Commission, must include training related to conducting bingo, administering and operating bingo, and promoting bingo. Bingo staff recommend that training be required for operators, bookkeepers, managers, and a unit's designated agent, all of whom should be knowledgeable of the above topics and who would benefit from possible additional training required by the Commission. | Expanding the training requirement would ensure consistent training on bingo laws and rules for everyone working in bingo and help promote professional standards across each organization. Players and charities would benefit by ensuring games are conducted professionally. |

| CHARITABLE BINGO (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **5. For fraternal organizations, require that those appointed as bingo chair, operator, and manager must have been with the organization for a minimum of three years before being designated as such. Increase the required number of years in existence of fraternal organizations from 3 years to 5 years for all new licenses.** | Occupations Code §2001.101(b) | There is a concern that some bingo operators running games on behalf of fraternal organizations are not truly members of the fraternal organization but are merely using them to operate games, often with little to no actual benefit to the charities they purport to represent.<br><br>There is a concern that some fraternal organizations are organized with the sole intent of operating bingo games. | Ensure that bingo games are operated by legitimate fraternal organizations for the benefit of charities. Raising the length of existence from three years to five years for new fraternal organizations will help ensure this legitimacy. |
| **6. Exclude unit-designated agents or managers from holding a lessor license associated with the unit's licensed organizations.**<br><br>**Prohibit lessor licensees (or any relations or connected legal entities) from operating as a unit designated agent or manager for licensed organizations leasing space from the lessor.** | Occupations Code, Chapter 2001 | In a similar intent of restricting co-licensing among manufacturers, distributors, and conductors, prohibiting lessors from serving as unit-designated agents or managers promotes transparency and fiscal responsibility. Establishing appropriate separation of duties reduces the opportunity for, or perception of, impropriety.<br><br>Unit agreements delegate the administrative responsibility for managing and transacting bingo activities. As a vendor of the unit, the lessor dually serving as the reporting and financial agent of the organizations diminishes general accounting practices of separation of duties. | Ensure that bingo games are operated legally and above suspicion, and that funds intended for charitable organizations are not negatively impacted. |

# REDUNDANCIES & IMPEDIMENTS

| COMBATIVE SPORTS | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Introduce explicit criminal penalties for organizing or participating in unlicensed combative sports events.** | Occupations Code, Chapter 2052 | Law enforcement does not have the ability to enforce against unlicensed illegal fight clubs unless this provision is placed in the penal code. Illegal combative sports events are a growing problem and are heavily promoted and marketed to young people via social media, exposing them to risk of injury and contact with criminal activity. | Criminalizing unlicensed combative sporting events will help improve public safety, provide added protections to TDLR staff, and help preserve the integrity of the regulated industry. |

| DRIVER EDUCATION & SAFETY | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Remove the statutory requirement for back seat “observation instruction” in driver education.** | Education Code §1001.101(b) | Observation instruction in driver education is a required seven-hour component where a student sits in the back seat, observing another student driving, to learn from their mistakes, successes, and the instructor’s feedback. While well-intentioned, it has been noted by stakeholders that it is an antiquated requirement from the era of high school driver education courses. Modern vehicle design features were created to improve safety; however, they have almost eliminated the ability of back seat passengers to view the traffic environment ahead during a driver education course. For example, the vehicle design features of increased size for front headrests to prevent head injuries obscure the back seat passenger’s view ahead. In place of observation instruction, courses could incorporate technology-based learning methods, which could replace the need for observing other student drivers to learn certain aspects of driving. | By removing observation instruction, the instructor’s focus can be directly on the student driver without any interruptions or distractions, providing a safer environment for both the driver and instructor. The Commission would retain authority to prescribe by rule minimum hours for classroom instruction and behind-the-wheel instruction. |

| ELEVATOR/ESCALATOR PROGRAM | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Introduce a new occupational license type to establish the baseline licensing standards for Elevator Technicians in the state of Texas.** | Health and Safety Code, Chapter 754 | Elevator technicians in Texas are not required to be licensed, unlike inspectors and contractors, creating a serious public safety risk, opening the door for unqualified, untrained individuals to work on complicated equipment, and creating an untenable risk to life. | The creation of an elevator technician license will significantly reduce impediments to the statutory responsibility of providing oversight to the over 40,000 elevators in Texas for the benefit of the health and safety of the individuals who ride them. |

