



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



TxDMV Board Meeting

9:00 a.m.

Thursday, June 27, 2024

AGENDA
BOARD MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR CONFERENCE ROOM
AUSTIN, TEXAS 78731
THURSDAY, JUNE 27, 2024
9:00 A.M.

The presiding officer of the Board of the Texas Department of Motor Vehicles (Board) will be physically present in the Lone Star Conference Room of Building 1, 4000 Jackson Avenue, Austin, Texas 78731. Some Board members may attend via videoconferencing.

Link to June 27, 2024, Board Meeting Documents:
<https://www.txdmv.gov/about-us/txdmv-board-meetings>

All agenda items are subject to possible discussion, questions, consideration, and action by the Board. Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Board. Presentations may be made by the identified staff, Board member, or other personnel as needed. The Board reserves the right to discuss any items in closed session where authorized by the Open Meetings Act.

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1. **Roll Call and Establishment of Quorum**
2. **Pledges of Allegiance - U.S. and Texas**
3. **Chair's Reports** - Chairman Bacarisse
4. **Executive Director's Reports** - Daniel Avitia (BRIEFING ONLY)
 - 7 A. [90th Annual Tax Assessor-Collectors Association of Texas \(TACA\) Conference Update](#)
 - 8 B. [Awards, Recognition of Years of Service, and Announcements](#)

RULE ADOPTIONS

- 9 5. **Chapter 219. Oversize and Overweight Vehicles and Loads** - Jimmy Archer (ACTION ITEM)
Amendments: Subchapters A, B, C, D, E, F and G
New: §§219.5, 219.7 and 219.9
Repeal: §§219.84, 219.86 and 219.123
[\(Relating to Cleanup\)](#)
(Published 2/23/24 - 49 TexReg 1002)
-

- 156 **6. Rule Review**
Rule Review Adoption under Government Code §2001.039: Chapter 219,
Oversize and Overweight Vehicles and Loads - Laura Moriaty (ACTION ITEM)
Subchapters: A, C, D, E, F, G and H; and Subchapter B, §§219.10 - 219.15
and 219.17
(Published 2/23/24 - 49 TexReg 1107)

RULE PROPOSALS

- 158 **7. House Bills (HB) 718 and 3297, and Senate Bill (SB) 224 Implementation**
Update (88th Texas Legislature, Regular Session) - Roland Luna, Sr.
(BRIEFING ONLY)
- 159 **8. Advisory Committee Recommendations: Vehicle Titles and Registration**
Advisory Committee (VTRAC), Motor Vehicle Industry Regulation Advisory
Committee (MVIRAC), and Customer Service and Protection Advisory
Committee (CSPAC) Recommendations - Ashley Healy and MVIRAC
Presiding Officer (BRIEFING ONLY)
- 162 **9. Chapter 215, Motor Vehicle Distribution** - Monique Johnston (ACTION ITEM)
Amendments: Subchapters A, C, D, and E
New: §§215.122, 215.151, 215.154 and 215.162
Repeal: §§215.151, 215.153, 215.154 and 215.159
(Relating to HB 718 and SB 224 Legislative Implementation, and Cleanup)
- 305 **10. Chapter 217, Vehicle Titles and Registration** - Annette Quintero
(ACTION ITEM)
Amendments: Subchapters A, B, C, D, E, F, G, H, I, J and L
New: §217.31
Repeal: §217.34 and §217.87
(Relating to HB 718 and HB 3297 Legislative Implementation, and Cleanup)
- 571 **11. Chapter 221, Salvage Vehicle Dealers** - Corrie Thompson
(ACTION ITEM)
Amendments: §221.54
(Relating to HB 718 Legislative Implementation, and Cleanup)
- 577 **12. Chapter 224, Adjudicative Practice and Procedure** - Corrie Thompson
(ACTION ITEM)
Amendments: §224.58
(Relating to HB 718 Legislative Implementation)
-

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- 587 **13. Chapter 215, Motor Vehicle Distribution** - Monique Johnston (ACTION ITEM)
 New: §215.123
 (Relating to New Vehicle Shows and Exhibitions)
- 599 **14. Chapter 215, Motor Vehicle Distribution** - Monique Johnston (ACTION ITEM)
 New: §215.124
 (Relating to Mobile Warranty and Recall Repair by Franchised Dealers)
- 607 **15. Rule Review**
 Rule Review Proposal under Government Code, §2001.039: Chapter 217,
 Vehicle Titles and Registration - Laura Moriaty (ACTION ITEM)
 Subchapters A, C, D, E, F, G, H, I, J, K and L; and Subchapter B, §§217.21 -
 217.26 and 217.28 - 217.64
- 609 **16. Rule Review**
 Rule Review Proposal under Government Code §2001.039: Chapter 209,
 Finance - Laura Moriaty (ACTION ITEM)
- 611 **17. Chapter 209, Finance** - Glenna Bowman (ACTION ITEM)
 Amendments: Subchapters A, B, and C
 Repeal: §209.34
 (Relating to Cleanup)

BRIEFING AND ACTION ITEMS

- 645 **18. Specialty Plate Design** - Annette Quintero (ACTION ITEMS)
- A. Premium Embossed Gold & Black authorized under Texas Transportation Code, §504.851
 - B. Premium Embossed Black & White authorized under Texas Transportation Code, §504.851
 - C. Premium Embossed Carbon Fiber authorized under Texas Transportation Code, §504.851
 - D. Guadalupe Mountains National Park authorized under Texas Transportation Code, §504.801
- 650 **19. Legislative and Public Affairs Committee Update** - Committee Chair Christian
654 Alvarado (BRIEFING ONLY)
- 655 A. 88th Legislature Bill Implementation Updates (BRIEFING ONLY)
 - 654 B. Interim Legislative Activity (BRIEFING ONLY)
 - 655 C. Consideration of Proposed Recommendations to the 89th Legislature (BRIEFING ONLY)
 - 664 D. FY 2026 - 2027 Legislative Appropriations Update (ACTION ITEM)
-

20. Finance and Audit

- 671 A. [Pending HB 718 Procurements](#) - Glenna Bowman (BRIEFING ONLY)
672 B. [Internal Audit Division Status Update](#) - Salem Chuah (BRIEFING ONLY)
i. Current Engagements
ii. License Plate Inventory Process Risk Memorandum

CLOSED SESSION**21. The Board may enter into closed session under one or more provisions of the Texas Open Meetings Act, Government Code, Chapter 551, including but not limited to:**

Section 551.071 - Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer;
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code Chapter 551; or
- any item on this agenda; or
- *Lucid Group USA, Inc. vs. Monique Johnston, in her official capacity as Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles, et al.* Case No. 1:22-cv-01116; in the United States District Court for the Western District of Texas, Austin Division.

Section 551.074 - Personnel matters.

- Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code Section 2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

22. Action Items from Closed Session**23. Public Comment****24. Adjournment**

The Board will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Board. No action will be taken on matters that are not part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Board members may respond in accordance with Government Code, §551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you would like to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board or send an email to GCO_General@txdmv.gov to register by providing the required information prior to the agenda item being taken up by the Board:

1. a completed [Public Comment Registration Form](#); or
2. the following information:
 - a. the agenda item you wish to comment on;
 - b. your name;
 - c. your address (optional), including your city, state, and zip code; and
 - d. who you are representing.

Public comment will only be accepted in person. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact Carrie Fortner by telephone at (512) 465-3044.

I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements.

CERTIFYING OFFICIAL: Laura Moriaty, General Counsel, (512) 465-5665.

Board Meeting Date: 6/27/2024
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.A
Subject: 90th Annual Tax Assessor-Collectors Association of Texas (TACA) Conference Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Provide briefing on department participation in stakeholder conference event.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Staff from across the department participated in the 90th Annual Tax Assessor-Collector's Association (TACA) conference in Dallas at the beginning of June. The county tax assessor-collectors are one of the department's key stakeholders, and our primary partners in providing essential vehicle title and registration services to customers throughout the state. The department's participation in these events provides an opportunity to speak directly to a large part of our or stakeholder population, educate members of the association on policy and operational developments, and build relationships with local elected officials and their senior staff.

Board Member Brett Graham, Executive Director Daniel Avitia, and Deputy Executive Director Roland D. Luna, Sr. spoke to attendees during a general session update on the department's current activities, legislative initiatives, and ongoing major projects. Staff from the Vehicle Titles and Registration Division (VTR), Enforcement Division (ENF), and Information Technology Services Division (ITSD) also participated in conference sessions related to the implementation of House Bill 718, webDEALER, and updates on technology projects and equipment refresh. The department also staffed an information booth in the exhibit hall to answer attendee questions and provide information about operational projects of interest to county offices.

The provision of motor vehicle services throughout Texas is dependent on the cooperation and actions of all 254 county tax offices. The department appreciates TACA allowing us to participate in these events.



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 6/27/2024**BRIEFING ITEM**

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.B
Subject: Executive Director's Report – Awards, Recognition of Years of Service, Announcements

RECOMMENDATION

Briefing Only. Board Chair and members offer congratulations to employees receiving recognition for an award, reaching a state service milestone, or retirement.

PURPOSE AND EXECUTIVE SUMMARY

The Executive Director announces the name of individuals who retired from the agency and recognizes employees who have reached a state service milestone of 20 years and every five-year increment thereafter. Recognition at the June 27, 2024, Board Meeting for state service awards and retirements include:

- Roland Luna, Sr. – Executive Director's Office – achieved 20 years of state service.
- Heather Baxter – Vehicle Titles and Registration Division – achieved 20 years of state service.
- Krystal Reed – Vehicle Titles and Registration Division – achieved 20 years of state service.
- Gerri Ries – Consumer Relations Division – achieved 20 years of state service.
- Christopher Hayden – Finance and Operations Division – achieved 25 years of state service.
- Suzanne Long – Vehicle Titles and Registration Division – achieved 25 years of state service.
- Maureen Vale – Vehicle Titles and Registration Division – achieved 30 years of state service.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

No additional background and discussion.

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Jimmy Archer, Motor Carrier Division Director
Agenda Item: 5
Subject: Chapter 219, Oversize and Overweight Vehicles and Loads
Amendments: Subchapters A, B, C, D, E, F and G
New: §§219.5, 219.7 and 219.9
Repeal: §§219.84, 219.86 and 219.123
(Relating to Cleanup)

RECOMMENDATION

Action Item. Adopt proposed amendments, new sections and repeals in 43 Texas Administrative Code (TAC) Chapter 219.

PURPOSE AND EXECUTIVE SUMMARY

The amendments, new sections and repeals are necessary to clean up the rule text and document the department's processes and requirements in rule.

FINANCIAL IMPACT

For each year of the first five years the amendments, new sections and repeals will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the revisions. There will be no significant impact on local employment or the local economy as a result of the revisions.

BACKGROUND AND DISCUSSION

The amendments and new sections are necessary to do the following:

1. document the department's processes and requirements in rule;
2. update the language to remove unnecessary or obsolete requirements;
3. delete language that is contained in statute;
4. delete repetitive language;
5. clarify the language;
6. update the language to be consistent with statutory changes;
7. update the language to be consistent with guidance from the Federal Highway Administration (FHWA); and
8. begin to organize the general provisions in Subchapter A of Chapter 219.

The repeals delete language that:

1. is obsolete or unnecessary; or
2. exceeds the department's rulemaking authority.

The proposed amendments, new sections and repeals were published for comment in the February 23, 2024, issue of the *Texas Register*. The department did not receive comments on the proposal.

