

GOVERNMENT CODE
TITLE 4. EXECUTIVE BRANCH
SUBTITLE F. COMMERCE AND INDUSTRIAL DEVELOPMENT
CHAPTER 487. OFFICE OF RURAL
AFFAIRS IN DEPARTMENT OF AGRICULTURE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 487.001. DEFINITIONS. In this chapter:

(1) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 148, Sec. 44(1), eff. September 1, 2013.

(2) "Commissioner" means the commissioner of agriculture.

(3) "Department" means the Department of Agriculture.

(4) "Office" means the Office of Rural Affairs established within the Department of Agriculture under Section [12.038](#), Agriculture Code.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 1, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 9, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 62.02, eff. September 28, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 2, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 44(1), eff. September 1, 2013.

Sec. 487.003. REFERENCE IN LAW. (a) A reference in this chapter or other law to the Texas Department of Rural Affairs or the Office of Rural Community Affairs means the office, and a reference in this chapter or other law to the board of the Texas Department of Rural Affairs means the commissioner.

(b) A reference in law to the executive director of the Texas Department of Rural Affairs means the director of the Office

of Rural Affairs appointed under Section [12.038](#), Agriculture Code. Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 62.03, eff. September 28, 2011.

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

Sec. 487.026. DIRECTOR. The director serves as the chief executive officer of the office and performs the administrative duties of the office.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 5, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 15, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 62.04, eff. September 28, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 3, eff. September 1, 2013.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

(1) assist rural communities in the key areas of economic development, community development, rural health, and rural housing;

(2) serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities;

(3) in consultation with rural community leaders, locally elected officials, state elected and appointed officials, academic and industry experts, and the interagency work group created under this chapter, identify and prioritize policy issues and concerns affecting rural communities in the state;

(4) make recommendations to the legislature to address the concerns affecting rural communities identified under Subdivision (3);

(5) monitor developments that have a substantial effect on rural Texas communities, especially actions of state government;

(6) administer the federal community development block grant nonentitlement program;

(7) administer programs supporting rural health care as provided by this chapter;

(8) perform research to determine the most beneficial and cost-effective ways to improve the welfare of rural communities;

(9) ensure that the office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r;

(10) manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4;

(11) seek state and federal money available for economic development in rural areas for programs under this chapter;

(12) in conjunction with other offices and divisions of the department, regularly cross-train office employees with other employees of the department regarding the programs administered and services provided to rural communities; and

(13) work with interested persons to assist volunteer fire departments and emergency services districts in rural areas.

(b) Repealed by Acts 2011, 82nd Leg., 1st C.S., Ch. 4, Sec. 62.11(2), eff. September 28, 2011.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.
Amended by Acts 2003, 78th Leg., ch. 609, Sec. 2, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(a), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 560 (S.B. [1440](#)), Sec. 1, eff. June 16, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 9, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 11.007,

eff. September 1, 2009.

Reenacted and amended by Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 21, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 62.05, eff. September 28, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 62.11(2), eff. September 28, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 4, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 446 (S.B. 772), Sec. 2, eff. June 14, 2013.

Sec. 487.052. RULES. The department may adopt rules as necessary to implement this chapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 10, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 5, eff. September 1, 2013.

Sec. 487.055. ADVISORY COMMITTEES. (a) The commissioner may appoint advisory committees as necessary to assist the office in performing its duties. An advisory committee may be composed of private citizens and representatives from state and local governmental entities. A state or local governmental entity shall appoint a representative to an advisory committee at the request of the commissioner.

(b) Chapter 2110 does not apply to an advisory committee created under this section.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 13, eff. June 15, 2007.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 62.07, eff. September 28, 2011.

Sec. 487.060. APPLICATION REQUIREMENT FOR COLONIAS PROJECTS. (a) In this section, "colonia" means a geographic area that:

(1) is an economically distressed area as defined by Section 17.921, Water Code;

(2) is located in a county any part of which is within 62 miles of an international border; and

(3) consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood.

(b) Repealed by Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. 241), Sec. 3.01(2), eff. September 1, 2019.

(c) Repealed by Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. 241), Sec. 3.01(2), eff. September 1, 2019.

(d) Regarding any projects funded by the department that serve colonias by providing water or wastewater services, paved roads, or other assistance, the department shall require an applicant for the funds to submit to the department a colonia classification number, if one exists, for each colonia that may be served by the project proposed in the application. If a colonia does not have a classification number, the department may contact the secretary of state or the secretary of state's representative to obtain a number. On request of the department, the secretary of state or the secretary of state's representative shall assign a classification number.

Added by Acts 2005, 79th Leg., Ch. 828 (S.B. 827), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 341 (S.B. 99), Sec. 2, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 29, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 6, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. 241), Sec. 2.03, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. 241), Sec. 2.04, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. 241), Sec. 3.01(2), eff. September 1, 2019.

SUBCHAPTER D. OUTSTANDING RURAL SCHOLAR RECOGNITION AND LOAN
PROGRAM FOR RURAL HEALTH CARE

Sec. 487.101. DEFINITIONS. In this subchapter:

(1) "Selection committee" means the Outstanding Rural Scholar Selection Committee.

(2) "Fund" means the outstanding rural scholar fund.

(3) "Postsecondary educational institution" means:

(A) an institution of higher education, as defined by Section 61.003, Education Code;

(B) a nonprofit, independent institution approved under Section 61.222, Education Code; or

(C) a nonprofit, health-related school or program accredited by the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, the American Osteopathic Association, the Texas Board of Nursing, or, in the case of allied health, an accrediting body recognized by the United States Department of Education.

(4) "Program" means the outstanding rural scholar recognition and loan program for rural health care.

(5) "Rural community" means a municipality in a nonmetropolitan county as defined by the United States Census Bureau in its most recent census.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 553, Sec. 2.004, eff. Feb. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 889 (H.B. 2426), Sec. 56, eff. September 1, 2007.

Sec. 487.102. ADMINISTRATION. The department shall administer or contract for the administration of the program.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 31, eff. September 1, 2009.

Sec. 487.103. SELECTION COMMITTEE. (a) The selection committee shall advise the department on the progress of the program.

(b) The selection committee is composed of 12 members appointed by the commissioner.

(c) The commissioner shall consider geographical representation in making appointments to the selection committee.