| FINANCIAL CRIMES INTELLIGENCE CENTER | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Create an independent Originating Agency Identifier (ORI) for the FCIC.** | Government Code, Chapter 426 | Currently, FCIC is using Smith County's ORI, which causes jurisdictional confusion and case acceptance hurdles in cross-county cases. | Securing an independent ORI for the FCIC will remove significant operational impediments to the administration of cross-jurisdictional cases originating from the FCIC. |
| **2. Expand statewide digital forensics extraction capabilities.** | Government Code, Chapter 426 | Allow cellular telephones, tablets, laptops, and other wireless communication devices to be preserved or have exigent data extraction performed in any county within the state of Texas that possesses digital forensics capability. This would apply both prior to and directly following the execution of a search warrant. | This would result in quicker reporting to the FCIC and faster response times to act on recently acquired intelligence. |

| FINANCIAL CRIMES INTELLIGENCE CENTER (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **3. Expand FCIC investigative authority and intelligence sharing capability.** | Government Code, Chapter 426; Code of Criminal Procedure, Chapter 18A; Penal Code, Chapter 16 | Administrative Subpoena Authority: Amend Chapter 426 to grant administrative subpoena authority to FCIC investigators, allowing for more rapid recovery of financial records.<br><br>Pen, Trap, and Trace Orders: Add the FCIC to the list of allowable agencies under Code of Criminal Procedure, Article 18B.001, authorized to obtain Pen, Trap, and Trace Orders.<br><br>Mandatory Reporting of Financial Interception Devices: Add language to Penal Code §16.02 defining a "Financial Interception Device." This would require law enforcement to collect the device as evidence, complete an offense report, and submit said report to the FCIC to facilitate statewide intelligence mapping. | This would increase the intelligence sharing capabilities of FCIC to more efficiently gather critical intelligence and provide needed authority to optimize investigatory effectiveness. |
| **4. Reclassify fuel theft devices as skimmers, creating a new offense in the Penal Code.** | Penal Code §16.01 | Strengthen criminal penalties for the use of credit card skimmers, creating an enhanced deterrent to the crime. | Additional criminal penalties would deter criminals from engaging in credit card skimming, preserving existing law enforcement resources to allow the FCIC to more efficiently protect Texans from other financial crimes. |

## INDUSTRIALIZED HOUSING & BUILDINGS

| Recommended Change | Statutory Cite | Reason for Change | Benefit of Change |
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| **1. Remove the requirement for the issuing of an enforcement action within two years of the final inspection and allow for the filing of a complaint within two years of discovery.** | Occupations Code, Chapter 1202 | The two-year window to issue an enforcement action from the date of the final inspection of a building is an unnecessary burden for homeowners to meet. Issues are often not discovered until the home has been lived in for some time. | Relaxing this requirement will remove a key impediment to the ability to effectively enforce the rules and laws of this program. |
| **2. Clearly define or remove the term “ready-built home” in the statute.** | Occupations Code, Chapter 1202 | The statute does not define the term “ready-built home,” creating a loophole for some manufacturers to avoid regulation, leading to safety incidents and concerns. | Removing or clearly defining this term will help remove the barriers to oversight that are necessary to protect the safety of consumers and improve operational efficiencies within the department. |

## MASSAGE THERAPY

| Recommended Change | Statutory Cite | Reason for Change | Benefit of Change |
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| **1. The statutory definition of “massage establishment” should be expanded to include non-brick-and-mortar models, necessitating new inspection criteria for mobile or digitally arranged services.** | Occupations Code, Chapter 455 | The current definition of a massage establishment as a “place of business” is interpreted as a physical, brick-and-mortar location. This creates a loophole for businesses that operate online or via phone scheduling without a physical facility, making them difficult to regulate. | Increased oversight will improve public health and safety and increase operational efficiency. |
| **2. Add sanitation and general practice requirements for individual massage therapist licensees.** | Occupations Code, Chapter 455 | The statute lacks specific sanitation and general practice rules for individual massage therapists. Current sanitation rules exist only under the “establishment” section, limiting the ability to enforce individual therapists for violations unless they are part of a licensed establishment. | Removing this impediment to regulatory oversight will allow for clear enforcement of sanitation and safety standards. |

