

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
TDHCA Governing Board Approved Draft of  
§1.6 Historically Underutilized Businesses  
**Disclaimer**

Attached is a proposed rule action for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.6 Historically Underutilized Businesses. This action was approved by the TDHCA Governing Board on February 5, 2026. This rule action, including its preamble, is expected to be published in the February 20, 2026, edition of the *Texas Register* and that published version will constitute the official version for purposes of public comment and can be found at the following link: <https://www.sos.texas.gov/texreg/index.shtml>.

In compliance with §2001.023, Texas Government Code, a summary of the proposed action follows:

The Department last performed a four-year rule review of 10 TAC §1.6, Historically Underutilized Businesses, in April 2022. On December 2, 2025, the Texas Comptroller of Public Accounts released emergency rulemaking relating to Historically Underutilized Businesses (HUBs) and indicated that he would be following that emergency rulemaking with a permanent rule, both which will change the HUB program to ensure it complies with the Texas Constitution and U.S. Constitution. The emergency rules posted on the Texas Register revise the eligibility standards for the program, removes statewide utilization goals, and instructs agencies and their employees to implement the program in a way that upholds the equal protection guarantees of federal and state law. Under the rules, the program will serve small businesses owned by service-disabled veterans (SDV), regardless of race, sex or ethnicity and will be referred to as Veteran Heroes United in Business, or VetHUB. Staff has revised the rule to reflect such changes.

**Public Comment**

**Public Comment Period:** Start: 8:00 a.m. Austin local time on February 20, 2026  
End: 5:00 p.m. Austin local time on March 22, 2026

Comments received after 5:00 p.m. Austin local time on March 22, 2026, will not be accepted. Written comments may be submitted electronically within the designated public comment period to: [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us).

Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment. Please be aware that all comments submitted to the TDHCA will be considered public information.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
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## DEPARTAMENTO DE VIVIENDA Y ASUNTOS COMUNITARIOS DE TEXAS

Borrador aprobado por la Junta Directiva del TDHCA de la sección

[§] 1.6 [“Empresas históricamente subutilizadas”]

**Descargo de responsabilidad**

Se adjunta una acción reglamentaria propuesta respecto a la sección [§] 1.6 [“Empresas históricamente subutilizadas”] del subcapítulo A [“Políticas y procedimientos generales”] del capítulo 1 [“Administración”] del título 10 del Código Administrativo de Texas (TAC). Esta acción recibió aprobación por parte de la Junta Directiva del Departamento de Vivienda y Asuntos Comunitarios de Texas (TDHCA) el 5 de febrero de 2026. Se espera que esta acción reglamentaria, incluyendo su preámbulo, se publique en la edición del *Texas Register* del 20 de febrero de 2026. Esa versión publicada constituirá la versión oficial para fines de comentarios del público y se puede encontrar en el siguiente enlace: <https://www.sos.texas.gov/texreg/index.shtml>.

De conformidad con la sección [§] 2001.023 del Código de Gobierno de Texas, se incluye a continuación un resumen de la regla propuesta:

La última vez que el Departamento efectuó una revisión de reglas de cuatro años de la sección [§] 1.6 [“Empresas históricamente subutilizadas”] del título 10 del Código Administrativo de Texas (TAC) fue en abril de 2022. El 2 de diciembre de 2025, la Contraloría de Cuentas Públicas de Texas publicó una reglamentación de emergencia relacionada con empresas históricamente subutilizadas (HUB) y señaló que seguiría esa reglamentación de emergencia con una regla permanente, las cuales cambiarán el programa HUB para garantizar que acate la Constitución de Texas y la Constitución de los Estados Unidos. Las reglas de emergencia publicadas en *Texas Register* modifican los estándares de elegibilidad para el programa, eliminan las metas de utilización a nivel estatal e instruyen a las agencias y sus empleados a implementar el programa de manera que defiendan la igualdad de garantías de protección de las leyes federales y estatales. Según las reglas, el programa atenderá a pequeñas empresas propiedad de veteranos discapacitados en la ejecución de su servicio (SDV), independientemente de su raza, sexo u origen étnico, y se denominará Veteran Heroes United in Business (VetHUB). El personal ha modificado la regla para que se reflejen dichos cambios.