(d) Selection committee members serve for staggered three-year terms, with the terms of four members expiring August 31 of each year. A member is eligible for reappointment to consecutive terms.

(e) A member of the selection committee is not entitled to reimbursement for expenses incurred in performing duties under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 17, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 8, eff. September 1, 2013.

Sec. 487.104. SELECTION OF OUTSTANDING RURAL SCHOLARS. (a) The selection committee shall select outstanding rural scholars through a statewide competition.

(b) The selection committee shall make selections based on criteria approved by the department and adopted as a rule of the department.

(c) The selection committee may not use the applicant's performance on a standardized test as the sole criterion to determine the applicant's selection as an outstanding rural scholar.

(d) The selection committee shall recommend to the

department guidelines to be used by rural communities in the selection of students for nomination and sponsorship as outstanding rural scholars.

(e) An outstanding rural scholar receives public recognition and a certificate of award and is eligible for a forgivable loan under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 18, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 32, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 9, eff. September 1, 2013.

Sec. 487.105. ELIGIBILITY FOR OUTSTANDING RURAL SCHOLAR COMPETITION. (a) To be eligible to participate in the competition under Section 487.104, a high school student or an undergraduate student at a postsecondary educational institution must:

(1) be nominated and sponsored by a rural community, which sponsorship must include financial support;

(2) be a Texas resident under Subchapter B, Chapter 54, Education Code;

(3) if the person is a high school student, be in the upper 25 percent of the student's high school class, if the class contains 48 or more students, and intend to enter a postsecondary educational institution; and

(4) if the person is an undergraduate student, be in the upper 25 percent of the student's class or have a cumulative grade average that is equal to or greater than the equivalent of a 3.0 on a 4.0 scale and be enrolled in a postsecondary educational institution.

(b) If a person is neither a high school student nor an undergraduate student, the person must be eligible for participation in the competition under rules adopted by the department.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 33, eff. September 1, 2009.

Sec. 487.106. ELIGIBILITY FOR LOANS; RURAL COMMUNITY FINANCIAL SUPPORT. (a) For an outstanding rural scholar to be eligible for a forgivable loan, community sponsorship must include financial support.

(b) Community financial support consists of a commitment to fund 50 percent of the costs of a scholar's tuition, fees, educational materials, and living expenses.

(c) The financial support under this section may be satisfied wholly or partly by a grant, a scholarship, or private foundation support.

(d) Evidence of the financial support must be submitted with a community's nomination.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Sec. 487.107. AWARDING OF LOANS. (a) The selection committee shall recommend to the department guidelines for the awarding of forgivable loans to outstanding rural scholars.

(b) The department, acting on the advice of the selection committee, shall award forgivable loans to outstanding rural scholars based on the availability of money in the fund.

(c) If in any year the fund is inadequate to provide loans to all eligible applicants, the department shall award forgivable loans on a priority basis according to the applicants' academic performance, test scores, and other criteria of eligibility.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 19, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 10, eff. September 1, 2013.

Sec. 487.108. AMOUNT OF LOAN. (a) On confirmation of an outstanding rural scholar's admission to a postsecondary

educational institution, or on receipt of an enrollment report of the scholar at a postsecondary educational institution, and a certification of the amount of financial support needed, the selection committee annually shall recommend to the department that the department award a forgivable loan to the scholar in the amount of 50 percent of the cost of the scholar's tuition, fees, educational materials, and living expenses.

(b) An outstanding rural scholar may receive another grant, loan, or scholarship for which the scholar is eligible in addition to the receipt of a forgivable loan, except that the total amount of funds received may not exceed the reasonable needs of the scholar.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 20, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 11, eff. September 1, 2013.

Sec. 487.109. LOAN FORGIVENESS. (a) The principal balance and interest for one year of a forgivable loan awarded to an outstanding rural scholar must be forgiven for each year the scholar practices as a health care professional in the sponsoring community.

(b) The sponsoring community shall report to the department the length of time the scholar practices as a health care professional in the community.

(c) If the department finds that a sponsoring community is not in need of the scholar's services and that the community is willing to forgive repayment of the principal balance and interest of the scholar's loan, the department by rule may provide for the principal balance and interest of one year of the scholar's loan to be forgiven for each year the scholar practices in another rural community in this state.

(d) Any amount of loan principal or interest that is not forgiven under this section shall be repaid to the department with reasonable collection fees in a timely manner as provided by department rule.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 21, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 34, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 12, eff. September 1, 2013.

Sec. 487.110. FUND. (a) The outstanding rural scholar fund is in the state treasury.

(b) The fund consists of legislative appropriations, gifts, grants, donations, the market value of in-kind contributions, and principal and interest payments on forgivable loans deposited to the credit of the fund by the department.

(c) The department shall administer the fund.

(d) The department shall allocate the fund, as available, for forgivable loans under this subchapter.

(e) The department shall deposit any principal and interest payments on forgivable loans to the credit of the fund.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 35, eff. September 1, 2009.

Sec. 487.111. POSTSECONDARY EDUCATIONAL INSTITUTIONS; MONITORING. (a) A postsecondary educational institution shall provide to the selection committee a copy of the academic transcript of each rural scholar for whom the institution has received a release that complies with state and federal open records laws and authorizes the provision of a transcript.

(b) The department shall require reports from students and postsecondary educational institutions as needed to monitor the program. After receiving any necessary releases as a condition of providing assistance, the department shall distribute reports relating to the progress of an outstanding rural scholar to the community sponsoring the scholar.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 36, eff. September 1, 2009.

Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The department shall adopt reasonable rules to enforce the requirements, conditions, and limitations under this subchapter.

(b) The department shall set the rate of interest charged on a forgivable loan under this subchapter.

(c) The department shall adopt rules necessary to ensure compliance with the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination in admissions. Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 22, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 13, eff. September 1, 2013.

SUBCHAPTER E. HEALTH CAREERS PROMOTION AND EDUCATION PROGRAM

Sec. 487.151. DEFINITIONS. In this subchapter:

(1) "Fund" means the health careers education fund.

(2) "Postsecondary educational institution" means:

(A) an institution of higher education, as defined by Section 61.003, Education Code;

(B) a nonprofit, independent institution approved under Section 61.222, Education Code; or

(C) a nonprofit, health-related school or program accredited by the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, the American Osteopathic Association, the Texas Board of Nursing, or, in the case of allied health, an accrediting body recognized by the United States Department of Education.