| MASSAGE THERAPY (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **3. Introduce a statutory bond requirement for the creation of a new massage school.** | Occupations Code, Chapter 455 | Due to increased TDLR anti-human trafficking activity, massage schools suspected of diploma mill practices or human trafficking are being shut down in greater numbers, leaving innocent students without any way to recoup their lost discredited hours or tuition. | Create additional barriers to human traffickers applying for massage school licensure and provide a mechanism to partially or fully refund innocent massage school students who, through no fault of their own, had their massage school shut down by TDLR. |
| **4. Amend statutory language that enables "diploma mill" massage schools to exploit the use of distance education.** | Occupations Code, Chapter 455 | As part of TDLR's fight against human trafficking, increased focus is being placed on massage schools engaged in illicit behavior and acting as suspected diploma mills. The availability of distance education is enabling these schools-in-name-only to enroll "students" from out of state who may never set foot in a Texas school and making it easier for schools to engage in widespread fraud through the falsification of records and documents. The ultimate goal of these schools is to supply illicit massage establishments with fraudulently licensed massage therapists who provide cover to human trafficking operations, as TDLR's enforcement investigations have found example after example of licensed massage therapists (many of whom "graduated" from suspected fraudulent schools) who are being victimized by human traffickers in massage establishments. Current statute—amended with good intent during the COVID-19 pandemic to accommodate distance learning—gives massage schools permission to use distance learning for up to 250 hours of the required 500-hour curriculum, specifically those hours related to the study of anatomy, physiology, law and rules, hygiene, and more. Rather than continuing to give all schools an implicit right to provide distance education—something that did not exist prior to 2021—TDLR recommends allowing distance education on a case-by-case basis and only following close review and approval by agency staff, using standards and guidelines to be determined by Commission rule. | Strengthening distance education requirements will help TDLR's anti-human trafficking efforts to shut down fraudulent schools, while ensuring that lawful massage schools can continue to use distance education to provide ease of access for students in remote areas, low-income students, and others who benefit legitimately from these services. |

| MIDWIVES | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Add a provision to Chapter 203 to require individuals participating in clinical midwifery training to hold a student permit issued by the department.** | Occupations Code, Chapter 203 | Chapter 203 and 16 TAC Chapter 115 allow students to perform clinical activities under direct supervision but do not require those individuals to be registered or permitted by the department. As a result, the department has no mechanism to identify or track individuals performing hands-on care in a clinical training setting. While current rules establish supervision requirements and place responsibility on the preceptor, students themselves are not subject to licensure, background checks, or direct disciplinary authority. This limits the department's ability to address unsafe or unprofessional conduct at the student level and to prevent individuals with disqualifying histories from participating in clinical care. Other TDLR-regulated programs, including barbering and cosmetology, massage therapy, and orthotics and prosthetics require student permits or apprentice licenses, providing a mechanism for oversight and accountability during training. | Requiring a student permit would establish a clear mechanism for the department to identify and regulate individuals participating in clinical training, improving oversight and accountability. This change would: provide visibility into who is performing clinical activities under supervision; allow the department to take enforcement action against students who engage in misconduct; support more consistent application of eligibility standards, including criminal history review; and align the midwifery program with other TDLR programs that regulate trainees. |
| **2. Amend §203.252 to remove the fixed license expiration date for initial midwife licenses.** | Occupations Code §203.252 | Section 203.252 establishes a uniform expiration date for initial licenses, resulting in many licenses expiring at the same time. This approach differs from the standard licensing framework used in other TDLR programs, where license terms are staggered based on the date of issuance. The current structure creates administrative inefficiencies by requiring the department to process a high volume of renewals within a limited timeframe. | Eliminating the fixed expiration date would allow license terms to be based on the date of issuance, aligning the program with other TDLR licensing models. This change would distribute renewal activity more evenly throughout the year, reduce administrative burden on licensing staff, and improve overall efficiency in processing renewals. |