Transportation Code, §623.145 and §623.195 require the board to consult with the Texas Transportation Commission (Commission) prior to the adoption of certain rules regarding oversize and overweight permits for the operation of oil

well servicing and drilling machinery and unladen lift equipment motor vehicles. The Commission considered the proposed amendments to 43 TAC §§219.41–219.45 and 219.60–219.64 during its meeting on April 25, 2024. The Commission issued the attached Minute Order to document compliance with Transportation Code, §623.145 and §623.195, and to indicate that the Texas Department of Transportation staff did not have any comments on the proposed amendments.

If the board adopts the amendments during its June 27, 2024, open meeting, staff anticipates:

- Publication in the July 12, 2024, issue of the *Texas Register*; and
- An effective date of July 19, 2024; including the amendment to §219.11(l)(2)(A) to make the language effective through January 10, 2025, regarding restrictions on the movement of certain oversize vehicles and loads on a holiday.

TEXAS TRANSPORTATION COMMISSIONAll Counties**MINUTE ORDER**

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All Districts

Pursuant to Transportation Code, §623.145 and §623.195, the Department of Motor Vehicles Board (board) must consult with the Texas Transportation Commission (commission) prior to the adoption of rules regarding oversize and overweight permits for the operation of oil well servicing and drilling machinery and unladen lift equipment motor vehicles.

The board proposed changes to 43 TAC Chapter 219, Oversize and Overweight Vehicles and Loads, on February 28, 2024. The proposed rule amendments were published in the *Texas Register* on February 23, 2024.

To comply with the statutory requirements, the board consulted with the commission on the amendments to 43 TAC §§219.41, 219.42, 219.43, 219.44, 219.45, 219.60, 219.61, 291.62, 291.63, and 219.64. Texas Department of Transportation staff reviewed the amendments to those provisions and had no comments to the proposed language.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to provide a copy of this minute order to the board as documentation of the board's consultation with the commission, in accordance with those sections.

Submitted and reviewed by:

Recommended by:

DocuSigned by:

Graham A. Bettis, P.E.

08572EEDBD114E7...
Director, Bridge Division

DocuSigned by:

M. Williams

0E1B35AE191749E...
Executive Director

116693 April 25, 2024

Minute
NumberDate
Passed

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Chapter 219 – Oversize and Overweight Vehicles and Loads

ADOPTION OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §219.1 AND §219.2****SUBCHAPTER B. GENERAL PERMITS****43 TAC §§219.11–219.15****SUBCHAPTER C. PERMITS FOR OVER AXLE AND OVER GROSS WEIGHT TOLERANCES****43 TAC §§219.30–219.32 AND §§219.34–219.36****SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL RELATED VEHICLES****43 TAC §§219.41–219.45****SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT EQUIPMENT MOTOR****VEHICLES****43 TAC §§219.60–219.64****SUBCHAPTER F. COMPLIANCE****43 TAC §219.81****SUBCHAPTER G. RECORDS AND INSPECTIONS****43 TAC §219.102****NEW SECTIONS****SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §§219.5, 219.7 AND 219.9****REPEAL OF****SUBCHAPTER F. COMPLIANCE****43 TAC §219.84 and §219.86****SUBCHAPTER H. ADMINISTRATIVE PENALTIES AND SANCTIONS**

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43 TAC §219.123

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter A, General Provisions, §219.1 and §219.2; Subchapter B, General Permits, §§219.11 - 219.15; Subchapter C, Permits for Over Axle and Over Gross Weight Tolerances, §§219.30 - 219.32 and 219.34 - 219.36; Subchapter D, Permits for Oversize and Overweight Oil Well Related Vehicles, §§219.41 - 219.45; Subchapter E, Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles, §§219.60 - 219.64; Subchapter F, Compliance, §219.81; and Subchapter G, Records and Inspections, §219.102. The department also adopts new Subchapter A, §§219.5, 219.7 and 219.9. The department adopts the following sections without changes to the proposed text as published in the February 23, 2024, issue of the *Texas Register* (49 TexReg 1002) and will not be republished: §§219.1, 219.2, 219.5, 219.7, 219.9, 219.12 - 219.15, 219.30 - 219.32, 219.34 - 219.36, 219.41 - 219.45, 219.60, 219.61, 219.62, 219.64, 219.81 and 219.102. The department adopts §219.11 and §219.63 with changes to the proposed text as published in the February 23, 2024, issue of the *Texas Register* (49 TexReg 1002), and §219.11 and §219.63 will be republished. The department adopts §219.11 with changes to delay the end date through which the language in §219.11(l)(2) will be in effect regarding restrictions on the movement of certain oversize vehicles and loads on a holiday, and to separate the two sentences in paragraph (2) into subparagraphs (A) and (B). Also, the department adopts §219.63 with changes at adoption to remove the proposed deletion of a space and the proposed addition of a space in the references to Figure 1: 43 TAC §219.62(f). In addition, the department adopts the repeal of §§219.84, 219.86, and 219.123.

The department adopts amendments to document the department's processes and requirements in rule, to update the language to remove unnecessary or obsolete requirements, to delete language that

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1 is contained in statute, to delete repetitive language, to clarify the language, to update the language to
2 be consistent with statutory changes; to update the language to be consistent with guidance from the
3 Federal Highway Administration (FHWA), and to begin to organize the general provisions in Subchapter A
4 of Chapter 219. The department also adopts the repeals to delete language that is obsolete or
5 unnecessary; or exceeds the department's rulemaking authority. In addition, the department adopts
6 amendments that renumber, re-letter, or remove cross-references within rule subdivisions due to the
7 deletion of one or more subdivisions within the rules.

8 REASONED JUSTIFICATION.**9 Subchapter A. General Provisions**

10 Adopted amendments to §219.1 clarify that Chapter 219 includes permits that authorize travel
11 on certain public roadways in addition to the state highway system. For example, Transportation Code,
12 §623.402 provides for the issuance of an overweight permit that authorizes the permittee to travel on
13 certain county roads, municipal streets, and the state highway system to the extent the Texas Department
14 of Transportation (TxDOT) approves such roads, streets, and state highways under Transportation Code,
15 §623.405. An adopted amendment to §219.1 also clarifies that Chapter 219 includes the policies and
16 procedures for filing surety bonds, including surety bonds that are required before an operator of certain
17 vehicles that exceed certain axle weight limits is allowed to travel on municipal streets, county roads, or
18 the state highway system. An adopted amendment to §219.1 also corrects an error by changing the word
19 "insure" to "ensure."

20 Adopted amendments to §219.2(b) add a definition for the word "day" to define it as a calendar
21 day for clarity; change the defined word "daylight" to "daytime" and modify the definition by referring to
22 the definition in Transportation Code, §541.401 and deleting the definition, which was derived from
23 §541.401; modify the definition for "hubometer" to replace the word "crane" with the term "unladen lift

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equipment motor vehicle” because that is the term used in Transportation Code, Chapter 623, Subchapter J; add the word “label” to the defined term “HUD number” so the term is consistent with the term used in §219.14 and Transportation Code, §623.093; amend the definition of “nighttime” to remove the portion of the definition contained in Transportation Code, §541.401 because the definition of “nighttime” refers to the definition in §541.401; amend the definition of “nondivisible load or vehicle” to be consistent with FHWA’s interpretation of the term by adding language regarding properly secured components, adding the example from prior §219.61(g) for a crane traveling with properly secured components, and adding an example of a dozer traveling with the blade detached; amend the definition for “nondivisible load or vehicle” by adding a missing period at the end of the language regarding spent nuclear materials and re-lettering the subdivisions accordingly; amend the definition for “permit plate” to reference the definition for “oil well servicing, cleanout, or drilling machinery” as defined in Transportation Code, §502.001(29); add a hyphen between the words “trailer” and “mounted” because these words are compound modifiers for the defined term “trailer-mounted unit”; and add examples to the definition of “unladen lift equipment motor vehicle.”

Adopted amendments to §219.2(b) also modify the definition for surety bond because the prior definition for surety bond only referenced the payment to TxDOT for damage to a highway and was therefore in conflict with Transportation Code, §622.134, which also requires payment to a county for damage to a county road and to a municipality for damage to a municipal street caused by the operation of the vehicle, and Transportation Code, §623.163, which also requires payment to a municipality for damage to a municipal street caused by the operation of the vehicle. In addition, an adopted amendment to the definition of surety bond in §219.2 removes language that said the surety bond expires at the end of the state fiscal year because §219.3(b) and §219.11(n) already include this language.

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Chapter 219 – Oversize and Overweight Vehicles and Loads

1 In addition, adopted amendments to §219.2(b) delete the following defined terms because the
2 department adopted amendments that removed the defined terms from where they were used in
3 Chapter 219: board, one-trip registration, temporary vehicle registration, 72-hour temporary vehicle
4 registration, and 144-hour temporary vehicle registration.

5 Further, adopted amendments to §219.2(b) delete the following terms, which do not appear in
6 Chapter 219: credit card, district, district engineer, machinery plate, motor carrier registration (MCR),
7 traffic control device, trunnion axle group, and variable load suspension axles. Lastly, adopted
8 amendments to §219.2(b) delete the following terms, which are defined in Transportation Code, Chapter
9 621, 622, or 623: department and director. Section 219.2 says the definitions contained in Transportation
10 Code, Chapter 621, 622, and 623 apply to Chapter 219. The adopted amendments renumber the
11 paragraphs within §219.2(b) to accommodate the adopted deletions and additions to the rule.

12 Adopted new §219.5 describes the department's current general application requirements to
13 obtain an oversize or overweight permit, including the requirements to provide the required information,
14 submit the required documents, pay the required fees, and submit the application in the form and by the
15 method prescribed by the department on its website. The department's website lists the methods by
16 which an applicant can apply for each type of permit. For example, the department's webpage for
17 30/60/90-day permits under Transportation Code, Chapter 623, Subchapter D says the applicant can apply
18 via the Texas Permitting and Routing Optimization System (TxPROS) or submit the Time Permit Application
19 (Form MCD-302) by mail to the address listed on the application form. TxPROS is the department's
20 designated permitting system.

21 Adopted new §219.5 also refers to the application requirements under Chapter 219;
22 Transportation Code, Chapters 621, 622, and 623; and other applicable law. For example, to qualify for
23 certain permits, Transportation Code, §§623.011(b)(1), 623.079, and 623.194 require the vehicle to be

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1 registered under Transportation Code, Chapter 502 for the maximum gross weight applicable to the
2 vehicle under Transportation Code, §621.101, not to exceed 80,000 pounds. Adopted new §219.5 also
3 describes the process for an applicant to obtain a customer identification number by setting up an account
4 in TxPROS, as well as the process to authorize the department to obtain a customer identification number
5 for the applicant via TxPROS.

6 Adopted new §219.7 expressly authorizes certain amendments to permits to be consistent with
7 current practice. Adopted new §219.7(a) provides general amendment guidelines, which are subject to
8 the specific provisions in adopted new §219.7(b). Adopted new §219.7 allows amendments necessary to
9 correct errors made by department staff or the department's permitting system, and as necessary to keep
10 the contact information up to date. Adopted new §219.7 expressly authorizes certain amendments to
11 permits even though other sections in Chapter 219 limit the types of amendments that are allowed to
12 certain types of permits.