(3) "Program" means the health careers promotion and education program.

(4) "Qualified area" means an area qualifying under the National Health Services Corps Community Scholarship Program or an area with similar characteristics as identified by the department.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 553, Sec. 2.005, eff. Feb. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 889 (H.B. [2426](#)), Sec. 57, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 37, eff. September 1, 2009.

Sec. 487.152. ADMINISTRATION. (a) Subject to available funding, the department shall administer or contract for the administration of the program.

(b) The department may solicit and accept gifts, grants, donations, and contributions to support the program.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 38, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 14, eff. September 1, 2013.

Sec. 487.153. HEALTH CAREERS PROMOTION. The department may establish a program to work with students, communities, and community-based organizations to encourage high school students to pursue health care professional careers. The department shall give priority to working with communities and students in qualified areas.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 39, eff. September 1, 2009.

Sec. 487.154. LOANS. (a) The department may award

forgivable educational loans to eligible students under this subchapter.

(b) The department may award forgivable loans to eligible students based on the availability of money in the fund.

(c) If in any year the fund is inadequate to provide loans to all eligible students, the department may award forgivable loans on a priority basis according to the students' academic performance, test scores, and other criteria of eligibility.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 23, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 15, eff. September 1, 2013.

Sec. 487.155. STUDENT ELIGIBILITY. (a) To be eligible to receive a loan under this subchapter, a student must:

- (1) be sponsored by an eligible community;
- (2) at the time of the application for the loan, be enrolled in high school or enrolled or accepted for enrollment in a postsecondary educational institution in this state;
- (3) meet academic requirements as established by the department;
- (4) plan to complete a health care professional degree or certificate program;
- (5) plan to practice as a health care professional in a qualified area of the state; and
- (6) meet other requirements as established by the department.

(b) Other requirements for eligibility for a loan under this subchapter must include:

- (1) one or more interviews with the student; and
- (2) a statement written by the student of the student's reasons for:
 - (A) entering the health care profession; and
 - (B) wanting to provide health care services to a qualified area in this state.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 24, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 16, eff. September 1, 2013.

Sec. 487.156. COMMUNITY ELIGIBILITY. (a) To be eligible to sponsor a student under this subchapter, a community must:

(1) be located in a qualified area in this state; and
(2) provide evidence of community sponsorship of the student.

(b) Community sponsorship consists of:

(1) a commitment to pay for a percentage of the student's postsecondary educational expenses, including tuition, fees, educational materials, and living expenses; and

(2) a commitment to employ the student on a full-time basis as a health care professional on the student's completion of the academic program and licensure or certification in the health care profession for which the student is sponsored.

(c) The department shall determine the percentage of educational expenses communities are required to provide under this section.

(d) Community financial support may be satisfied wholly or partly by a grant, a scholarship, or private foundation support.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 25, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 17, eff. September 1, 2013.

Sec. 487.157. AMOUNT OF LOAN. (a) On confirmation of an eligible student's admission to a postsecondary educational institution, or on receipt of an enrollment report of the student at a postsecondary educational institution, and certification of the amount of financial support needed, the department may award a

forgivable loan to the student in the amount of not more than the cost of the student's tuition, fees, educational materials, and living expenses.

(b) An eligible student may receive another grant, loan, or scholarship for which the student is eligible in addition to the receipt of a forgivable loan, except that the total amount of funds received may not exceed the reasonable needs of the student as determined by the postsecondary educational institution in which the student is enrolled.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 26, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 18, eff. September 1, 2013.

Sec. 487.158. REQUIRED CONTRACT. (a) A student may receive assistance under this subchapter only if the student signs a contract agreeing to provide health care services to the sponsoring community on completion of the academic program and licensure or certification in the health care profession for which the student is sponsored.

(b) The contract must provide that if the student does not provide the required services to the community or provides those services for less than the required time, the student is personally liable to the state for:

(1) the total amount of assistance the student receives from the department and the sponsoring community;

(2) interest on the total amount at a rate set by the department; and

(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 27, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 40, eff.

September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 19, eff. September 1, 2013.

Sec. 487.159. LOAN FORGIVENESS. (a) A loan recipient shall be forgiven the principal and interest of one year's loan for each year the recipient practices as a health care professional providing health care services in the sponsoring community, but only if the loan recipient practices as a health care professional providing health care services in the sponsoring community or in another qualified area under Subsection (b) for a minimum of two years.

(b) If the department finds that a sponsoring community is not in need of the student's services and that the community is willing to forgive repayment of the principal balance and interest of the student's loan, the department by rule may provide for the principal balance and interest of the student's loan to be forgiven if the student provides services in another qualified area in this state.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 28, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 20, eff. September 1, 2013.

Sec. 487.160. FUND. (a) The health careers education fund is established in the state treasury.

(b) The department shall administer the fund.

(c) The fund consists of gifts, grants, donations, the market value of in-kind contributions, and principal and interest payments on forgivable loans deposited to the credit of the fund by the department.

(d) The department shall deposit any principal and interest payments on forgivable loans to the credit of the fund.

(e) The department shall allocate the fund, as available, for forgivable loans and community repayment under this subchapter.

(f) Unless otherwise provided by the General Appropriations Act, the department may use money appropriated to the department to support the fund.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 41, eff. September 1, 2009.

Sec. 487.161. REPORTING; MONITORING. (a) The department shall require reports from students, communities, and postsecondary educational institutions as needed to monitor the program. After receiving any necessary releases as a condition of providing assistance, the department shall distribute reports relating to the progress of a student to the community sponsoring the student.

(b) The sponsoring community shall report to the office the length of time the student provides health care services in the community in accordance with the guidelines established by the department.

(c) A postsecondary educational institution shall provide to the office a copy of the academic transcript of each student for whom the institution has received a release that complies with state and federal open records laws and that authorizes the provision of the transcript.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 29, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 42, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 21, eff. September 1, 2013.

Sec. 487.162. PROGRAM PROMOTION. The department shall provide postsecondary educational institutions and communities in qualified areas with information about health care careers and loan opportunities, including information on eligibility and

availability of funds under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 43, eff. September 1, 2009.