| PROPERTY TAX CONSULTANTS | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Create a statutory requirement that the property tax consultant license number be provided on the registered agent form filed with appraisal districts.** | Occupations Code, Chapter 1152 | Currently, registered agent forms list company names, not license numbers. However, licenses are only given to individuals, not companies, creating a significant accountability gap and inoculating bad actors from necessary transparency practices for public protection. | This would provide necessary transparency reforms for Texas taxpayers and aid enforcement against unauthorized filings by office staff without appropriate authority. |

| SERVICE CONTRACT PROVIDERS | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Address the lack of uniformity and transparency in the regulation of service contracts by revising certain definitions, exemptions, and requirements for service contract providers and administrators and clarifying requirements for residential service contract providers.** | Occupations Code, Chapter 1304 | In 2021, the 87th Legislature transferred responsibility for residential service contracts (RSCs) from Texas Real Estate Commission (TREC) to TDLR's existing Service Contract Providers program, but certain language and the lack of some definitions have created confusion for consumers, industry, and TDLR staff. For example, clarity is needed to define which types of appliances may be included in RSCs. Clarity is also needed for the maintenance agreement and warranty exceptions in response to ongoing questions TDLR receives. Requiring providers to verify licensure of repair companies by including the TDLR-issued air conditioning or electrical contractor number on work orders, and expanding current prohibited acts to include certain oral statements, would help TDLR's enforcement division hold bad actors accountable, especially in relation to door-to-door sales that are often the subject of consumer complaints. In addition, some types of service contracts, including contracts for leased vehicles, are inadequately regulated, resulting in confusion for consumers and inconsistent protections, and consumers are often unaware of the terms, conditions, and coverage under their service contracts, leading to potential misunderstandings. | Provide consumers with transparency and additional protections when entering into contract agreements and give legitimate service contract provider businesses clarity regarding their responsibilities to consumers, while strengthening TDLR's ability to pursue complaints against unscrupulous providers and salespeople. |

## TEXAS LOTTERY

| Recommended Change | Statutory Cite | Reason for Change | Benefit of Change |
|---|---|---|---|
| **1. Refine the scope of the 100 tickets per transaction prohibition to draw tickets only and allow scratch tickets to be unencumbered by the restriction and clearly define "single transaction."** | Government Code §466.255 | Current statute imposes a 100-ticket cap per transaction with a Class B misdemeanor penalty. There is an unintended impact on scratch ticket packs (e.g., packs of $1 scratch tickets have more than 100 tickets), hindering bulk purchases for gifts or events, and ambiguity around what constitutes a "single transaction." (e.g., checkout pauses vs. leaving the store). A statutory definition for a single transaction would help clear up the ambiguity. | This change would reduce confusion and give clear guidance to staff as well as consumers. |
| **2.Reinstate §466.020(b) authority or otherwise restore commissioning ability of peace officers at the Texas Lottery.** | Government Code §466.020(b) | Code of Criminal Procedure, Chapter 2A, still recognizes "investigators and security officers commissioned under Chapter 466," creating a dilemma: existing status is recognized, but new commissioning is not authorized. Internal peace officers are essential for lottery-related criminal investigations, prize winner checks, referrals to prosecution, and time-sensitive work (e.g., game rooms, eight-liners). While the inclusion of the Financial Crimes Intelligence Center (FCIC) in SB 3070 as potential replacements for commissioned lottery peace officers was well-intentioned, the FCIC has found that they cannot provide sufficient resources to serve as a practical substitute for day-to-day lottery enforcement needs. | Improves the efficiency of lottery enforcement and security, and removes the impediment created by the FCIC's current lack of additional resources necessary to efficiently meet all security and enforcement needs of the lottery program. |
| **3. Ensure proper access and fingerprinting authority consistent with FBI/DPS standards.** | Government Code §411.093 | The FBI indicated the agency was fingerprinting categories of people not authorized under federal guidance. SB 3070 rewrote Chapter 411 provisions and left out necessary specificity; clarifying language is necessary to align with FBI/DPS requirements. | Aligning with FBI/DPS specifications will bring the agency into compliance and improve the efficiency of the fingerprinting process. |
| **4. Amend Lottery Advisory Committee member requirements to ensure full board participation.** | Occupations Code §51.217 | The Lottery Advisory Committee member requirements were established by SB 3070 (89-R) to ensure that a fair balance of viewpoints and interests are represented on the committee. TDLR has had difficulty filling some of the roles due to highly specific language that narrowly limits the pool of potential candidates. Adjusting some of those requirements would provide the Commission with more flexibility in making these appointments, while ensuring that a fair balance of divergent viewpoints and roles remains. | Increase the pool of potential committee members and ensure the board operates at full capacity. |