13 Adopted new §219.9 clarifies that the provisions in Chapter 219 do not authorize the operation
14 of a vehicle or vehicle combination on the following roadways in this state to the extent FHWA
15 determines the vehicle or vehicle combination exceeds the applicable weight or size for such roadway
16 under 23 U.S.C. §127, 49 U.S.C. §§31111 through 31114, or federal regulations prescribed under 23
17 U.S.C. §127 or 49 U.S.C. §§31111 through 31114: the federal-aid primary system, the federal-aid urban
18 system, and the federal-aid secondary system, including the national system of interstate and defense
19 highways. Although these federal laws and regulations do not directly apply to the vehicle operator,
20 Texas complies with such federal laws and regulations through Texas laws and rules regarding maximum
21 vehicle size and weight for the following reasons under the following authority: 1) 23 U.S.C. §127, 23
22 U.S.C. §141, 49 U.S.C. §31112, and the regulations prescribed under 23 U.S.C. §127, 23 U.S.C. §141, and
23 49 U.S.C. §31112, which enables Texas to avoid the risk of losing a portion of federal highway funding;

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1 and 2) 49 U.S.C. §§31111 through 31114, which enables Texas to avoid a civil action by the U.S. Attorney
2 General for injunctive relief under 49 U.S.C. §31115.

3 Adopted new §219.9 also requires the department to post a notice on its website and to
4 possibly send notice to permittees through the applicable email addresses on file with the department
5 to the extent the department learns that FHWA generally determines a vehicle or vehicle combination
6 exceeds the applicable weight or size for such roadway under 23 U.S.C. §127, 49 U.S.C. §§31111 through
7 31114, or federal regulations prescribed under 23 U.S.C. §127 or 49 U.S.C. §§31111 through 31114 in a
8 way that may conflict with a provision in this chapter. This provision is not based on FHWA finding that a
9 specific permittee has exceeded the applicable weight or size; it is based on FHWA's general
10 interpretation of federal law. For example, an adopted amendment to the definition of "nondivisible
11 load or a vehicle" in §219.2 makes the definition consistent with FHWA's current interpretation of this
12 term. If a vehicle already exceeds legal weight without including the weight of the properly secured
13 components, FHWA said the vehicle is considered to be nondivisible even if properly secured
14 components are being transported with the vehicle. To the extent the department learns that FHWA
15 changed its interpretation of the definition of a "nondivisible load or vehicle" under 23 C.F.R. §658.5 in a
16 way that conflicts with the adopted amended definition in §219.2, the department will post a notice on
17 its website regarding FHWA's interpretation and may provide notice to permittees through the
18 applicable email addresses on file with the department.

19
20 Subchapter B. General Permits

21 An adopted amendment to §219.11(b) removes the vehicle registration requirements because
22 the applicable vehicle registration requirements under Transportation Code, §623.079 do not apply to
23 the permits under the following sections in Subchapter B of Chapter 219: §§219.13(e)(5) through (7),

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219.14, and 219.15. Also, it is not necessary to repeat the statutory requirements in rule. Amendments throughout Chapter 219 that delete reference to vehicle registration requirements do not impact the applicable vehicle registration requirements under Transportation Code, Chapter 502; the amendments are based on the department's statutory authority under Transportation Code, Chapters 621, 622 and 623. An adopted amendment to §219.11(b) also removes the word "commercial" from the term "commercial motor carrier" to be consistent with the terminology in Transportation Code, Chapter 643 and Chapter 218 of this title (relating to Motor Carriers). In addition, adopted amendments to §219.11(b) restructure the subsection due to adopted amendments and deletions within the subsection.

An adopted amendment to §219.11(d)(1), (d)(1)(D), and (d)(1)(E) changes the term "non-TxDOT engineer" to "non-TxDOT licensed professional engineer" to be consistent with existing terminology in §219.11(d), which refers to a "TxDOT approved licensed professional engineer."

An adopted amendment to §219.11(d)(1)(F) and (d)(3)(H) restructures the sentences to clarify that the maximum permit weight on the axle groups is reduced by 2.5 percent for each foot less than 12 feet. Adopted amendments to §219.11(d)(2) and (3) add hyphens to the compound modifiers regarding the axle groups and make the terms consistent with the terms in the text in §219.2. An adopted amendment to §219.11(e)(2)(A)(i) changes the word "weak" to "reduced capacity" to describe certain bridges more accurately.

An adopted amendment to §219.11(f) deletes paragraph (1) because the language regarding the payment of fees was added to adopted new §219.5 in Subchapter A, which applies to all permit applications under Chapter 219. An adopted amendment to §219.11(f) also removes the paragraph number and catch line for paragraph (2) because there would only be one paragraph in subsection (f) due to the adopted deletion of paragraph (1). An adopted amendment to the following sections removes the cross-reference to §219.11(f) regarding the payment of fees due to the adopted deletion of

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1 this language from §219.11(f), and renumber or re-letter accordingly as necessary: §§219.13, 219.14,
2 219.15, 219.30, 219.31, 219.32, 219.34, 219.35, 219.36, 219.41, 219.45 and 219.61.

3 An adopted amendment to §219.11(k)(7) deletes subparagraph (E) because it conflicts with
4 Transportation Code, §547.382. Adopted amendments to §219.11(l)(1) change the word “daylight” to
5 “daytime” and change the term “daylight hours” to “the daytime” because an adopted amendment to
6 §219.2 changes the word “daylight” to “daytime.” For this reason, the department also adopted similar
7 amendments to the following sections: §§219.12, 219.13, 219.15, 219.41 and 219.61. An adopted
8 amendment to renumbered and re-lettered §219.13(e)(5)(E) also deletes reference to Transportation
9 Code, §541.401 for the definition of “daytime” because an adopted amendment to §219.2 defines
10 “daytime” by referencing the definition in Transportation Code, §541.401. Adopted amendments to
11 §219.11(l)(1) change the word “night” to “nighttime” to provide clarity because “nighttime” is defined in
12 §219.2. For this reason, the department also adopted amendments to the following sections to change
13 the word “night” to “nighttime”: §§219.13, 219.34, 219.35, 219.36 and 219.44.

14 The department adopts §219.11 with changes at adoption to make the language in §219.11(l)(2)
15 effective through January 10, 2025, regarding restrictions on the movement of certain oversize vehicles
16 and loads on a holiday and to separate the two sentences in paragraph (2) into subparagraphs (A) and (B).
17 The delay will give the Texas Transportation Commission additional time in case it wants to adopt a rule
18 regarding the maximum size limits for a permit issued under Transportation Code, Chapter 623,
19 Subchapter D for holiday movement. The Texas Transportation Commission has rulemaking authority
20 under Transportation Code, §621.006 to impose restrictions on the weight and size of vehicles to be
21 operated on state highways on certain holidays. In addition, TxDOT is responsible for providing the
22 department with routing information necessary to complete a permit under Transportation Code,
23 §623.003.

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1 An adopted amendment to §219.11(l)(2) clarifies that the department may apply restrictions
2 imposed by TxDOT. An adopted amendment to §219.11(l)(3) clarifies that the curfew movement
3 restrictions of a city or county do not apply unless the department publishes the curfew movement
4 restrictions. The department only publishes the curfew movement restrictions if TxDOT approves the
5 restrictions. Currently, the department publishes the curfew movement restrictions on the department's
6 website. An adopted amendment to §219.11(l)(3) also deletes language regarding the curfew restrictions
7 listed on the permit to make the language consistent throughout Chapter 219 regarding published curfew
8 restrictions.

9 An adopted amendment to §219.11(m)(1) deletes subparagraph (B) because the department
10 does not have statutory authority for the language in subparagraph (B). Also, an adopted amendment to
11 §219.11(m)(1) deletes a reference in subparagraph (A) to subparagraph (B) and re-letters subparagraph
12 (C) due to the deletion of subparagraph (B). In addition, an adopted amendment to re-lettered
13 §219.11(m)(1)(B) clarifies that the restrictions in §219.11(m)(1)(A) and the definition of a "nondivisible
14 load or vehicle" in §219.2 apply to a permit to haul a dozer and its detached blade. Further, an adopted
15 amendment to re-lettered §219.11(m)(1)(B) replaces the word "non-dismantable" with "nondivisible"
16 because "nondivisible load" is a defined term in §219.2, but "non-dismantable" is not defined in Chapter
17 219.

18 An adopted amendment to §219.12(b)(3)(C) clarifies that TxDOT, rather than the department,
19 incurs a cost for analyses performed prior to issuing a superheavy permit under §219.12. An adopted
20 amendment to §219.12(b)(6) deletes reference to an intermodal container because Transportation Code,
21 §623.070 says that Subchapter D of Transportation Code, Chapter 623 does not apply to the
22 transportation of an intermodal shipping container.

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1 Adopted amendments to §219.12(b)(7) through (b)(9) combine the paragraphs into revised
2 §219.12(b)(7) because the text covers a specific type of single-trip permit called a superheavy permit. The
3 adopted amendments to §219.12(b)(7) include the requirements in prior §219.12(b)(7) through (b)(9) for
4 the department to provide the applicant with a tentative route based on the physical size of the
5 overdimension load excluding weight, as well as the requirement for the applicant to investigate the
6 tentative route and acknowledge in writing to the department that the route is capable of accommodating
7 the overdimension load. The adopted amendments to §219.12(b)(7) also describe the current process,
8 including the requirement for the department to consult with TxDOT and the applicant as necessary to
9 attempt to determine a tentative route that the applicant can acknowledge is capable of accommodating
10 the overdimension load; the department's obligation to provide the tentative route to the applicant's
11 TxDOT-certified, licensed professional engineering firm once the applicant acknowledges to the
12 department that the tentative route is capable of accommodating the overdimension load; and the
13 requirement under Chapter 28, Subchapter G of this title (relating to Oversize and Overweight Vehicles
14 and Loads) for the applicant's TxDOT-certified, licensed professional engineering firm to provide TxDOT
15 with a report that TxDOT uses to approve the department's tentative route for the movement of a
16 superheavy load under Transportation Code, §623.071 as required by Transportation Code, §623.003.
17 TxDOT relies on outside engineering firms to provide the initial review and analysis for the superheavy
18 permit application prior to providing the department with approval for the tentative route, which the
19 department provides to the applicant for superheavy loads.

20 The applicant for a superheavy permit must provide the TxDOT-certified, licensed professional
21 engineering firm with the information and documents the engineering firm needs to provide TxDOT with
22 a written report under §28.86 of this title (relating to Bridge Report). The adopted amendments to
23 §219.12(b)(7) delete text found in prior §219.12(b)(7)(A) through (B) because the information and

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documents that the TxDOT-certified, licensed professional engineering firm needs to create a written report could vary, depending on the load and the processes of each firm. Before TxDOT will provide the department with approval for the department's tentative route for the superheavy load, TxDOT must receive from the applicant's TxDOT-certified, licensed professional engineering firm a written report that includes a detailed structural analysis of the bridges on the proposed route demonstrating that the bridges and culverts on the route are capable of sustaining the load. The department will not issue a superheavy permit unless TxDOT provides the department with approval for the tentative route proposed by the department and acknowledged by the applicant as capable of accommodating the overdimension load.

Adopted amendments to §219.12(b)(7) also clarify that the reference to an overdimension load that is between 200,001 and 254,300 pounds is a reference to gross weight, which is defined in §219.2. In addition, adopted amendments to §219.12(b)(7) delete text found in prior §219.12(b)(7)(C) through (D) because the department no longer needs the referenced form and because the vehicle supervision fee is already addressed in §219.12(b)(3). Further, adopted amendments to §219.12(b)(7) modify the prior text in §219.12(b)(7)(E) to require the applicant to provide the department with the TxDOT-certified licensed, professional engineering firm's email address, instead of the firm's phone number and fax number.