Sec. 487.163. ADOPTION OF RULES. (a) The department shall adopt reasonable rules to enforce the requirements, conditions, and limitations of this subchapter.

(b) The department shall set the rate of interest charged on a forgivable loan under this subchapter.

(c) The department shall adopt rules necessary to ensure compliance with the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination in admissions. Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 30, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 22, eff. September 1, 2013.

SUBCHAPTER F. MEDICALLY UNDERSERVED COMMUNITY-STATE MATCHING INCENTIVE PROGRAM

Sec. 487.201. DEFINITIONS. In this subchapter:

(1) "Medically underserved community" means:

(A) a community located in an area in this state with a medically underserved population;

(B) a community located in an area in this state designated by the United States secretary of health and human services as an area with a shortage of personal health services;

(C) a population group designated by the United States secretary of health and human services as having a shortage of personal health services;

(D) a community designated under state or federal law as a medically underserved community; or

(E) a community that the department considers to

be medically underserved based on relevant demographic, geographic, and environmental factors.

(2) "Physician" means a person licensed to practice medicine in this state.

(3) "Primary care" means physician services in family practice, general practice, internal medicine, pediatrics, obstetrics, or gynecology.

(4) "Start-up money" means a payment made by a medically underserved community for reasonable costs incurred by a physician to establish a medical office and ancillary facilities for diagnosing and treating patients.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 44, eff. September 1, 2009.

Sec. 487.202. PROGRAM. (a) The department shall establish and administer a program under this subchapter to increase the number of physicians providing primary care in medically underserved communities.

(b) A medically underserved community may sponsor a physician who has completed a primary care residency program and has agreed to provide primary care in the community by contributing start-up money for the physician and having that contribution matched wholly or partly by state money appropriated to the department for that purpose.

(c) A participating medically underserved community may provide start-up money to an eligible physician over a two-year period.

(d) The department may not pay more than \$25,000 to a community in a fiscal year unless the office makes a specific finding of need by the community.

(e) The office shall establish priorities so that the neediest communities eligible for assistance under this subchapter are assured the receipt of a grant.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 31, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 45, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 23, eff. September 1, 2013.

Sec. 487.203. ELIGIBILITY. To be eligible to receive money from the department, a medically underserved community must:

(1) apply for the money; and

(2) provide evidence satisfactory to the office that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 31, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 46, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 24, eff. September 1, 2013.

Sec. 487.204. RULES. The department shall adopt rules necessary for the administration of this subchapter, including rules addressing:

(1) eligibility criteria for a medically underserved community;

(2) eligibility criteria for a physician;

(3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;

(4) conditions under which state money must be repaid by a community or physician;

(5) procedures for disbursement of money by the department;

(6) the form and manner in which a community must make its contribution to the start-up money; and

(7) the contents of an agreement to be entered into by

the parties, which must include at least:

- (A) a credit check for an eligible physician; and
- (B) community retention of interest in any property, equipment, or durable goods for seven years.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 31, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 47, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 24, eff. September 1, 2013.

SUBCHAPTER G. TEXAS HEALTH SERVICE CORPS PROGRAM FOR MEDICALLY UNDERSERVED AREAS

Sec. 487.251. DEFINITIONS. In this subchapter:

(1) "Medically underserved area" means an area designated by the United States secretary of health and human services as having:

(A) a shortage of personal health services or a population group that has such a shortage as provided by 42 U.S.C. Section 300e-1(7); or

(B) a health professional shortage as provided by 42 U.S.C. Section 254e(a)(1).

(2) "Physician" means a resident physician who is enrolled in an accredited residency training program in this state in the specialty of:

- (A) family practice;
- (B) general internal medicine;
- (C) general pediatric medicine; or
- (D) general obstetrics and gynecology.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM.

(a) Subject to available funding, the department shall establish a program to assist communities in recruiting and retaining

physicians to practice in medically underserved areas.

(b) The department by rule shall establish:

- (1) eligibility criteria for applicants;
- (2) stipend application procedures;
- (3) guidelines relating to stipend amounts;
- (4) procedures for evaluating stipend applications;

and

(5) a system of priorities relating to the:

- (A) geographic areas covered;
- (B) medical specialties eligible to receive funding under the program; and
- (C) level of stipend support.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 32, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 48, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 25, eff. September 1, 2013.

Sec. 487.253. ADMINISTRATION. (a) The department shall adopt rules necessary to administer this subchapter, and the department shall administer the program in accordance with those rules.

(b) The department may not spend for the department's administrative costs in administering the program more than 10 percent of the amount appropriated to implement this subchapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 33, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 49, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 26, eff. September 1, 2013.

Sec. 487.254. REQUIRED CONTRACT. (a) The department may award a stipend to a physician under this subchapter if the physician enters into a written contract to provide services in a medically underserved area for at least one year for each year that the physician receives the stipend.

(b) The contract must provide that if the physician does not provide the required services in the medically underserved area or provides those services for less than the required term, the physician is personally liable to the state for:

(1) the total amount of the stipend the physician receives;

(2) interest on that total amount for the period beginning on the date the physician signs the contract and ending on the date the physician repays the amount of the stipend computed at a rate equal to the sum of:

(A) the auction average rate quoted on a bank discount basis for 26-week treasury bills issued by the United States government, as published by the Federal Reserve Board, for the week preceding the week in which the contract is signed; and

(B) five percent; and

(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 50, eff. September 1, 2009.

Sec. 487.255. STIPENDS. (a) The department shall award stipends to physicians for one-year periods. A stipend awarded under this subchapter may not exceed \$15,000 each year.

(b) The department may renew a stipend used to assist a particular physician.

(c) A physician is not eligible for a stipend under this subchapter for a period longer than is ordinarily and customarily required for the completion of residency training for first board eligibility.

(d) A physician who receives a stipend under this subchapter

is not eligible to receive assistance under a state educational loan repayment program or other state incentive program.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 51, eff. September 1, 2009.

Sec. 487.256. FUNDING. The department may seek, receive, and spend money received through an appropriation, grant, donation, or reimbursement from any public or private source to implement this subchapter.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 52, eff. September 1, 2009.