| TOW/VSF | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Create statutory authority for law enforcement to impound unlicensed tow trucks operating in Texas, impose criminal penalties, and lower the burden of proof to combat illegal advertising and unlicensed activity.** | Occupations Code, Chapter 2308 | Unregulated towing by unlicensed tow companies and operators creates significant financial, health, and safety risks for Texans and exposes the regulatory limitations of the existing enforcement tools provided by current statute. Licensed tow operators and industry associations have requested more serious enforcement activity for years, to help ensure a fairer regulatory environment for those who follow the law, and to protect the public from predatory tow truck drivers who operate outside the law. TDLR currently lacks the regulatory teeth to effectively pursue unlicensed activity, which is being exploited by outlaw tow truck companies and operators. | This would reduce significant impediments to enforcing existing statutory licensing requirements, create additional economic opportunities for properly licensed tow truck operators, and protect public safety. |
| **2. Enact clear, robust statutory definitions for "cargo" and "personal property" in towed vehicles.** | Occupations Code, Chapter 2308 | Ambiguity in the statutory definitions of personal property vs. cargo, especially in towed commercial vehicles, causes frequent disputes between parties such as commercial vehicle owners, insurance companies and vehicle storage facilities, with TDLR often caught in the middle. | Removes practices from statute that are inconsistent with fair and predictable regulation and removes impediments that require staff to make subjective judgments and analyses outside of their scope. |

| WATER WELL DRILLERS & PUMP INSTALLERS | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **1. Amend the list of allowed uses for unmanned aircraft to permit TDLR personnel to use drones to capture images to investigate abandoned and deteriorated water wells.** | Government Code §423.002 | TDLR receives reports of abandoned and deteriorated water wells. In following up on these reports, TDLR staff often have difficulty identifying the landowner to gain permission to enter and verify the report or find the location of the well, even with the owner's consent. | Allowing TDLR personnel to use drones to investigate abandoned wells would make the process more expedient, safer, and less invasive. |
| **2. Grant licensed water well drillers immunity from enforcement action when conducting remediation on a water well drilled by an unlicensed person.** | Occupations Code, Chapter 1901 | Currently, licensed water well drillers are reluctant to undertake the completion of a water well that was drilled by an unlicensed person because they are not sure the well can be completed to the required standards. | Establishing a "safe harbor" would incentivize licensed professionals to correct improperly drilled wells, assist landowners in achieving compliance, and promote groundwater protection by ensuring wells meet required standards. |
| **3. Add a section to Chapter 1901 to require unlicensed drillers to provide restitution for landowners for the cost incurred to plug or complete an illegally drilled well. Increase the penalty for unlicensed drilling to $5,000.** | Occupations Code, Chapter 1901 | Currently, landowners have little recourse against unlicensed drillers who have left their wells uncompleted or in substandard condition. Increasing the penalty would help TDLR enforce unlicensed activity. | This would disincentivize unlicensed activity and help landowners who have been victimized by unscrupulous water well drillers. |

# REDUNDANCIES & IMPEDIMENTS

In developing strategic plans for 2027-2031, each agency is also required to identify any state program or operation administered by the agency that does not align with the overall statewide mission of efficiency and effectiveness. Examples include programs or operations that: **(1) do not align with the agency's core mission; (2) may impose an administrative burden on the state; (3) may result in inefficient use of state resources; or (4) do not effectively achieve the stated goals of the programmatic mission.** During the strategic planning process, TDLR also analyzes licensing data to identify programs with low or declining populations, low complaint volume, outdated regulations, or duplicative regulation.

**PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER**

| Recommended Change | Statutory Cite | Reason for Change | Benefit of Change |
|---|---|---|---|
| **1. Remove laser hair removal facility license regulation while maintaining a streamlined individual license under the Occupations Code** | Health and Safety Code, Chapter 401 | The agency currently licenses laser hair removal facilities and reviews contracts between facilities and licensed physicians for compliance, which is an example of redundant and inefficient use of state resources, as the Texas Medical Board already has appropriate regulatory oversight over physicians. | This would streamline redundant regulatory oversight so that facilities offering laser hair removal services are no longer straddling two state agencies. Program staff could focus work on licensing and regulating individual licensees, which aligns with TDLR's core mission of occupational licensing. |
| **2. Amend the statute to require the Texas Comptroller of Public Accounts (CPA) to be solely responsible for regulation of property tax professionals** | Occupations Code, Chapter 1151 | CPA is already responsible for many of the regulatory requirements in Chapter 1151 (Property Tax Professionals), including reporting its findings of appraisal district violations to TDLR for compliance and enforcement measures. Because regulation of the profession is already partially performed by CPA, TDLR's responsibilities are an unnecessary regulatory redundancy, and one which TDLR has never had sufficient expertise or resources to properly oversee. CPA can provide regulation more efficiently and capably to the property tax appraising, assessing, and collecting profession. | Giving CPA regulatory and disciplinary responsibility would end the ongoing handoffs between the agencies, improve transparency for licensees, and result in a more efficient use of state resources. The role of the CPA requires that they retain the subject matter experts who are necessary to efficiently administer this program. This will eliminate program redundancy and provide the profession with one state regulator, allowing TDLR to focus resources on the agency's core mission of occupational licensing. |

| PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **3. Deregulate or realign the Off-Highway Vehicle program** | Transportation Code, Chapter 551A | The program currently grants approvals (not licenses) for ATV instructors and does not collect a fee, prompting questions about the program's purpose and beneficiaries. This practice conflicts with Article VIII protocol, which requires agency licensing costs to be covered by equivalent fees. Currently, there are only six active approved providers, and the number is declining. Many are motorcycle instructors who already pay separate licensing fees. TDLR conducts standard DPS background checks for instructors (at a cost to the agency), but is not authorized to conduct fingerprint checks, reducing effectiveness for out-of-state applicants. The program could be deregulated with no discernible impact on public safety, or alternatively, required to charge fees to applicants and require fingerprinting, aligning it with other TDLR licensing programs. | Deregulation would free up agency resources for other work and satisfy our Article VIII responsibility to only license and regulate those activities for which a fee is charged to cover the cost of regulation. |
| **4. Transfer Responsible Pet Owner program course provider approval** | Texas Code of Criminal Procedure, Article 42A.511 | For many years, this program had one licensed course provider; currently, there are two providers in the state of Texas. These courses, which animal cruelty offenders can be ordered to take by a judge, could be overseen at the county or municipal level or by another agency specializing in the certification, registration, or licensing of other judicial programs. | TDLR and its licensees would benefit from a narrow focus on the agency's core mission of occupational licensing. |
| **5. Transfer regulatory oversight of weather modification to local government** | Agriculture Code, Chapter 301 | Rain enhancement projects are currently funded exclusively by water conservation districts and other local political subdivisions like county commissions and aquifer authorities. Historically, state oversight of weather modification does little to protect the public, as there is limited regulatory or enforcement activity, with no complaints filed against permit holders and no license revocations in the last five years. State oversight is an unnecessary and duplicative layer of government for a program that already has local controls and oversight as well as federal reporting requirements to National Oceanic and Atmospheric Administration (NOAA). | Removing unnecessary regulatory layers will reduce a needless administrative burden on the state and correct an inefficient use of state resources. Issuing permits for what are primarily local projects does not align with the agency's core mission of statewide occupational licensing. |

| PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER (Continued) | | | |
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| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **6. Transfer the Midwives program to a medical or health services agency** | Occupations Code, Chapter 203 | Since the transfer of the midwives program to TDLR, the agency has worked to effectively regulate the profession within its existing structure. Oversight of midwifery, however, involves complex clinical and standard-of-care considerations that require sustained access to specialized medical expertise. While TDLR has worked to supplement its capacity through contracted subject matter experts, maintaining the depth and continuity of expertise necessary to fully support this program presents ongoing resource challenges. With appropriate additional resources and dedicated medical support, TDLR could continue to regulate the program effectively. Absent that level of support, placement within a health-focused agency with embedded clinical infrastructure may offer a more aligned framework for addressing standard-of-care issues. | Without additional specialized medical expertise within TDLR, placement with a health-related agency may better align state resources and standard-of-care oversight. |
| **7. Transfer the Podiatry program to a medical or health services agency** | Occupations Code, Chapter 202 | Podiatrists are medical professionals whose regulation involves clinical and standard-of-care considerations. Oversight of these issues requires consistent access to specialized medical expertise. While TDLR supplements its capabilities through contracted subject matter experts, this structure can be less efficient than housing the program within an agency with embedded clinical expertise. With appropriate additional resources and dedicated medical support, TDLR could continue to regulate the program effectively. Absent that level of support, placement within a health-focused agency with embedded clinical infrastructure may offer a more aligned framework for addressing standard-of-care issues. | Without additional specialized medical expertise within TDLR, placement to a medical or health services agency may better align state resources and standard-of-care oversight. |

| PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER (Continued) | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **8. Deregulate or transfer Dyslexia Therapist and Practitioner Licenses** | Occupations Code, Chapter 403 | Dyslexia therapy is a specialized, research-based educational intervention designed to improve reading, writing, and spelling skills in individuals with dyslexia. Texas is the only state in the country to require a state license to advertise services as a dyslexia practitioner or therapist (current statute regulates the title, but not the actual practice of dyslexia therapy). Qualification for licensure relies almost entirely on third-party certification, primarily from the Academic Language Therapy Association (ALTA), which many states also require without the additional need for a state license. The TDLR licensing approval process is perfunctory and, other than performing a DPS background check, requires little to no regulatory oversight. Additionally, many dyslexia therapists work in or are employed by school districts, where they are already subject to background checks and other security measures. Over the last five fiscal years, TDLR received only one consumer complaint for the dyslexia program and during that time has issued no final orders nor assessed any administrative penalties, reflecting minimal risk to public health and safety. | Allowing more ALTA certified dyslexia therapists to work without waiting for a state-issued license will help satisfy demand for these services and reduce costs for dyslexia therapists, and allow TDLR to focus its enforcement resources on programs with high complaint volume that pose a risk to public health and safety. Deregulation or transfer to an agency specializing in educational certification would align TDLR's health professions resources to focus on programs with identified health and safety risks. |

| PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER (Continued) | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **9. Deregulate Code Enforcement Officer Registration** | Occupations Code, Chapter 1952 | Code Enforcement Officers (CEOs) play a role in compliance with public health and safety measures, typically at the county or municipal level. §1952.002 already exempts anyone licensed or registered under another law to engage in code enforcement. Additionally, §1952.003 allows the state or a political subdivision to engage in code enforcement without employing a registered code enforcement officer. Under §1952.101, a person may not claim to be a code enforcement officer or use the title "code enforcement officer" without a certificate of registration. However, positions using titles such as "health inspector," "building inspector," or "compliance officer" can perform the same functions for the state or a political subdivision without a certificate of registration from TDLR. Code enforcement officers must attend a one-week program through the Texas A&M Engineering Extension Service, at a cost of $550 as of 2024; pay a $50 examination fee; pass the examination and criminal history background check; prove one year of full-time experience; and pay a $100 application fee.<br><br>All CEOs are required to obtain 12 hours of continuing education every biennium, including one hour in legal or legislative updates to the profession. Renewal costs $75 for full CEOs but is valid for a two-year period. While avoiding state regulation is simple for this program, those individuals who do want to use the title "code enforcement officer" must already be approved by the state or a political subdivision for employment, as well as pay about $775 and time costs to qualify for registration with TDLR. Because CEOs are employees of a political subdivision, complaints could be submitted to local employing jurisdictions to be handled through the employer-employee relationship. Over the past six years, only one complaint received by TDLR for CEOs has resulted in a final order and penalty. | Deregulation would remove duplicative layers of state and local regulation, save CEOs more than $700 in licensing, education and exam fees, and allow TDLR to focus limited resources on programs with high complaint volume that pose a risk to public health and safety. |