Adopted amendments to §219.12(d) delete references to storage tanks to be consistent with the department's current practice. An adopted amendment to §219.12(d) also deletes prior paragraph (1) because there are no statutory limits on the size of a house under a permit to move a house. In addition, adopted amendments to §219.12(d) add hyphens between the words "two" and "axle" because these words are compound modifiers for the word "group." Further, adopted amendments to §219.12(d) and (e) delete the requirement for a permit applicant to provide a loading diagram to the department because the applicant must enter weight information into the department's designated permitting system, rather than providing the loading diagram. An adopted amendment to §219.12(d) requires the applicant to

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1 provide the department with the requested information regarding weights. Due to adopted deletions of
2 subdivisions within §219.12(d), the remaining subdivisions are renumbered accordingly. With the adopted
3 deletion of §219.12(e), subsection (f) is re-lettered accordingly.

4 An adopted amendment to §219.13(a) adds a citation to Transportation Code, Chapter 622
5 because permits for transporting poles required for the maintenance of electric power transmission and
6 distribution lines (power line poles) are authorized under Transportation Code, Chapter 622, Subchapter
7 E. Section 219.13(e)(6) provides the requirements regarding a permit for power line poles.

8 An adopted amendment to §219.13(b)(1) deletes the permit fee amounts because the fees are
9 listed in Transportation Code, §623.076. An adopted amendment to §219.13(b) deletes prior paragraph
10 (4), which said that time permits will not be issued to a vehicle or vehicle combination that is registered
11 with temporary vehicle registration. Transportation Code, §623.079 says a permit issued under
12 Subchapter D of Chapter 623 of the Transportation Code may only be issued if the vehicle is registered
13 under Transportation Code, Chapter 502 for the maximum gross weight applicable to the vehicle under
14 Transportation Code, §621.101 that is not heavier than 80,000 pounds overall gross weight. The vehicle
15 registration requirements under Transportation Code, §623.079 do not apply to the permits under
16 §219.13(e)(5) through (7). Also, for permits under §219.13 for which vehicle registration is required,
17 temporary vehicle registration under Transportation Code, Chapter 502 qualifies as vehicle registration
18 under Transportation Code, §623.079. With the adopted deletion of §219.13(b)(1) and (4), adopted
19 amendments to §219.13(b) renumber the subsequent paragraphs within §219.13(b) accordingly.

20 Adopted amendments to §219.13(e)(4) delete references to an intermodal container because
21 Transportation Code, §623.070 says that Subchapter D of Transportation Code, Chapter 623 does not
22 apply to the transportation of an intermodal shipping container. An adopted amendment to §219.13(e)(4)
23 also corrects an error by replacing the word “principle” with “principal.”

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1 An adopted amendment to §219.13(e)(5) deletes reference to §219.13(e)(1)(E) because an
2 adopted amendment to §219.13(e)(1) deletes subparagraph (A) and re-letters the subsequent
3 subparagraphs. An adopted amendment to §219.13(e)(5) also deletes reference to §219.13(e)(1)(G)
4 because paragraph (1) does not contain a subparagraph (G). In addition, an adopted amendment to
5 §219.13(e)(5) deletes subparagraph (E) because Transportation Code, Chapter 623 does not require the
6 vehicle to be registered under Transportation Code, Chapter 502. Also, to the extent the permitted vehicle
7 under §219.13(e)(5) falls within the definition of “manufactured housing” under Occupations Code,
8 §1201.003, the vehicle is not subject to vehicle registration under Transportation Code, Chapter 502
9 according to Transportation Code, §502.142. Further, an adopted amendment to §219.13(e)(5) deletes
10 subparagraph (G) because the escort requirements are contained in statute. Lastly, adopted amendments
11 to §219.13(e)(5) re-letter subsequent subdivisions within the rule text due to deletions.

12 An adopted amendment to §219.13(e)(6) deletes subparagraph (F) because Transportation Code,
13 Chapter 623 does not require the vehicle to be registered under Transportation Code, Chapter 502. An
14 adopted amendment to §219.13(e)(6) re-letters subsequent subdivisions within the rule text due to the
15 deletion of subparagraph (F).

16 An adopted amendment to §219.13(e)(7) deletes subparagraph (F) because Transportation Code,
17 Chapter 623 does not require the vehicle to be registered under Transportation Code, Chapter 502.

18 An adopted amendment to §219.13(e)(8) removes reference to the fee under subsection (b) of
19 §219.13 because an adopted amendment deletes the fee language in subsection (b).

20 An adopted amendment to §219.14 deletes subsection (d) because the permit fee is listed in
21 Transportation Code, §623.096. An adopted amendment to §219.14 re-letters the subsequent
22 subsections due to the deletion of subsection (d). An adopted amendment to re-lettered §219.14(d)
23 deletes paragraph (5) because the language duplicates language found in Transportation Code, §623.100,

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1 and does not list all national holidays. An adopted amendment to re-lettered §219.14(d) renumbers the
2 subsequent paragraphs due to the deletion of paragraph (5). An adopted amendment to re-lettered and
3 renumbered §219.14(d)(6) deletes the clause “listed in this subsection” because an adopted amendment
4 to re-lettered and renumbered §219.14(d) deletes the prior §219.14(e)(5) in which some of the national
5 holidays were listed. An adopted amendment to re-lettered and renumbered §219.14(d)(8) adds the title
6 for §219.11 for clarity. An adopted amendment to re-lettered §219.14(d) deletes prior §219.14(e)(10)
7 because Transportation Code, §623.099 requires TxDOT, rather than the department, to annually publish
8 a map or list of all bridges or overpasses which, due to height or width, require an escort flag vehicle to
9 stop oncoming traffic while the manufactured home crosses the bridge or overpass. An adopted
10 amendment to re-lettered §219.14(d) renumbers the remaining paragraph due to the deletion of
11 paragraph (10). Adopted amendments to §219.14 delete subsection (f) because the language is contained
12 in statute.

13 An adopted amendment to §219.15(a)(2) deletes reference to the fee required by subsection (d)
14 and replaces the language with a reference to the fee required by statute because an adopted amendment
15 to subsection (d) removes fee language that duplicates language found in statute. An adopted
16 amendment to §219.15(c) deletes reference to §219.11(b)(2) because the vehicle registration
17 requirements under Transportation Code, §623.079 do not apply to a permit under §219.15 and an
18 adopted amendment to §219.11(b) deletes the vehicle registration requirements. An adopted
19 amendment to §219.15 deletes subsection (f) because the language regarding escort requirements is
20 contained in statute.

21
22 Subchapter C. Permits for Over Axle and Over Gross Weight Tolerances

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1 An adopted amendment to §219.30(a) removes an unnecessary sentence, which incorrectly
2 references the requirements in Subchapter C of Chapter 219. An adopted amendment to §219.30(b)
3 replaces the word “subchapter” with “section” because §219.30 is the only section in Subchapter C of
4 Chapter 219 that provides for the issuance of a permit under Transportation Code, §623.011. An adopted
5 amendment to §219.30(d)(3) removes reference to the vehicle’s inspection sticker because vehicle
6 inspection stickers are no longer issued in Texas. The vehicle inspection requirements in Texas are
7 enforced through vehicle registration under Transportation Code, §502.047 and §548.256. An adopted
8 amendment to §219.30(d) deletes paragraph (5) because the language is inconsistent with Transportation
9 Code, §623.013, which was amended by Senate Bill 1814, 87th Legislature, Regular Session (2021). An
10 adopted amendment to §219.30 deletes subsection (g) because most of the language is contained in
11 Transportation Code, §621.508, which provides an affirmative defense to prosecution of, or an action
12 under Transportation Code, Chapter 623, Subchapter F for the offense of operating a vehicle with a single
13 axle weight or tandem axle weight heavier than the axle weight authorized by law. The adopted
14 amendments to §219.30 re-letter the remaining subsection to address the removal of §219.30(g).

15 An adopted amendment to §219.32(k) deletes language that is contained in Transportation Code,
16 §623.0171 because it is not necessary to repeat statutory language in rule. An adopted amendment to
17 §219.32(k) also restructures the language due to the deletion of the paragraphs under subsection (k).

18 An adopted amendment to §219.35(a) updates the citation to the subchapter under which the
19 fluid milk permit is located in Transportation Code, Chapter 623. The legislature redesignated the statutes
20 for the fluid milk permit from Subchapter U to Subchapter V.

21 An adopted amendment to §219.36(a) deletes reference to the bill under which Transportation
22 Code, §623.401, *et seq.* became law because Transportation Code, Chapter 623 currently only contains

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one Subchapter U. The legislature redesignated the statutes for the fluid milk permit from Subchapter U to Subchapter V.

Subchapter D. Permits for Oversize and Overweight Oil Well Related Vehicles

Adopted amendments to §219.42(d) add a hyphen between the words “trailer” and “mounted” because these words are compound modifiers for the term “trailer-mounted unit.” An adopted amendment to §219.42(d)(3) also removes outdated language regarding the calculation of the fee for a single-trip permit for the movement of a trailer-mounted oil well servicing unit. Axles are no longer temporarily disregarded for the purposes of calculating fees for this single-trip permit. In addition, an adopted amendment to §219.42(d)(3) removes the subparagraph letter for prior subparagraph (A) due to the deletion of subparagraph (B), which was the only other subparagraph under prior §219.42(d)(3).

Adopted amendments to §219.43(e) add a hyphen between the words “trailer” and “mounted” because these words are compound modifiers for the term “trailer-mounted unit.” An adopted amendment to §219.43(e)(4) also removes outdated language regarding the calculation of the fee for a quarterly hubometer permit for the movement of an oil well servicing unit. Axles are no longer temporarily disregarded for the purposes of calculating the fees for this quarterly hubometer permit.

An adopted amendment to §219.44(a)(1) deletes subparagraph (A) because Transportation Code, §502.146(b)(3) requires the applicant for a permit plate for oil well servicing or drilling machinery to submit proof that the applicant has a permit under Transportation Code, §623.142 before they can obtain a permit plate under Transportation Code, §502.146(b)(3). An adopted amendment to §219.44(a)(1) also removes the subparagraph letter for prior subparagraph (B) due to the deletion of subparagraph (A), which was the only other subparagraph under prior §219.44(a)(1).

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1 An adopted amendment to §219.45(a) replaces the word “fracing” with “fracking,” which is
2 defined as “the injection of fluid into shale beds at high pressure in order to free up petroleum resources
3 (such as oil or natural gas).” See *Fracking*, Merriam-Webster Online Dictionary ([www.merriam-](http://www.merriam-webster.com/dictionary/fracking)
4 [webster.com/dictionary/fracking](http://www.merriam-webster.com/dictionary/fracking)) (last visited January 18, 2024). An adopted amendment to §219.45(c)
5 deletes prior paragraph (2) because the vehicle registration requirements are specified in statute and are
6 not required as part of the application process for a permit for a vehicle transporting liquid products
7 related to oil well production. An adopted amendment to §219.45(c) renumbers the remaining
8 paragraphs due to the deletion of prior paragraph (2). An adopted amendment to renumbered
9 §219.45(c)(3)(C) inserts the word “plate” before the word “number” to clarify that the permittee must
10 provide the department with the “license plate number” for the new trailer.

11
12 Subchapter E. Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles

13 An adopted amendment to §219.60 replaces the word “cranes” with “unladen lift equipment
14 motor vehicles” to be consistent with the terminology in Transportation Code, Chapter 623, Subchapters
15 I and J. The department also adopts amendments to the following sections to replace terminology
16 regarding a crane with terminology regarding an unladen lift equipment motor vehicle to be consistent
17 with the terminology in Transportation Code, Chapter 623, Subchapter I and Subchapter J: §§219.61,
18 219.62, 219.63 and 219.64.