SUBCHAPTER H. RURAL HEALTH FACILITY CAPITAL IMPROVEMENT

Sec. 487.301. DEFINITIONS. In this subchapter:

(1) "Public hospital" means a general or special hospital licensed under Chapter 241, Health and Safety Code, that is owned or operated by a municipality, county, municipality and county, hospital district, or hospital authority and that performs inpatient or outpatient services.

(2) "Rural county" means:

(A) a county that has a population of 150,000 or less; or

(B) with respect to a county that has a population of more than 150,000 and that contains a geographic area that is not delineated as urbanized by the federal census bureau, that part of the county that is not delineated as urbanized.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Sec. 487.302. POWERS OF DEPARTMENT. In administering this subchapter, the department may:

(1) enter into and enforce contracts and execute and deliver conveyances and other instruments necessary to make and

administer grants, loans, and loan guarantees under this subchapter;

(2) employ personnel and counsel necessary to implement this subchapter and pay them from money appropriated for that purpose;

(3) impose and collect reasonable fees and charges in connection with grants, loans, and loan guarantees made under this subchapter and provide reasonable penalties for delinquent payment of fees, charges, or loan repayments;

(4) take and enforce a mortgage or appropriate security interest in real or personal property that a loan recipient acquires with the proceeds of a loan made under this subchapter; and

(5) adopt rules necessary to implement the grant, loan, and loan guarantee program.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 53, eff. September 1, 2009.

Sec. 487.303. GRANT, LOAN, AND LOAN GUARANTEE PROGRAM. (a) The department may use money appropriated to the department under Section 403.1065 to make a grant or low-interest loan to, or guarantee a loan for, a public or nonprofit hospital located in a rural county.

(b) A grant, loan, or loan guarantee recipient may use the money only to make capital improvements to existing health facilities located in a rural county, to construct new health facilities in a rural county, or to purchase capital equipment, including information systems hardware and software, for a health facility located in a rural county.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 54, eff. September 1, 2009.

Sec. 487.304. ELIGIBILITY FOR GRANT, LOAN, OR LOAN

GUARANTEE; INTEREST RATE. (a) The department shall adopt rules that establish eligibility criteria for receiving a grant, loan, or loan guarantee under this subchapter.

(b) The rules must state generally the factors the department will consider in determining whether an applicant should receive a grant, loan, or loan guarantee. The rules must consider at least the financial need of the applicant, the health care needs of the rural area served by the applicant, and the probability that the applicant will effectively and efficiently use the money obtained through the grant, loan, or loan guarantee to meet the health care needs of the rural area served by the applicant.

(c) The rules must state generally the factors the department will consider in determining the extent to which the interest rate on a loan should be below market rates.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 55, eff. September 1, 2009.

SUBCHAPTER I. COMMUNITY DEVELOPMENT BLOCK GRANT NONENTITLEMENT
PROGRAM

Sec. 487.351. ADMINISTRATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; ALLOCATION OF FUNDS. (a) The department shall, under the Omnibus Budget Reconciliation Act of 1981 (Pub.L. No. 97-35) and 24 CFR, Part 570, Subpart I, administer the state's allocation of federal funds provided under the community development block grant nonentitlement program authorized by Title I of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.).

(b) Community development block grant program funds shall be allocated to eligible counties and municipalities under department rules.

(c) The department shall give priority to eligible activities in the areas of economic development, community development, and rural health to support workforce development in awarding funding for community development block grant programs.

(d) An applicant for a grant, loan, or award under a community development block grant program may appeal a decision of the director by filing an appeal with the commissioner. The commissioner shall hold a hearing on the appeal and render a decision.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.73(a), eff. Sept. 1, 1995. Renumbered from Sec. 2306.098 and amended by Acts 2001, 77th Leg., ch. 1424, Sec. 2, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 34, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 101 (H.B. [1079](#)), Sec. 1, eff. May 23, 2009.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 56, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 62.08, eff. September 28, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 27, eff. September 1, 2013.

Sec. 487.354. FINANCIAL ASSISTANCE FOR INSTALLATION OF STREET LIGHTS IN COLONIAS. (a) In this section, "colonia" means an identifiable unincorporated community, or an identifiable community annexed by a municipality and eligible for assistance as described by Section [43.907](#)(b), Local Government Code, that:

(1) is located within 150 miles of the international border of this state in a county that is eligible to receive financial assistance from the community development block grant colonia fund under this subchapter, as identified by department rule;

(2) is determined by the department to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

(3) was in existence and generally recognized as a colonia before November 28, 1990.

(b) The department shall adopt a rule requiring a political subdivision that receives community development block grant program money targeted toward street improvement projects to allocate not less than five percent but not more than 15 percent of the total amount of targeted money to providing financial assistance to colonias within the political subdivision to enable the installation of adequate street lighting in those colonias if street lighting is absent or needed.

Added by Acts 2005, 79th Leg., Ch. 1210 (H.B. 775), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 59, eff. September 1, 2009.

SUBCHAPTER J. DESIGNATING RURAL HOSPITALS

Sec. 487.401. ADMINISTRATION. (a) The department shall adopt rules that establish a procedure for designating a hospital as a rural hospital in order for the hospital to qualify for federal funds under 42 C.F.R. Part 412.

(b) At the hospital's request, the department shall designate the hospital as a rural hospital if the hospital meets the requirements for a rural hospital under the department's rules.

Added by Acts 2001, 77th Leg., ch. 1424, Sec. 3, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 37, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 60, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 28, eff. September 1, 2013.

SUBCHAPTER K. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS

Sec. 487.451. DEFINITIONS. In this subchapter:

(1) "Health care professional" means:

(A) an advanced nurse practitioner;
(B) a dentist;
(C) a dental hygienist;
(D) a laboratory technician;
(E) a licensed vocational nurse;
(F) a licensed professional counselor;
(G) a medical radiological technologist;
(H) an occupational therapist;
(I) a pharmacist;
(J) a physical therapist;
(K) a physician;
(L) a physician assistant;
(M) a psychologist;
(N) a registered nurse;
(O) a social worker;
(P) a speech-language pathologist;
(Q) a veterinarian;
(R) a chiropractor; and
(S) another appropriate health care professional identified by the department.

(2) "Program" means the community healthcare awareness and mentoring program for students established under this subchapter.

(3) "Underserved urban area" means an urban area of this state with a medically underserved population, as determined in accordance with criteria adopted by the department by rule, considering relevant demographic, geographic, and environmental factors.