| PROPOSALS FOR REALIGNMENT, DEREGULATION, OR TRANSFER (Continued) | | | |
|---|---|---|---|
| **Recommended Change** | **Statutory Cite** | **Reason for Change** | **Benefit of Change** |
| **10. Deregulate Sanitarian Registration** | Occupations Code, Chapter 1953 | Sanitarians most often work for local political subdivisions or in fields regulated by local political subdivisions. Over the past six years, no complaints have been received by TDLR for Sanitarians that resulted in a final order and penalty. Should complaints arise following deregulation, they could be submitted to the local jurisdiction, if the individual is an employee; for the relatively few private sanitarians, any concerns with their services can be addressed through the contractual relationship of the parties or in civil courts. Section 1953.101 ensures people using the title “sanitarian” are registered with the department; however, an individual using a title like “health inspector” or “environmental health professional” can perform the exact same functions without TDLR oversight. Section 1953.002 also clarifies that a person, including a municipality or government agency, is not required to employ a sanitarian, as defined by Chapter 1953, underscoring the viability of using alternative titles for employees who perform the same work. | Deregulation would remove duplicative layers of state and local regulation, save Sanitarians licensing fees, and allow TDLR to focus limited resources on programs with high complaint volume that pose a risk to public health and safety. |


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# REDUNDANCIES & IMPEDIMENTS

**TDLR's Process for Rule and Regulatory Review**

TDLR is required to review its rules every four years in accordance with Texas Government Code §2001.039. This section of the Administrative Procedure Act (APA) requires each state agency to review and consider for re-adoption each of its rules not later than the fourth anniversary of the date on which the rules take effect and every four years after that date. Each state agency must determine if the reasons for initially adopting the rules continue to exist and whether the rules should be re-adopted, re-adopted with amendments, or repealed.

TDLR is also required to review and analyze the data that it collects as part of the four-year rule review process. The data analysis requirement is a result of the Sunset Commission's review of TDLR in 2020-2021, as documented in the Sunset Staff Report with Final Results (June 2021) under Management Action Item 6.3.e. (see pages 84-86).

TDLR conducts the four-year rule review in accordance with Texas Government Code §2001.039. As part of this process, TDLR:

- notifies the public of the Texas Administrative Code chapters that are under review;
- solicits input from the public and evaluates the public comments received;
- solicits input from staff to identify any necessary rule changes;
- evaluates data gathered by the Department to determine the need for certain rules;
- analyzes whether the reasons for initially adopting the rules continue to exist;
- reviews each rule to determine whether it is obsolete, whether it reflects current legal and policy considerations, and whether it reflects current Department procedures; and
- determines whether the rules should be re-adopted, re-adopted with amendments, or repealed.

If any necessary rule changes are identified during the review process, these changes must be proposed through the standard rulemaking process following the completion of the review process.

Separate from our four-year rule review process, TDLR is currently undergoing the Texas Regulatory Efficiency Office (TREO) Regulatory Efficiency Review. This review is part of TREO's efforts to assist and coordinate with state agencies in identifying and eliminating unnecessary and ineffective rules and regulatory requirements under Texas Government Code, Section 465.0052.

TDLR recently reviewed and identified rules that were possibly unnecessary, duplicative, obsolete, ineffective, or burdensome and sent a draft self-evaluation report to TREO. Discussions on TREO's draft assessment of TDLR's rules and next steps are still in progress. Our goal is simple: keep TDLR's rules and regulations lawful, current, understandable, and effective for the people and businesses of Texas.