19 An adopted amendment to §219.61(a) deletes paragraph (4) regarding a trailer-mounted crane,
20 and an adopted amendment to §219.62(d)(2)(B) deletes the mileage rate for a trailer-mounted crane
21 because Transportation Code, §623.181 and §623.191 say the permits are for an “unladen lift equipment
22 motor vehicle,” rather than for a trailer-mounted crane. An adopted amendment to §219.61 deletes prior

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subsection (g) in conjunction with the adopted amendment to move that language to the definition of “nondivisible load or vehicle” in §219.2.

An adopted amendment to the title for §219.62 replaces the term “Single Trip” with “Single-Trip” to be consistent with the term used in the text of §219.62. An adopted amendment to §219.62(b) adds a space between the colon and title 43 as follows: Figure 1: 43 TAC §219.62(f). An adopted amendment to §219.62(d) deletes paragraph (3) to remove outdated language regarding the calculation of the fee for a single-trip permit for the movement of an unladen lift equipment motor vehicle. Axles are no longer temporarily disregarded for the purposes of calculating fees for this single-trip permit. An adopted amendment to §219.62(d) also renumbers paragraph (4) due to the deletion of paragraph (3).

The department adopts §219.63 with changes at adoption to remove the proposed deletion of a space and the proposed addition of a space in the references to Figure 1: 43 TAC §219.62(f) that the department indicated as changes in the published proposal. An adopted amendment to §219.63(e) deletes paragraph (4) to remove outdated language regarding the calculation of the fee for a hubometer permit for the movement of an unladen lift equipment motor vehicle. Axles are no longer temporarily disregarded for the purposes of calculating fees for this hubometer permit.

Transportation Code, §623.145 and §623.195 require the board to consult with the Texas Transportation Commission prior to the adoption of certain rules regarding oversize and overweight permits for the operation of oil well servicing and drilling machinery and unladen lift equipment motor vehicles. To comply with these statutory requirements, the board consulted with the Texas Transportation Commission on the amendments to 43 TAC §§219.41 - 219.45 and 219.60 - 219.64. The department provided the proposed amendments to the Texas Transportation Commission through TxDOT’s staff. The Texas Transportation Commission considered the proposed amendments at its public meeting on April

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25, 2024, and entered a Minute Order to document compliance with Transportation Code, §623.145 and §623.195.

Subchapter F. Compliance

An adopted amendment to §219.81 deletes subsection (c) because the department does not have rulemaking authority under Transportation Code, Chapters 621 through 623 to prohibit a person from operating a vehicle on a highway or public road if the vehicle exceeds its gross weight registration. The vehicle registration weight requirements are enforced by law enforcement officers under statutes, such as Transportation Code, §§502.472, 621.002, 621.406, and 621.501.

The department adopts the repeal of §219.84 because the department replaced the remote permit system with TxPROS and the department does not require applicants to sign a contract to use TxPROS. The department adopts the repeal of §219.86 because it exceeds the scope of the department's rulemaking authority. Although Transportation Code, §623.146 and §623.196 contain language that is similar to the language in §219.86 for certain permits, the language in §219.86 applies to all permits. Not all permits under Chapter 219 are governed by Transportation Code, §623.146 and §623.196.

Subchapter G. Records and Inspections

An adopted amendment to §219.102(b)(2) deletes language that says the display of an image that includes permit information on a wireless communication device does not constitute effective consent for a law enforcement officer or any other person to access the contents of the wireless communication device except to view the permit information. The department does not have the statutory authority for this language in §219.102(b)(2)(B). However, the person who chooses to display an image of a permit on a wireless communication device can discuss the extent of their consent with the law enforcement officer

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1 or any other person prior to displaying an image of a permit on a wireless communication device. An
2 adopted amendment to §219.102(b)(2) re-letters the remaining subparagraph due to the deletion of prior
3 §219.102(b)(2)(B). An adopted amendment to §219.102(b)(2) also deletes language in prior subparagraph
4 (D) that said a telecommunications provider may not be held liable to the operator of the motor vehicle
5 for the failure of a wireless communication device to display permit information. The department does
6 not have the statutory authority for the language in prior §219.102(b)(2)(D).

7
8 Subchapter H. Administrative Penalties and Sanctions

9 The department adopts the repeal of §219.123 because it repeats the language found in
10 Transportation Code, §623.271(e). It is not necessary to repeat statutory language in rule.

11 **SUMMARY OF COMMENTS.**

12 No comments on the proposed amendments, new sections and repeals were received.

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Chapter 219, Oversize and Overweight Vehicles and Loads

SUBCHAPTER A. GENERAL PROVISIONS**43 TAC §§219.1, 219.2, 219.5, 219.7 and 219.9**

STATUTORY AUTHORITY. The department adopts amendments and new sections under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §621.356, which authorizes the board to adopt rules prescribing the method of payment of a fee for a permit that is issued by the department for the operation of a vehicle and load or a combination of vehicles and load that exceed size or weight limitations; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622, including Transportation Code, §622.051, *et seq.* which authorize the department to issue a permit for transporting poles required for the maintenance of electric power transmission and distribution lines; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.0171, which requires the department by rule to require an applicant for a permit for a ready-mixed concrete truck to designate the counties in which the applicant intends to operate; Transportation Code, §623.070, *et seq.* which authorize the department to issue a permit to an applicant to move certain equipment or commodities and prescribe the application requirements for such permits; Transportation Code, §623.074, which authorizes the department to adopt a rule to authorize an applicant to submit an application electronically and to require an application for certain permits to include the region or area over which the equipment is to be operated; Transportation Code, §623.076, which authorizes the board to adopt rules for the payment of a fee under Subchapter D of Transportation Code, Chapter 623 regarding heavy equipment; Transportation Code, §623.095(c), which authorizes the department to adopt rules concerning the requirements for a permit under §623.095(c) regarding an

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1 annual permit for a person authorized to be issued permits under Transportation Code, §623.094 for the
2 transportation of new manufactured homes from a manufacturing facility to a temporary storage location
3 not to exceed 20 miles from the point of manufacture; Transportation Code, §623.145, which requires the
4 board, in consultation with the Texas Transportation Commission, to adopt rules to provide for the
5 issuance of a permit under Subchapter G of Transportation Code, Chapter 623 regarding oil well servicing
6 and drilling machinery; Transportation Code, §623.195, which requires the board, in consultation with the
7 Texas Transportation Commission, to adopt rules to provide for the issuance of a permit under Subchapter
8 J of Transportation Code, Chapter 623 regarding unladen lift equipment motor vehicles; Transportation
9 Code, §623.342, which authorizes the board to adopt rules that are necessary to implement Subchapter
10 R of Transportation Code, Chapter 623 regarding permits to deliver relief supplies during a major disaster;
11 Transportation Code, §623.411, which authorizes the department to adopt rules that are necessary to
12 implement Subchapter U of Transportation Code, Chapter 623, including rules governing the application
13 for a permit under Subchapter U regarding intermodal shipping containers; Transportation Code,
14 §623.427, which authorizes the department to adopt rules that are necessary to implement Subchapter
15 V of Transportation Code, Chapter 623 regarding vehicles transporting fluid milk; Transportation Code,
16 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
17 the powers and the duties of the department; Transportation Code, §1001.009, which authorizes the
18 board to adopt rules regarding the method of collection of a fee for any goods sold or services provided
19 by the department, including the issuance of licenses and permits; Government Code, §2001.004, which
20 requires state agencies to adopt rules of practice stating the nature and requirements of all available
21 formal and informal procedures; and the statutory authority referenced throughout the preamble and in
22 the rule text, which is incorporated herein by reference.

23

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CROSS REFERENCE TO STATUTE. The adopted amendments and new sections implement Transportation Code, Chapters 621, 622, 623, 1001, and 1002; and Government Code, Chapter 2001.

Text.

219.1. Purpose and Scope.

The department is responsible for regulating the movement of oversize and overweight vehicles and loads on certain public roadways in this [the] state [highway system], in order to ensure [insure] the safety of the traveling public, and to protect the integrity of the public roadways [highways] and the bridges. This responsibility is accomplished through the issuance of permits for the movement of oversize and overweight vehicles and loads. The sections under this chapter prescribe the policies and procedures for the issuance of permits and the filing of surety bonds. All applications for permits and all questions regarding the permits should be directed to the department, even though TxDOT is responsible for certain issues regarding permits.

219.2. Definitions.

(a) The definitions contained in Transportation Code, Chapters 621, 622, and 623 apply to this chapter. In the event of a conflict with this chapter, the definitions contained in Transportation Code, Chapters 621, 622, and 623 control.

(b) The following words and terms, when used in this chapter, will have the following meanings, unless the context clearly indicates otherwise.

(1) Annual permit--A permit that authorizes movement of an oversize and/or overweight load for one year commencing with the effective date.

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1 (2) Applicant--Any person, firm, or corporation requesting a permit.

2 (3) Axle--The common axis of rotation of one or more wheels whether power-driven or
3 freely rotating, and whether in one or more segments.

4 (4) Axle group--An assemblage of two or more consecutive axles, with two or more
5 wheels per axle, spaced at least 40 inches from center of axle to center of axle, equipped with a weight-
6 equalizing suspension system that will not allow more than a 10% weight difference between any two
7 axles in the group.

8 ~~[(5) Board--The Board of the Texas Department of Motor Vehicles.]~~

9 (5) [(6)] Closeout--The procedure used by the department to terminate a permit, issued
10 under Transportation Code, §623.142 or §623.192 that will not be renewed by the applicant.

11 (6) [(7)] Complete identification number--A unique and distinguishing number assigned
12 to equipment or a commodity for purposes of identification.

13 (7) [(8)] Concrete pump truck--A self-propelled vehicle designed to pump the concrete
14 product from a ready mix truck to the point of construction.

15 (8) [(9)] Crane--Any unladen lift equipment motor vehicle designed for the sole purpose
16 of raising, shifting, or lowering heavy weights by means of a projecting, swinging mast with an engine for
17 power on a chassis permanently constructed or assembled for such purpose.

18 ~~[(10) Credit card--A credit card approved by the department.]~~

19 (9) Day--A calendar day.

20 (10) Daytime [(11) Daylight]--As defined in Transportation Code, §541.401. [The period
21 beginning one-half hour before sunrise and ending one-half hour after sunset.]

22 ~~[(12) Department--The Texas Department of Motor Vehicles.]~~

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1 (11) ~~[(13)]~~ Digital signature--An electronic identifier intended by the person using it to
2 have the same force and effect as a manual signature. The digital signature shall be unique to the person
3 using it.

4 ~~[(14) Director--The Executive Director of the Texas Department of Motor Vehicles or a~~
5 ~~designee not below the level of division director.]~~

6 ~~[(15) District--One of the 25 geographical areas, managed by a district engineer of the~~
7 ~~Texas Department of Transportation, in which the Texas Department of Transportation conducts its~~
8 ~~primary work activities.]~~

9 ~~[(16) District engineer--The chief executive officer in charge of a district of the Texas~~
10 ~~Department of Transportation.]~~

11 (12) ~~[(17)]~~ Electronic identifier--A unique identifier which is distinctive to the person
12 using it, is independently verifiable, is under the sole control of the person using it, and is transmitted in
13 a manner that makes it infeasible to change the data in the communication or digital signature without
14 invalidating the digital signature.

15 (13) ~~[(18)]~~ Escort flag vehicle--A vehicle that precedes or follows an oversize or
16 overweight vehicle to facilitate the safe movement of the oversize or overweight vehicle over roads.