Added by Acts 2001, 77th Leg., ch. 831, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code, Sec. 106.251 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(c), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 38, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 29, eff. September 1, 2013.

Sec. 487.452. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS. (a) Subject to available funding, the department, in collaboration with Area Health Education Center Programs, shall establish a community healthcare awareness and mentoring program for students to:

(1) identify high school students in rural and underserved urban areas who are interested in serving those areas as health care professionals;

(2) identify health care professionals in rural and underserved urban areas to act as positive role models, mentors, or reference resources for the interested high school students;

(3) introduce interested high school students to the spectrum of professional health care careers through activities such as health care camps and shadowing of health care professionals;

(4) encourage a continued interest in service as health care professionals in rural and underserved urban areas by providing mentors and community resources for students participating in training or educational programs to become health care professionals; and

(5) provide continuing community-based support for students during the period the students are attending training or educational programs to become health care professionals, including summer job opportunities and opportunities to mentor high school students in the community.

(b) In connection with the program, the department shall establish and maintain an updated medical resource library that contains information relating to medical careers. The department shall make the library available to school counselors, students, and parents of students.

Added by Acts 2001, 77th Leg., ch. 831, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.252 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(c), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 39,

eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 61, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 30, eff. September 1, 2013.

Sec. 487.453. ADMINISTRATION. (a) The department shall administer or contract for the administration of the program.

(b) The department may solicit and accept gifts, grants, donations, and contributions to support the program.

(c) The department may administer the program in cooperation with other public and private entities.

(d) The department, in consultation with Area Health Education Center Programs, shall coordinate the program with similar programs, including programs relating to workforce development, scholarships for education, and employment of students, that are administered by other agencies, such as the Texas Workforce Commission and local workforce development boards.

Added by Acts 2001, 77th Leg., ch. 831, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.253 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(c), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 62, eff. September 1, 2009.

Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to available funding, the department shall develop and implement, as a component of the program, a grant program to support employment opportunities in rural and underserved urban areas in this state for students participating in training or educational programs to become health care professionals.

(b) In awarding grants under the program, the department shall give first priority to grants to training or educational programs that provide internships to students.

(c) To be eligible to receive a grant under the grant program, a person must:

(1) apply for the grant on a form adopted by the department;

(2) be enrolled or intend to be enrolled in a training or educational program to become a health care professional;

(3) commit to practice or work, after licensure as a health care professional, for at least one year as a health care professional in a rural or underserved urban area in this state; and

(4) comply fully with any practice or requirements associated with any scholarship, loan, or other similar benefit received by the student.

(d) As a condition of receiving a grant under the program the student must agree to repay the amount of the grant, plus a penalty in an amount established by rule of the department not to exceed two times the amount of the grant, if the student becomes licensed as a health care professional and fails to practice or work for at least one year as a health care professional in a rural or underserved urban area in this state.

Added by Acts 2001, 77th Leg., ch. 831, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.254 by Acts 2003, 78th Leg., ch. 609, Sec. 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276 Sec. 9.006(c), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 40, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 31, eff. September 1, 2013.

SUBCHAPTER L. RURAL PHYSICIAN RECRUITMENT PROGRAM

Sec. 487.501. DEFINITIONS. In this subchapter:

(1) "Rural community" means a rural area as defined by the department.

(2) "Medical school" has the meaning assigned by Section [61.501](#), Education Code.

Added by Acts 2001, 77th Leg., ch. 1112, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.251 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 5, eff. Sept. 1, 2003; Acts

2003, 78th Leg., ch. 1276, Sec. 9.006(d), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 63, eff. September 1, 2009.

Sec. 487.502. GIFTS AND GRANTS. The department may accept gifts, grants, and donations to support the rural physician recruitment program.

Added by Acts 2001, 77th Leg., ch. 1112, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.252 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 5, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(d), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 64, eff. September 1, 2009.

Sec. 487.503. RURAL PHYSICIAN RECRUITMENT PROGRAM.

(a) Subject to available funding, the department shall establish a process in consultation with the Texas Higher Education Coordinating Board for selecting Texas medical schools to recruit students from rural communities and encourage them to return to rural communities to practice medicine.

(b) The Texas medical schools selected shall:

(1) encourage high school and college students from rural communities to pursue a career in medicine;

(2) develop a screening process to identify rural students most likely to pursue a career in medicine;

(3) establish a rural medicine curriculum;

(4) establish a mentoring program for rural students;

(5) provide rural students with information about financial aid resources available for postsecondary education; and

(6) establish a rural practice incentive program.

Added by Acts 2001, 77th Leg., ch. 1112, Sec. 1, eff. Sept. 1, 2001. Redesignated from Health and Safety Code Sec. 106.253 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 5, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(d), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 65, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 32, eff. September 1, 2013.

SUBCHAPTER M. RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM

Sec. 487.551. DEFINITIONS. In this subchapter:

(1) "Health professional" means a person other than a physician who holds a license, certificate, registration, permit, or other form of authorization required by law or a state agency rule that must be obtained by an individual to practice in a health care profession.

(2) "Medically underserved community" means a community that:

(A) is located in a county with a population of 50,000 or less;

(B) has been designated under state or federal law as:

(i) a health professional shortage area; or

(ii) a medically underserved area; or

(C) has been designated as a medically underserved community by the department.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001.

Redesignated from Health and Safety Code Sec. 106.301 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 66, eff. September 1, 2009.

Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. Subject to available funding, the department shall establish a program to assist communities in recruiting health professionals to practice in medically underserved communities by providing loan reimbursement for health professionals who serve in those communities.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.303 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 41, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 68, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 33, eff. September 1, 2013.

Sec. 487.554. STIPEND PROGRAM. (a) Subject to available funding, the department shall establish a program to assist communities in recruiting health professionals to practice in medically underserved communities by providing a stipend to health professionals who agree to serve in those communities.

(b) A stipend awarded under this section may be paid in periodic installments.

(c) A health professional who participates in the program established under this section must establish an office and residency in the medically underserved area before receiving any portion of the stipend.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.304 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 42, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 69, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. [1493](#)), Sec. 34, eff. September 1, 2013.

Sec. 487.555. CONTRACT REQUIRED. (a) A health professional may receive assistance under this subchapter only if

the health professional signs a contract agreeing to provide health care services in a medically underserved community.