**Comentarios del público****Periodo de comentarios del público:**Inicio: 8:00 a. m., hora local de Austin, del 20 de febrero de 2026Finalización: 5:00 p. m., hora local de Austin, del 22 de marzo de 2026

No se aceptarán los comentarios que se reciban después de las 5:00 p. m., hora local de Austin, del 22 de marzo de 2026. Los comentarios por escrito pueden enviarse de manera electrónica dentro del período designado de comentarios del público a [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us).

Se anima a quienes formulen comentarios públicos a que hagan referencia al borrador de la regla, política o plan específico relacionado con su comentario, así como una referencia o cita específica asociada a cada comentario. Tenga en cuenta que todos los comentarios enviados al TDHCA se considerarán información pública.

**DEPARTAMENTO DE VIVIENDA Y ASUNTOS COMUNITARIOS DE TEXAS**

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**Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, 10 TAC §1.6, Historically Underutilized Businesses**

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, 10 TAC §1.6, Historically Underutilized Businesses. The purpose of the proposed repeal is to eliminate the current rule while replacing it with a more current version of the rule.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because under §2001.0045(c)(1) this section does not apply to a rule that relates to state agency procurement.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

**a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.**

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to the handling of Historically Underutilized Businesses (HUBs) in procurement.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal may affect the number of individuals subject to the rule's applicability, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.
8. The repeal will not negatively or positively affect the state's economy.

**b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.**

The Department has evaluated the repeal and determined that the repeal may create an economic effect on small or micro-businesses or rural communities, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.

**c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.** The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed sections would be a rule that is compliant with the rules of the Comptroller. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the proposed repeal. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us). ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed action affects no other code, article, or statute.

§1.6, Historically Underutilized Businesses

**Attachment 2: Preamble, including required analysis, for proposed new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.6, Historically Underutilized Businesses**

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.6, Historically Underutilized Businesses. The purpose of the proposed rule is to ensure that the rule is compliant with the new emergency rulemaking issued by the Comptroller of Public Accounts relating to Historically Underutilized Businesses (HUBs). The Comptroller's rule changes the HUB program to ensure it complies with the Texas Constitution and U.S. Constitution and reflects that the program will serve small businesses owned by service-disabled veterans (SDV), regardless of race, sex or ethnicity and will be referred to as Veteran Heroes United in Business, or VetHUB.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because under §2001.0045(c)(1) this section does not apply to a rule that relates to state agency procurement.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

**a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.**

Mr. Bobby Wilkinson has determined that, for the first five years the new section would be in effect:

1. The new section does not create or eliminate a government program but relates to the handling of Historically Underutilized Businesses in the Department's procurements.
2. The new section does not require a change to the work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The new section does not require additional future legislative appropriations.
4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new section does not create a new regulation, except that it is replacing a section being repealed simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal may affect the number of individuals subject to the rule's applicability, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.
8. The repeal will not negatively or positively affect the state's economy.

**b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.**

The Department has evaluated the new section – to the extent that the changes in the HUB Program may create an economic effect on small or micro-businesses or rural communities, that is not due to the Department's rule changes, but due to the Comptroller's changes, which the Department is complying with.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the new section as to its possible effect on local economies and has determined that for the first five years the new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be a rule compliant with the changes made by the Comptroller to the HUB Program. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section are in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed section and also requests information related to the cost, benefit, or effect of the proposed section, including any applicable data, research, or analysis from any person required to comply with the repeal or any other interested person. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us). ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

STATUTORY AUTHORITY. The proposed new section is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new section affects no other code, article, or statute.

## §1.6 Historically Underutilized Businesses

It is the policy and goal of the Department to encourage and increase the use of Veteran Heroes United in Business (VetHUBs), ~~Historically Underutilized Businesses ("HUB")~~ in the Department's procurement processes. ~~The purpose of the HUB program is to promote~~ this rule is to implement the VetHUB program which serves small businesses owned by service disabled veterans, regardless of their race, sex, or ethnicity. full and equal business opportunities for all businesses in an effort to remedy disparity in state procurement and contracting in accordance with the HUB goals specified in the 2009 State of Texas Disparity Study. As required by Tex. Gov't Code §2161.003, the Department adopts the Texas Comptroller of Public Accounts ("Comptroller") HUB Program rules at 34 TAC §§20.281 - 20.298 (relating to Historically Underutilized Business Program, and as may be amended by the Comptroller so far as the amendments are implementing Tex. Gov't Code §2161.003), which describe the minimum steps and requirements to be undertaken by the Comptroller and state agencies to fulfill the state's VetHUB policy, ~~and attain aspirational goals identified in the Texas Disparity Study.~~