17 (14) ~~[(19)]~~ Four-axle group--Any four consecutive axles, having at least 40 inches from
18 center of axle to center of axle, whose extreme centers are not more than 192 inches apart and are
19 individually attached to or articulated from, or both, to the vehicle by a weight equalizing suspension
20 system.

21 (15) ~~[(20)]~~ Gauge--The transverse spacing distance between tires on an axle, expressed
22 in feet and measured to the nearest inch, from center-of-tire to center-of-tire on an axle equipped with

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only two tires, or measured to the nearest inch from the center of the dual wheels on one side of the axle to the center of the dual wheels on the opposite side of the axle.

(16) ~~[(21)]~~ Gross weight--The unladen weight of a vehicle or combination of vehicles plus the weight of the load being transported.

(17) ~~[(22)]~~ Height pole--A device made of a non-conductive material, used to measure the height of overhead obstructions.

(18) ~~[(23)]~~ Highway maintenance fee--A fee established by Transportation Code, §623.077, based on gross weight, and paid by the permittee when the permit is issued.

(19) ~~[(24)]~~ Highway use factor--A mileage reduction figure used in the calculation of a permit fee for a permit issued under Transportation Code, §623.142 and §623.192.

(20) ~~[(25)]~~ Hubometer--A mechanical device attached to an axle on a unit or an unladen lift equipment motor vehicle ~~[a crane]~~ for recording mileage traveled.

(21) ~~[(26)]~~ HUD label number--A unique number assigned to a manufactured home by the U.S. Department of Housing and Urban Development.

(22) ~~[(27)]~~ Indirect cost share--A prorated share of administering department activities, other than the direct cost of the activities, including the cost of providing statewide support services.

(23) ~~[(28)]~~ Load-restricted bridge--A bridge that is restricted by the Texas Department of Transportation, under the provisions of Transportation Code, §621.102, to a weight limit less than the maximum amount allowed by Transportation Code, §621.101.

(24) ~~[(29)]~~ Load-restricted road--A road that is restricted by the Texas Department of Transportation, under the provisions of Transportation Code, §621.102, to a weight limit less than the maximum amount allowed by Transportation Code, §621.101.

~~[(30) Machinery plate--A license plate issued under Transportation Code, §502.146.]~~

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1 (25) [(31)] Manufactured home--Manufactured housing, as defined in Occupations
2 Code, Chapter 1201, and industrialized housing and buildings, as defined in Occupations Code,
3 §1202.002, and temporary chassis systems, and returnable undercarriages used for the transportation
4 of manufactured housing and industrialized housing and buildings, and a transportable section which is
5 transported on a chassis system or returnable undercarriage that is constructed so that it cannot,
6 without dismantling or destruction, be transported within legal size limits for motor vehicles.

7 (26) [(32)] Motor carrier--A person that controls, operates, or directs the operation of
8 one or more vehicles that transport persons or cargo over a public highway in this state, as defined by
9 Transportation Code, §643.001.

10 [(33)] Motor carrier registration (MCR) ~~The registration issued by the department to~~
11 ~~motor carriers moving intrastate, under authority of Transportation Code, Chapter 643.]~~

12 (27) [(34)] Nighttime—As defined in ~~[The period beginning one-half hour after sunset~~
13 ~~and ending one-half hour before sunrise, as defined by]~~ Transportation Code, §541.401.

14 (28) [(35)] Nondivisible load or vehicle--

15 (A) A nondivisible load or vehicle is defined as follows:

16 (i) Any load or vehicle exceeding applicable length or weight limits
17 which, if separated into smaller loads or vehicles, would:

18 (I) [(+)] compromise the intended use of the vehicle, i.e., make it
19 unable to perform the function for which it was intended;

20 (II) [(+)] destroy the value of the load or vehicle, i.e., make it
21 unusable for its intended purpose; or

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1 (III) ~~(iii)~~ require more than eight workhours to dismantle using
2 appropriate equipment. The applicant for a nondivisible load permit has the burden of proof as to the
3 number of workhours required to dismantle the load.

4 (ii) ~~(B)~~ Emergency response vehicles, including those loaded with salt,
5 sand, chemicals or a combination thereof, with or without a plow or blade attached in front, and being
6 used for the purpose of spreading the material on highways that are or may become slick or icy.

7 (iii) ~~(C)~~ Casks designed for the transport of spent nuclear materials.

8 (iv) ~~(D)~~ Military vehicles transporting marked military equipment or
9 materiel.

10 (B) A vehicle or load that exceeds legal weight (without the properly secured
11 components) and for which an appropriate permit is obtained from the department under this chapter
12 may travel as a mobile vehicle or as a load, as applicable, with properly secured components in
13 accordance with the manufacturer's specifications to the extent the components are necessary for the
14 vehicle or load to perform its intended function or purpose, provided the axle weights, axle group
15 weights, and gross weight do not exceed the maximum applicable permit weights listed in this chapter.
16 For example, a crane permitted under Subchapter E of this chapter that exceeds legal weight without
17 the properly secured components may travel with properly secured components, such as outriggers,
18 booms, counterweights, jibs, blocks, balls, cribbing, outrigger pads, and outrigger mats, in accordance
19 with the manufacturer's specifications to the extent the components are necessary for the crane to
20 perform its intended function, provided the axle weights, axle group weights, and gross weight do not
21 exceed the maximum permit weights listed in Subchapter E of this chapter. An example of a load being
22 transported is a dozer with the blade detached that is permitted under §219.12 of this title (relating to
23 Single-Trip Permits Issued under Transportation Code, Chapter 623, Subchapter D) when both are being

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1 transported on a trailer or semitrailer if the dozer without the blade is overweight, provided the axle
2 weights, axle group weights, and gross weight do not exceed the maximum permit weights listed in
3 §219.12.

4 (29) [(36)] Oil field rig-up truck--An unladen vehicle with an overweight single steering
5 axle, equipped with a winch and set of gin poles used for lifting, erecting, and moving oil well equipment
6 and machinery.

7 (30) [(37)] Oil well servicing unit--An oil well clean-out unit, oil well drilling unit, or oil
8 well swabbing unit, which is mobile equipment, either self-propelled or trailer-mounted, constructed as
9 a machine used solely for cleaning-out, drilling, servicing, or swabbing oil wells, and consisting in general
10 of, but not limited to, a mast, an engine for power, a draw works, and a chassis permanently
11 constructed or assembled for this purpose.

12 [(38) One trip registration--Temporary vehicle registration issued under Transportation
13 Code, §502.095.]

14 (31) [(39)] Overdimension load--A vehicle, combination of vehicles, or vehicle and its
15 load that exceeds maximum legal width, height, length, overhang, or weight as set forth by
16 Transportation Code, Chapter 621, Subchapters B and C.

17 (32) [(40)] Overhang--The portion of a load extending beyond the front or rear of a
18 vehicle or combination of vehicles.

19 (33) [(41)] Overheight--A vehicle or load that exceeds the maximum height specified in
20 Transportation Code, §621.207.

21 (34) [(42)] Overlength--A vehicle, combination of vehicles, or a vehicle or vehicle
22 combination and its load that exceed(s) the maximum length specified in Transportation Code,
23 §§621.203, 621.204, 621.205, and 621.206.

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1 (35) [(43)] Oversize load--A vehicle, combination of vehicles, or a vehicle or vehicle
2 combination and its load that exceed(s) maximum legal width, height, length, or overhang, as set forth
3 by Transportation Code, Chapter 621, Subchapter C.

4 (36) [(44)] Overweight--A vehicle, combination of vehicles, or a vehicle or vehicle
5 combination and its load that exceed(s) the maximum weight specified in Transportation Code,
6 §621.101.

7 (37) [(45)] Overwidth--A vehicle or load that exceeds the maximum width specified in
8 Transportation Code, §621.201.

9 (38) [(46)] Permit--Authority for the movement of an oversize and/or overweight
10 vehicle, combination of vehicles, or a vehicle or vehicle combination and its load, issued by the
11 department under Transportation Code, Chapter 623.

12 (39) [(47)] Permit officer--An employee of the department who is authorized to issue an
13 oversize/overweight permit.

14 (40) [(48)] Permit plate--A license plate issued under Transportation Code, §502.146, to
15 oil well servicing, cleanout, or drilling machinery as defined in Transportation Code, §502.001(29). [a
16 ~~crane or an oil well servicing vehicle.~~]

17 (41) [(49)] Permitted vehicle--A vehicle, combination of vehicles, or vehicle and its load
18 operating under the provisions of a permit.

19 (42) [(50)] Permittee--Any person, firm, or corporation that is issued an
20 oversize/overweight permit by the department.

21 (43) [(51)] Pipe box--A container specifically constructed to safely transport and handle
22 oil field drill pipe and drill collars.

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1 (44) ~~[(52)]~~ Portable building compatible cargo--Cargo, other than a portable building
2 unit, that is manufactured, assembled, or distributed by a portable building unit manufacturer and is
3 transported in combination with a portable building unit.

4 (45) ~~[(53)]~~ Portable building unit--The pre-fabricated structural and other components
5 incorporated and delivered by the manufacturer as a complete inspected unit with a distinct serial
6 number whether in fully assembled, partially assembled, or kit (unassembled) configuration when
7 loaded for transport.

8 (46) ~~[(54)]~~ Principal--The person, firm, or corporation that is insured by a surety bond
9 company.

10 (47) ~~[(55)]~~ Roll stability support safety system--An electronic system that monitors
11 vehicle dynamics and estimates the stability of a vehicle based on its mass and velocity, and actively
12 adjusts vehicle systems including the throttle and/or brake(s) to maintain stability when a rollover risk is
13 detected.

14 (48) ~~[(56)]~~ Shipper's certificate of weight--A form approved by the department in which
15 the shipper certifies to the maximum weight of the shipment being transported.

16 (49) ~~[(57)]~~ Single axle--An assembly of two or more wheels whose centers are in one
17 transverse vertical plane or may be included between two parallel transverse planes 40 inches apart
18 extending across the full width of the vehicle.

19 (50) ~~[(58)]~~ Single-trip permit--A permit issued for an overdimension load for a single
20 continuous movement over a specific route for an amount of time necessary to make the movement.

21 (51) ~~[(59)]~~ State highway--A highway or road under the jurisdiction of the Texas
22 Department of Transportation.

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(52) [(60)] State highway system--A network of roads and highways as defined by Transportation Code, §221.001.

(53) [(61)] Surety bond--An agreement issued by a surety bond company to a principal that pledges to compensate the obligee as required under Transportation Code, Chapters 622 and 623. [Texas Department of Transportation for any damage that might be sustained to the highways and bridges by virtue of the operation of the equipment for which a permit was issued. A surety bond is effective the day it is issued and expires at the end of the state fiscal year, which is August 31st. For example, if you obtain a surety bond on August 30th, it will expire the next day at midnight.]

(54) [(62)] Tare weight--The empty weight of any vehicle transporting an overdimension load.

[(63) Temporary vehicle registration--A 72-hour temporary vehicle registration, 144-hour temporary vehicle registration, or one-trip registration.]

(55) [(64)] Three-axle group--Any three consecutive axles, having at least 40 inches from center of axle to center of axle, whose extreme centers are not more than 144 inches apart, and are individually attached to or articulated from, or both, to the vehicle by a weight equalizing suspension system.

(56) [(65)] Time permit--A permit issued for a specified period of time under §219.13 of this title (relating to Time Permits).

(57) [(66)] Tire size--The inches of lateral tread width.

[(67) Traffic control device--All traffic signals, signs, and markings, including their supports, used to regulate, warn, or control traffic.]