(b) A student in a degree program preparing to become a health professional may contract with the department for the loan reimbursement program under Section [487.553](#) before obtaining the license required to become a health professional.

(c) The department may contract with a health professional for part-time services under the stipend program established under Section [487.554](#).

(d) A health professional who participates in any loan reimbursement program is not eligible for a stipend under Section [487.554](#).

(e) A contract under this section must provide that a health professional who does not provide the required services to the community or provides those services for less than the required time is personally liable to the state for:

(1) the total amount of assistance the health professional received from the department and the medically underserved community;

(2) interest on the amount under Subdivision (1) at a rate set by the department;

(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees; and

(4) a penalty as established by the department by rule to help ensure compliance with the contract.

(f) Amounts recovered under Subsection (e) shall be deposited in the permanent endowment fund for the rural communities health care investment program under Section [487.558](#).

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.305 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. [2542](#)), Sec. 43, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 70, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 35, eff. September 1, 2013.

Sec. 487.556. POWERS AND DUTIES OF DEPARTMENT. (a) The department shall adopt rules necessary for the administration of this subchapter, including guidelines for:

(1) developing contracts under which loan reimbursement or stipend recipients provide services to qualifying communities;

(2) identifying the duties of the state, state agency, loan reimbursement or stipend recipient, and medically underserved community under the loan reimbursement or stipend contract;

(3) determining a rate of interest to be charged under Section 487.555(e)(2);

(4) ensuring that a loan reimbursement or stipend recipient provides access to health services to participants in government-funded health benefits programs in qualifying communities;

(5) encouraging the use of telecommunications or telemedicine, as appropriate;

(6) prioritizing the provision of loan reimbursements and stipends to health professionals who are not eligible for any other state loan forgiveness, loan repayment, or stipend program;

(7) prioritizing the provision of loan reimbursements and stipends to health professionals who are graduates of health professional degree programs in this state;

(8) encouraging a medically underserved community served by a loan reimbursement or stipend recipient to contribute to the cost of the loan reimbursement or stipend when making a contribution is feasible; and

(9) requiring a medically underserved community served by a loan reimbursement or stipend recipient to assist the department in contracting with the loan reimbursement or stipend recipient who will serve that community.

(b) The department by rule may designate areas of the state as medically underserved communities.

(c) The department shall make reasonable efforts to

contract with health professionals from a variety of different health professions.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.306 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1241 (H.B. 2542), Sec. 44, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 72, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 36, eff. September 1, 2013.

Sec. 487.557. USE OF TELECOMMUNICATION AND TELEMEDICINE. A health professional who participates in a program under this subchapter may not use telecommunication technology, including telemedicine, as the sole or primary method of providing services and may not use telecommunication technology as a substitute for providing health care services in person. A health professional who participates in a program under this subchapter may use telecommunication technology only to supplement or enhance the health care services provided by the health professional.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.307 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Sec. 487.558. PERMANENT ENDOWMENT FUND. (a) The permanent endowment fund for the rural communities health care investment program is a special fund in the treasury outside the general revenue fund.

(b) The fund is composed of:

(1) money transferred to the fund at the direction of the legislature;

(2) gifts and grants contributed to the fund;

(3) the returns received from investment of money in

the fund; and

(4) amounts recovered under Section 487.555(e).

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.308 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Sec. 487.559. ADMINISTRATION AND USE OF FUND. (a) The department may administer the permanent endowment fund for the rural communities health care investment program. If the department elects not to administer the fund, the comptroller shall administer the fund.

(b) The administrator of the fund shall invest the fund in a manner intended to preserve the purchasing power of the fund's assets and the fund's annual distributions. The administrator may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions the administrator considers appropriate, any kind of investment of the fund's assets that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(c) The comptroller or the department may solicit and accept gifts and grants to the fund.

(d) Annual distributions for the fund shall be determined by the investment and distribution policy adopted by the administrator of the fund for the fund's assets.

(e) Except as provided by Subsection (f), money in the fund may not be used for any purpose.

(f) The amount available for distribution from the fund, including any gift or grant, may be appropriated only for providing stipends and loan reimbursement under the programs authorized by this subchapter and to pay the expenses of managing the fund. The expenditure of a gift or grant is subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

(g) Sections 403.095 and 404.071, Government Code, do not apply to the fund. Section 404.094(d), Government Code, applies to the fund.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.309 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 73, eff. September 1, 2009.

Sec. 487.560. REPORTING REQUIREMENT. The department shall provide a report on the permanent endowment fund for the rural communities health care investment program to the Legislative Budget Board not later than November 1 of each year. The report must include the total amount of money the department received from the fund, the purpose for which the money was used, and any additional information that may be requested by the Legislative Budget Board.

Added by Acts 2001, 77th Leg., ch. 435, Sec. 2, eff. May 28, 2001. Redesignated from Health and Safety Code Sec. 106.310 and amended by Acts 2003, 78th Leg., ch. 609, Sec. 6, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.006(e), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 74, eff. September 1, 2009.

SUBCHAPTER N. RURAL PHYSICIAN RELIEF PROGRAM

Sec. 487.601. DEFINITIONS. In this subchapter:

(1) "Physician" means a person licensed to practice medicine in this state under Subtitle B, Title 3, Occupations Code.

(2) "Relief services" means the temporary coverage of a physician's practice by another physician for a predetermined time during the physician's absence and before the physician's return.

(3) "Rural" means:

(A) a community located in a county with a population not greater than 50,000;

(B) an area designated under state or federal law as:

(i) a health professional shortage area; or

(ii) a medically underserved area; or

(C) a medically underserved community designated by the department.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 75, eff. September 1, 2009.

Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. Subject to available funding, the department shall create a program to provide affordable relief services to rural physicians practicing in the fields of general family medicine, general internal medicine, and general pediatrics to facilitate the ability of those physicians to take time away from their practice.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 76, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 37, eff. September 1, 2013.

Sec. 487.603. FEES. (a) The department shall charge a fee for rural physicians to participate in the program.

(b) The fees collected under this section shall be deposited in a special account in the general revenue fund that may be appropriated only to the department for administration of this subchapter.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 77, eff. September 1, 2009.

Sec. 487.604. FUNDING. The department may solicit and accept gifts, grants, donations, and contributions to support the program.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 78, eff. September 1, 2009.

