



EXECUTIVE ORDER

DH-2026-03

DIRECTING THE DEVELOPMENT OF RULES GOVERNING THE USE OF STATE GRANT FUNDS, INCLUDING A PROPOSED PROHIBITION ON AUTOMATED LICENSE PLATE READERS AND SIMILAR VEHICLE-IDENTIFICATION SURVEILLANCE SYSTEMS

Date: October 13, 2026

WHEREAS, the Texas Comptroller of Public Accounts (the "Comptroller") administers state grant programs and is responsible for ensuring that public funds are expended in the public interest and in accordance with law; and

WHEREAS, the Fourth Amendment to the United States Constitution and Article I, Section 9 of the Texas Constitution protect the people against unreasonable searches and seizures; and

WHEREAS, automated license plate readers and similar systems convert images of vehicles and license plates into computer-readable data, and may be used to compile a record of the movements of law-abiding Texans without a warrant; and

WHEREAS, Texans should be able to travel to work, to church, or to the grocery store without a government camera logging their movements in a database; and

WHEREAS, rules of general applicability governing the expenditure of state grant funds should be developed through the notice-and-comment procedures of Chapter 2001, Texas Government Code, so that affected persons and the public have an opportunity to be heard; and

WHEREAS, the Comptroller, as a statewide constitutional officer within the Executive Branch of Texas state government, has a duty to safeguard both taxpayer funds and the liberty of the people of Texas;

NOW, THEREFORE, I, Don Huffines, Comptroller of Public Accounts of the State of Texas, under the authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following:

Section 1. Definitions

For purposes of this Order:

- (a) "Grant" means any award of state funds administered by the Comptroller, including subgrants and pass-through funding.
- (b) "Grantee" means any person or entity that receives a Grant directly from the Comptroller, and any subgrantee that receives Grant funds from another Grantee as a subaward. A person or entity is not a Grantee solely because it is paid with Grant funds for goods or services.
- (c) "Contractor" means any person or entity, other than a Grantee, that is paid in whole or in part with Grant funds to provide goods or services to a Grantee.
- (d) "Prohibited Surveillance Equipment or Services" means any system, software, or computer algorithm, whether used independently or in combination with one or more mobile or fixed automated cameras, that converts license plates or other images into computer-readable data. The term includes, without limitation, cameras, sensors, software, subscriptions, and data platforms marketed, sold, or operated by any entity, including Flock Group Inc. (d/b/a Flock Safety), Motorola Solutions Inc., and Axon Enterprise Inc., and their successors, affiliates, or resellers, that offer automated license plate recognition or vehicle-identification systems meeting this definition.

Section 2. Directive to Propose Rules

- (a) Not later than thirty [30] days after the date of this Order, the General Counsel of the Comptroller, in consultation with the Comptroller's grant program staff, shall prepare and submit to the Comptroller proposed rules, for publication in the Texas Register and codification in Title 34, Texas Administrative Code, that establish a general set of requirements applicable to all Grant programs administered by the Comptroller, to the extent permitted by law.
- (b) The proposed rules shall include, at a minimum:
 - (1) a prohibition on a Grantee obligating or expending Grant funds to procure or obtain Prohibited Surveillance Equipment or Services, or to enter into, extend, or renew a contract to procure or obtain them;
 - (2) a requirement that the Comptroller incorporate the rules into all relevant Grant solicitations and Grant agreements;

- (3) a requirement that each Grantee apply the prohibition to any subgrant and to any contract with a Contractor that is paid in whole or in part with Grant funds; and
 - (4) provisions under which costs incurred in violation of the rules are unallowable, and under which the Comptroller may, consistent with applicable law and the terms of the Grant agreement, require repayment of funds expended in violation of the rules, suspend or terminate the Grant, and consider the violation in determining a Grantee's eligibility for future Grants.
- (c) Without limiting Subsection (b), the proposed rules shall expressly include a prohibition on the use of Grant funds for Prohibited Surveillance Equipment or Services, including systems marketed, sold, or operated by Flock Group Inc., Motorola Solutions Inc., and Axon Enterprise Inc.
- (d) Staff shall prepare, with each proposal, all analyses, impact statements, and findings required by law for the proposal of a rule.

Section 3. Rulemaking Process

- (a) Rules proposed under this Order shall be published, and shall be adopted, if at all, in compliance with Chapter 2001, Texas Government Code, including the requirements for public notice, an opportunity for public comment, consideration of comments received, and a reasoned justification for adoption.
- (b) The Comptroller may modify the proposed rules before publication. Nothing in this Order predetermines the content of any final rule or limits the Comptroller's consideration of public comments.
- (c) Staff shall report to the Comptroller on the status of the rulemaking at intervals the Comptroller directs.

Section 4. Effect of This Order

- (a) This Order directs internal agency action. It is not a rule, and it does not impose any obligation on any Grantee, Contractor, or other person or alter the terms of any Grant solicitation, agreement, or award, unless and until rules are adopted in accordance with Section 3.

Section 5. General Provisions

- (a) Severability. If any provision of this Order is held invalid, the remainder shall not be affected.
- (b) No Private Right of Action. This Order governs the internal administration of Grants and creates no right or benefit, substantive or procedural, enforceable at law or in equity by any party against the State of Texas, the Comptroller, or any officer or employee.
- (c) Amendment. This Order may be amended or rescinded only by a subsequent written order of the Comptroller.

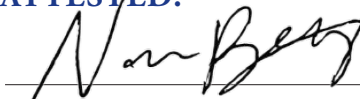
Section 6. Effective Date

This Order is effective immediately upon signing.

ISSUED in Austin, Texas, this 13th day of October, 2026.


DON HUFFINES
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

ATTESTED:


Chief Clerk, Office of the Comptroller