(58) [(68)] Trailer-mounted [Trailer mounted] unit--An oil well clean-out, drilling, servicing, or swabbing unit mounted on a trailer, constructed as a machine used for cleaning out,

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drilling, servicing, or swabbing oil wells, and consisting in general of, but not limited to, a mast, an engine for power, a draw works, and a chassis permanently constructed or assembled for this purpose.

(59) ~~[(69)]~~ Truck--A motor vehicle designed, used, or maintained primarily for the transportation of property.

(60) ~~[(70)]~~ Truck blind spot systems--Vehicle-based sensor devices that detect other vehicles or objects located in the vehicle's adjacent lanes. Warnings can be visual, audible, vibrating, or tactile.

(61) ~~[(71)]~~ Trunnion axle--Two individual axles mounted in the same transverse plane, with four tires on each axle, that are connected to a pivoting wrist pin that allows each individual axle to oscillate in a vertical plane to provide for constant and equal weight distribution on each individual axle at all times during movement.

~~[(72) Trunnion axle group--Two or more consecutive trunnion axles whose centers are at least 40 inches apart and which are individually attached to or articulated from, or both, to the vehicle by a weight equalizing suspension system.]~~

(62) ~~[(73)]~~ Two-axle group--Any two consecutive axles whose centers are at least 40 inches but not more than 96 inches apart and are individually attached to or articulated from, or both, to the vehicle by a weight equalizing suspension system.

(63) ~~[(74)]~~ TxDOT--Texas Department of Transportation.

(64) ~~[(75)]~~ Unit--Oil well clean-out unit, oil well drilling unit, oil well servicing unit, and/or oil well swabbing unit.

(65) ~~[(76)]~~ Unladen lift equipment motor vehicle--A motor vehicle, such as a crane or a concrete pump truck, designed for use as lift equipment used solely to raise, shift, or lower heavy

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1 weights by means of a projecting, swinging mast with an engine for power on a chassis permanently
2 constructed or assembled for such purpose.

3 (66) ~~[(77)]~~ USDOT Number--The United States Department of Transportation number.

4 ~~[(78) Variable load suspension axles--Axles, whose controls must be located outside of~~
5 ~~and be inaccessible from the driver's compartment, that can be regulated, through the use of hydraulic~~
6 ~~and air suspension systems, mechanical systems, or a combination of these systems, for the purpose of~~
7 ~~adding or decreasing the amount of weight to be carried by each axle during the movement of the~~
8 ~~vehicle.]~~

9 (67) ~~[(79)]~~ Vehicle identification number--A unique and distinguishing number assigned
10 to a vehicle by the manufacturer or by the department in accordance with Transportation Code,
11 §501.032 and §501.033.

12 (68) ~~[(80)]~~ Water Well Drilling Machinery--Machinery used exclusively for the purpose of
13 drilling water wells, including machinery that is a unit or a unit mounted on a conventional vehicle or
14 chassis.

15 (69) ~~[(81)]~~ Weight-equalizing suspension system--An arrangement of parts designed to
16 attach two or more consecutive axles to the frame of a vehicle in a manner that will equalize the load
17 between the axles.

18 (70) ~~[(82)]~~ Windshield sticker--Identifying insignia indicating that a permit has been
19 issued in accordance with Subchapter C of this chapter.

20 (71) ~~[(83)]~~ Year--A time period consisting of 12 consecutive months that commences
21 with the effective date stated in the permit.

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1 ~~[(84) 72-hour temporary vehicle registration--Temporary vehicle registration issued by~~
2 the department authorizing a vehicle to operate at maximum legal weight on a state highway for a
3 period not longer than 72 consecutive hours, as prescribed by Transportation Code, §502.094.]

4 ~~[(85) 144-hour temporary vehicle registration--Temporary vehicle registration issued by~~
5 the department authorizing a vehicle to operate at maximum legal weight on a state highway for a
6 period not longer than 144 consecutive hours, as prescribed by Transportation Code, §502.094.]

7
8 219.5. Application Requirements.

9 (a) An application for a permit under this chapter must be filed with the department and must
10 be:

11 (1) made in a form and filed by the method prescribed by the department on its
12 website;

13 (2) completed by the applicant or an authorized representative of the applicant; and

14 (3) accompanied by the required fee, which shall be payable as provided by §209.23 of
15 this title (relating to Methods of Payment).

16 (b) An authorized representative of the applicant who files an application with the department
17 on behalf of the applicant may be required to provide written proof of authority to act on behalf of the
18 applicant.

19 (c) The department will not approve an application for a permit unless the applicant:

20 (1) provides all information and documents required by the department; and

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1 (2) complies with all application requirements under this chapter; Transportation Code,
2 Chapters 621, 622, and 623; and other applicable law.

3 (d) An applicant must register for an account in the department's designated permitting system
4 prior to using the system to apply for or amend a permit. Once the applicant registers for an account in
5 the department's designated permitting system, the system will generate a customer identification
6 number for the applicant to use when applying for a permit. To register for an account, the applicant
7 must provide the following information via the department's designated permitting system, which is
8 accessible on the department's website:

9 (1) the applicant's company name, phone number, email address, permit delivery
10 method, physical address, and mailing address;

11 (2) first name, last name, and phone number for an emergency contact for the
12 applicant; and

13 (3) the requested login information, including a unique username and password.

14 (e) If the department authorizes an application for a permit to be submitted by mail and the
15 applicant does not have a customer identification number, the applicant must authorize the department
16 to set up an account for the applicant in the department's designated permitting system for the
17 purposes of obtaining a customer identification number for the applicant based on information the
18 department obtains from the applicant's permit application and information the department obtains
19 from the Federal Motor Carrier Safety Administration's system.

20
21 219.7. Amendments to Permits.

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1 (a) General amendment guidelines. Except as provided by subsection (b) of this section, any part
2 of a permit may be amended under the guidelines in this subsection, notwithstanding any other sections
3 in this chapter regarding limitations on amending a permit.

4 (1) Any amendment that is necessary to correct an error made by department staff or
5 the department's designated permitting system may be made provided the price of the permit or the
6 permit type does not change.

7 (2) An expired permit may only be amended if it expired on a day on which the
8 department was closed or the department's designated permitting system was not operational.

9 (b) Specific amendment authority and restrictions. Notwithstanding any other section in this
10 chapter regarding limitations on amending a permit, a permit issued under this chapter may be
11 amended as authorized by this subsection.

12 (1) The permittee's name can be amended on any permit type to correct a spelling
13 error.

14 (2) The permittee's contact information may be amended on any permit type.

15
16 219.9. Federal Highway Administration Interpretation of Federal Law.

17 Notwithstanding any provisions in this chapter, this chapter does not authorize the operation of
18 a vehicle or vehicle combination on the following roadways in this state to the extent the Federal
19 Highway Administration determines the vehicle or vehicle combination exceeds the applicable weight or
20 size for such roadway under 23 U.S.C. §127, 49 U.S.C. §§31111 through 31114, or federal regulations
21 prescribed under 23 U.S.C. §127 or 49 U.S.C. §§31111 through 31114: the federal-aid primary system,

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the federal-aid urban system, and the federal-aid secondary system, including the national system of interstate and defense highways. To the extent the department learns that the Federal Highway Administration generally determines a vehicle or vehicle combination exceeds the applicable weight or size for such roadway under 23 U.S.C. §127, 49 U.S.C. §§31111 through 31114, or federal regulations prescribed under 23 U.S.C. §127 or 49 U.S.C. §§31111 through 31114 in a way that may conflict with a provision in this chapter, the department will post a notice on its website and may provide notice to permittees through the applicable email addresses on file with the department.

SUBCHAPTER B. GENERAL PERMITS**43 TAC §§219.11 - 219.15**

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622, including Transportation Code, §622.051, *et seq.* which authorize the department to issue a permit for transporting poles required for the maintenance of electric power transmission and distribution lines; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.070, *et seq.* which authorize the department to issue a permit to an applicant to move certain equipment or commodities and prescribe the application requirements for such permits; Transportation Code, §623.074, which authorizes the department to adopt a rule to require an application for certain permits to include the region or area over which the equipment is to be operated; Transportation Code, §623.095(c), which authorizes the department to adopt rules concerning the requirements for an annual permit for the transportation of new manufactured homes from a

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1 manufacturing facility to a temporary storage location not to exceed 20 miles from the point of
2 manufacture; Transportation Code, §1002.001, which authorizes the board to adopt rules that are
3 necessary and appropriate to implement the powers and the duties of the department; Government
4 Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and
5 requirements of all available formal and informal procedures; and the statutory authority referenced
6 throughout the preamble and in the rule text, which is incorporated herein by reference.

7 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapters
8 621, 622, 623, and 1002; and Government Code, Chapter 2001.

9
10 Text.

11 §219.11. General Oversize/Overweight Permit Requirements and Procedures.

12 (a) Purpose and scope. This section contains general requirements relating to
13 oversize/overweight permits, including single-trip permits. Specific requirements for each type of
14 specialty permit are provided for in this chapter.

15 (b) Motor carrier registration or surety bond. ~~[Prerequisites to obtaining an oversize/overweight~~
16 ~~permit.] Unless exempted by law, prior~~ [or this chapter, the following requirements must be met prior
17 ~~to the issuance of an oversize/overweight permit.]~~

18 ~~[(1) Commercial motor carrier registration or surety bond. Prior]~~ to obtaining an
19 oversize/overweight permit, an applicant permitted under the provisions of Transportation Code,
20 Chapter 623, Subchapter D, must be registered as a ~~[commercial]~~ motor carrier under Chapter 218 of
21 this title (relating to Motor Carriers) or, if not required to obtain a motor carrier registration, file a surety
22 bond with the department as described in subsection (n) of this section.

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~~[(2) Vehicle registration. A vehicle registered with a permit plate will not be issued an oversize/overweight permit under this subchapter. A permitted vehicle operating under this subchapter must be registered with one of the following types of vehicle registration:]~~

~~[(A) current Texas license plates that indicate the permitted vehicle is registered for maximum legal gross weight or the maximum weight the vehicle can transport;]~~

~~[(B) Texas temporary vehicle registration;]~~

~~[(C) current out of state license plates that are apportioned for travel in Texas; or]~~

~~[(D) foreign commercial vehicles registered under Texas annual registration.]~~

(c) Permit application.

(1) An application for a permit shall be made in a form and by the method prescribed by the department, and at a minimum shall include the following, unless stated otherwise in this subchapter:

(A) name, customer identification number, and address of the applicant;

(B) name, telephone number, and email address of contact person;

(C) applicant's USDOT Number if applicant is required by law to have a USDOT Number;

(D) complete load description, including maximum width, height, length, overhang, and gross weight;

(E) complete description of vehicle, including truck year, make, license plate number and state of issuance, and vehicle identification number, if required;

(F) vehicle axle and tire information including number of axles, distance between axles, axle weights, number of tires, and tire size for overweight permit applications; and

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(G) any other information required by law.

(2) Applications transmitted electronically are considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the application.

(A) The department may only accept a digital signature used to authenticate an application under procedures that comply with any applicable rules adopted by the Department of Information Resources regarding department use or acceptance of a digital signature.

(B) The department may only accept a digital signature to authenticate an application if the digital signature is:

(i) unique to the person using it;

(ii) capable of independent verification;

(iii) under the sole control of the person using it; and

(iv) transmitted in a manner that will make it infeasible to change the data in the communication or digital signature without invalidating the digital signature.

(d) Maximum permit weight limits.

(1) General. An overweight permitted vehicle will not be routed over a load-restricted bridge when exceeding the posted capacity of the bridge, unless a special exception is granted by TxDOT, based on an analysis of the bridge performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by a non-TxDOT licensed professional engineer must have final approval from TxDOT.