Sec. 487.605. RELIEF PHYSICIAN'S EXPENSES. The department shall pay a physician providing relief under the program using fees collected by the center.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 79, eff. September 1, 2009.

Sec. 487.606. PRIORITY ASSIGNMENT OF RELIEF PHYSICIANS.

(a) The department shall assign physicians to provide relief to a rural area in accordance with the following priorities:

- (1) solo practitioners;
- (2) counties that have fewer than seven residents per square mile;
- (3) counties that have been designated under federal law as a health professional shortage area;
- (4) counties that do not have a hospital; and
- (5) counties that have a hospital but do not have a continuously staffed hospital emergency room.

(b) In determining where to assign relief physicians, the department shall consider the number of physicians in the area available to provide relief services and the distance in that area to the nearest physician who practices in the same specialty.

(c) At the request of the department, residency program directors may assist the department in coordinating the assignment of relief physicians.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 80, eff.

September 1, 2009.

Sec. 487.607. RELIEF PHYSICIAN RECRUITMENT. The department shall actively recruit physicians to participate in the program as relief physicians. The department shall concentrate on recruiting physicians involved in an accredited residency program in general pediatrics, general internal medicine, and general family medicine, physicians registered on the department's locum tenens registry, physicians employed at a medical school, and physicians working for private locum tenens groups.

Added by Acts 2003, 78th Leg., ch. 609, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 81, eff. September 1, 2009.

SUBCHAPTER O. COMMUNITY TELECOMMUNICATIONS ALLIANCE PROGRAM

Sec. 487.651. DEFINITIONS. In this subchapter:

(1) "Community telecommunications alliance" means an association of public and private entities created to share resources, promote innovative school health technology, promote economic development opportunities for the community, and improve the overall quality of life within a local community through telecommunications and information services provided by the private sector.

(2) "Program" means the community telecommunications alliance program.

Acts 2003, 78th Leg., ch. 1151, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 831 (H.B. 735), Sec. 5, eff. September 1, 2008.

Sec. 487.652. RULES GOVERNING PROGRAM. (a) Subject to available funding, the community telecommunications alliance program shall:

(1) assist local communities in the creation and development of community telecommunications alliances, including

alliances established to pursue rural economic development or innovative rural school health technology projects, by providing advice and assistance in assessing local uses of and local demands or needs for local telecommunications and information services of private sector providers; and

(2) assist community telecommunications alliances in applying for grant funding for projects, including:

(A) assisting alliances in securing matching private sector funding for projects; and

(B) requiring alliances to develop sustainable plans:

(i) that demonstrate how the alliance will continue to obtain private sector services once the grant funding terminates;

(ii) that do not directly compete with local businesses, telecommunications providers, or information services providers; and

(iii) that prohibit a network created with assistance from the alliance or other public funding from being sold to a direct competitor of a private sector provider.

(b) Each community telecommunications alliance established under this section shall have an advisory council with representation from each of the following:

- (1) a local nonprofit organization;
- (2) a local county-elected official;
- (3) a local city-elected official;
- (4) a local telecommunications provider;
- (5) a local economic development group;
- (6) the local financial community; and
- (7) a local information services provider.

(c) This chapter may not be construed to:

(1) expand eligibility for private network services under Section [58.253\(a\)](#) or [59.072\(a\)](#), Utilities Code, to persons not eligible to purchase the services; or

(2) permit the direct or indirect sharing or resale of private network services with persons not eligible to purchase the services.

(d) A community telecommunications alliance created under this section shall offer the following local entities the opportunity to be included in the alliance:

- (1) a library;
- (2) a public school;
- (3) a public not-for-profit health care facility; and
- (4) a local institution of higher education.

Acts 2003, 78th Leg., ch. 1151, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 831 (H.B. 735), Sec. 6, eff. September 1, 2008.

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 38, eff. September 1, 2013.

Sec. 487.654. PROHIBITION. A community telecommunications alliance may not directly or indirectly:

(1) provide telecommunications or information services to the public;

(2) resell or share telecommunications or information services obtained through grants or loans received under Chapter 57, Utilities Code, with persons not eligible for the grants or loans; or

(3) provide or support the provision of telecommunications or information services in competition with a private sector provider.

Acts 2003, 78th Leg., ch. 1151, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER Q. RURAL TECHNOLOGY CENTER GRANT PROGRAM

Sec. 487.751. DEFINITION. In this subchapter, "rural county" means a county that has a population of not more than 125,000.

Renumbered from Government Code, Section 487.701 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(31), eff. September 1, 2009.

Relettered from Government Code, Subchapter P, Chapter 487 and amended by Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 91,

eff. September 1, 2009.

Sec. 487.752. GRANT PROGRAM. (a) Subject to available funds, the department shall establish a grant program under which the department awards grants to public institutions of higher education, public high schools, and governmental entities located in a rural county for the development and operation of multi-institutional technology centers that provide:

- (1) community access to technology;
- (2) computer literacy programs;
- (3) educational programs designed to provide concurrent enrollment credit for high school students taking postsecondary courses in information and emerging technologies;
- (4) training for careers in technology-related fields and other highly skilled industries; and
- (5) technology-related continuing and adult education programs.

(b) The department by rule shall establish:

- (1) eligibility criteria for grant applicants;
- (2) grant application procedures;
- (3) guidelines relating to grant amounts;
- (4) procedures for evaluating grant applications; and
- (5) procedures for monitoring the use of grants awarded under the program and for ensuring compliance with the conditions of a grant.

Renumbered from Government Code, Section 487.702 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(31), eff. September 1, 2009.

Relettered from Government Code, Subchapter P, Chapter 487 and amended by Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. 1918), Sec. 91, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 148 (H.B. 1493), Sec. 43, eff. September 1, 2013.

Sec. 487.753. FUNDING. The department may seek, receive, and spend money received through an appropriation, grant, donation,

or reimbursement from any public or private source to implement this subchapter.

Renumbered from Government Code, Section 487.703 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 27.001(31), eff. September 1, 2009.

Relettered from Government Code, Subchapter P, Chapter [487](#) and amended by Acts 2009, 81st Leg., R.S., Ch. 112 (H.B. [1918](#)), Sec. 91, eff. September 1, 2009.