(A) An axle group must have a minimum spacing of four feet, measured from center of axle to center of axle, between each axle in the group to achieve the maximum permit weight for the group.

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1 (B) The maximum permit weight for an axle group with spacing of five or more
2 feet between each axle will be based on an engineering study of the equipment conducted by TxDOT.

3 (C) A permitted vehicle will be allowed to have air suspension, hydraulic
4 suspension, and mechanical suspension axles in a common weight equalizing suspension system for any
5 axle group.

6 (D) The department may permit axle weights greater than those specified in this
7 section, for a specific individual permit request, based on an engineering study of the route and hauling
8 equipment performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by
9 a non-TxDOT licensed professional engineer must have final approval from TxDOT.

10 (E) A permitted vehicle or combination of vehicles may not exceed the
11 manufacturer's rated tire carrying capacity, unless expressly authorized in the language on the permit
12 based on an analysis performed by a TxDOT approved licensed professional engineer or by TxDOT. Any
13 analysis by a non-TxDOT licensed professional engineer must have final approval from TxDOT.

14 (F) If two or more consecutive axle groups have ~~[Two or more consecutive axle~~
15 ~~groups having]~~ an axle spacing of less than 12 feet, measured from the center of the last axle of the
16 preceding group to the center of the first axle of the following group, the maximum permit weight on
17 the axle groups will be reduced by 2.5% for each foot less than 12 feet.

18 (2) Maximum axle weight limits. Maximum permit weight for an axle or axle group is
19 based on 650 pounds per inch of tire width or the following axle or axle group weights, whichever is the
20 lesser amount:

21 (A) single axle--25,000 pounds;

22 (B) two-axle ~~[two-axle]~~ group--46,000 pounds;

23 (C) three-axle ~~[three-axle]~~ group--60,000 pounds;

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- 1 (D) four-axle [~~four-axle~~] group--70,000 pounds;
- 2 (E) five-axle [~~five-axle~~] group--81,400 pounds;
- 3 (F) axle group with six or more axles--determined by TxDOT based on an
- 4 engineering study of the equipment, which will include the type of steering system used, the type of
- 5 axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size
- 6 on each axle; or
- 7 (G) trunnion axles--30,000 pounds per axle if the trunnion configuration has:
- 8 (i) two axles;
- 9 (ii) eight tires per axle;
- 10 (iii) axles a minimum of 10 feet in width; and
- 11 (iv) at least five feet of spacing between the axles, not to exceed six
- 12 feet.
- 13 (3) Weight limits for load restricted roads. Maximum permit weight for an axle or axle
- 14 group, when traveling on a load restricted road, will be based on 650 pounds per inch of tire width or
- 15 the following axle or axle group weights, whichever is the lesser amount:
- 16 (A) single axle--22,500 pounds;
- 17 (B) two-axle [~~two-axle~~] group--41,400 pounds;
- 18 (C) three-axle [~~three-axle~~] group--54,000 pounds;
- 19 (D) four-axle [~~four-axle~~] group--63,000 pounds;
- 20 (E) five-axle [~~five-axle~~] group--73,260 pounds;
- 21 (F) axle group with six or more axles--determined by TxDOT based on an
- 22 engineering study of the equipment, which will include the type of steering system used, the type of

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1 axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size
2 on each axle;

3 (G) trunnion axles--54,000 pounds; and

4 (H) if two or more consecutive axle groups have ~~[two or more consecutive axle~~
5 ~~groups having]~~ an axle spacing of less than 12 feet, measured from the center of the last axle of the
6 preceding group to the center of the first axle of the following group, the maximum permit weight on
7 the axle groups will be reduced by 2.5% for each foot less than 12 feet.

8 (e) Permit issuance.

9 (1) General. Upon receiving an application in the form prescribed by the department,
10 the department will review the permit application for the appropriate information and will then
11 determine the most practical route based on information provided by TxDOT.

12 (2) Routing.

13 (A) A permitted vehicle will be routed over the most practical route available
14 taking into consideration:

15 (i) the size and weight of the overdimension load in relation to vertical
16 clearances, width restrictions, steep grades, and reduced capacity ~~[weak]~~ or load restricted bridges;

17 (ii) the geometrics of the roadway in comparison to the overdimension
18 load;

19 (iii) sections of highways restricted to specific load sizes and weights due
20 to construction, maintenance, and hazardous conditions;

21 (iv) traffic conditions, including traffic volume;

22 (v) route designations by municipalities in accordance with

23 Transportation Code, §623.072;

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1 (vi) load restricted roads; and

2 (vii) other considerations for the safe transportation of the load.

3 (B) When a permit applicant desires a route other than the most practical, more
4 than one permit will be required for the trip unless an exception is granted by the department.

5 (3) Movement to and from point of origin or place of business. A permitted vehicle will
6 be allowed to:

7 (A) move empty oversize and overweight hauling equipment to and from the job
8 site; and

9 (B) move oversize and overweight hauling equipment with a load from the
10 permitted vehicle's point of origin to pick up a permitted load, and to the permitted vehicle's point of
11 origin or the permittee's place of business after dropping off a permitted load, as long as:

12 (i) the load does not exceed legal size and weight limits under
13 Transportation Code, Chapters 621 and 622; and

14 (ii) the transport complies with the permit, including the time period
15 stated on the permit.

16 (f) Refund [Payment] of permit fees. [~~refunds.~~]

17 [~~(1) Payment methods. All permit applications must be accompanied by the proper fee,~~
18 ~~which shall be payable as provided by 5209.23 of this title (relating to Methods of Payment).~~]

19 [~~(2) Refunds.~~] A permit fee will not be refunded after the permit number has been
20 issued unless such refund is necessary to correct an error made by the permit officer.

21 (g) Amendments. A permit may be amended for the following reasons:

22 (1) vehicle breakdown;

23 (2) changing the intermediate points in an approved permit route;

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(3) extending the expiration date due to conditions which would cause the move to be delayed;

(4) changing route origin or route destination prior to the start date as listed on the permit;

(5) changing vehicle size limits prior to the permit start date as listed on the permit, provided that changing the vehicle size limit does not necessitate a change in the approved route; and

(6) correcting any mistake that is made due to permit officer error.

(h) Requirements for overwidth loads.

(1) Unless stated otherwise on the permit, an overwidth load must travel in the outside traffic lane on multi-lane highways, when the width of the load exceeds 12 feet.

(2) Overwidth loads are subject to the escort requirements of subsection (k) of this section.

(3) A permitted vehicle exceeding 16 feet in width will not be routed on the main lanes of a controlled access highway, unless an exception is granted by TxDOT, based on a route and traffic study. The load may be permitted on the frontage roads when available, if the movement will not pose a safety hazard to other highway users.

(4) An applicant requesting a permit to move a load exceeding 20 feet wide will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the vehicle and load can or cannot safely negotiate the proposed route.

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1 (B) If any section of the proposed route is unacceptable, the applicant shall
2 provide the department with an alternate route around the unacceptable section.

3 (C) Once a route is decided upon and a permit issued, the permit may not be
4 amended unless an exception is granted by the department.

5 (i) Requirements for overlength loads.

6 (1) Overlength loads are subject to the escort requirements stated in subsection (k) of
7 this section.

8 (2) A single vehicle, such as a motor crane, that has a permanently mounted boom is not
9 considered as having either front or rear overhang as a result of the boom because the boom is an
10 integral part of the vehicle.

11 (3) When a single vehicle with a permanently attached boom exceeds the maximum
12 legal length of 45 feet, a permit will not be issued if the boom projects more than 25 feet beyond the
13 front bumper of the vehicle, or when the boom projects more than 30 feet beyond the rear bumper of
14 the vehicle, unless an exception is granted by TxDOT, based on a route and traffic study.

15 (4) Maximum permit length for a single vehicle is 75 feet.

16 (5) A load extending more than 20 feet beyond the front or rearmost portion of the load
17 carrying surface of the permitted vehicle must have a rear escort flag vehicle, unless an exception is
18 granted by TxDOT, based on a route and traffic study.

19 (6) A permit will not be issued for an oversize vehicle and load with:

20 (A) more than 25 feet front overhang; or

21 (B) more than 30 feet rear overhang, unless an exception is granted by TxDOT,
22 based on a route and traffic study.

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1 (7) An applicant requesting a permit to move an oversize vehicle and load exceeding 125
2 feet overall length will be furnished with a proposed route. The applicant must physically inspect the
3 proposed route to determine if the oversize vehicle and load can safely negotiate it, unless an exception
4 is granted based on a route and traffic study conducted by TxDOT. A permit application and the
5 appropriate fee are required for every route inspection.

6 (A) The applicant must notify the department in writing whether the oversize
7 vehicle and load can or cannot safely negotiate the proposed route.

8 (B) If any section of the proposed route is unacceptable, the applicant shall
9 provide the department with an alternate route around the unacceptable section.

10 (C) Once a route is decided upon and a permit issued, the permit may not be
11 amended unless an exception is granted by the department.

12 (8) A permitted vehicle that is not overwidth or overheight, and does not exceed 150
13 feet overall length, may be moved in a convoy consisting of not more than four overlength permitted
14 vehicles. A permitted vehicle that is not overwidth or overheight that exceeds 150 feet, but does not
15 exceed 180 feet overall length, may be moved in a convoy consisting of not more than two overlength
16 permitted vehicles. Convoys are subject to the requirements of subsection (k) of this section. Each
17 permitted vehicle in the convoy must:

18 (A) be spaced at least 1,000 feet, but not more than 2,000 feet, from any other
19 permitted vehicle in the convoy; and

20 (B) have a rotating amber beacon or an amber pulsating light, not less than eight
21 inches in diameter, mounted at the rear top of the load being transported.

22 (j) Requirements for overheight loads.

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(1) Overheight loads are subject to the escort requirements stated in subsection (k) of this section.

(2) An applicant requesting a permit to move an oversize vehicle and load with an overall height of 19 feet or greater will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the oversize vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the oversize vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by the department.

(k) Escort flag vehicle requirements. Escort flag vehicle requirements are provided to facilitate the safe movement of permitted vehicles and to protect the traveling public during the movement of permitted vehicles. A permittee must provide for escort flag vehicles and law enforcement assistance when required by TxDOT. The requirements in this subsection do not apply to the movement of manufactured housing, portable building units, or portable building compatible cargo, unless stated otherwise in this chapter.

(1) General.

(A) Applicability. The operator of an escort flag vehicle shall, consistent with applicable law, warn the traveling public when:

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1 (i) a permitted vehicle must travel over the center line of a narrow
2 bridge or roadway;

3 (ii) a permitted vehicle makes any turning movement that will require
4 the permitted vehicle to travel in the opposing traffic lanes;

5 (iii) a permitted vehicle reduces speed to cross under a low overhead
6 obstruction or over a bridge;

7 (iv) a permitted vehicle creates an abnormal and unusual traffic flow
8 pattern; or

9 (v) in the opinion of TxDOT, warning is required to ensure the safety of
10 the traveling public or safe movement of the permitted vehicle.

11 (B) Law enforcement assistance. Law enforcement assistance may be required
12 by TxDOT to control traffic when a permitted vehicle is being moved within the corporate limits of a city,
13 or at such times when law enforcement assistance would provide for the safe movement of the
14 permitted vehicle and the traveling public.

15 (C) Obstructions. It is the responsibility of the permittee to contact utility
16 companies, telephone companies, television cable companies, or other entities as they may require,
17 when it is necessary to raise or lower any overhead wire, traffic signal, street light, television cable, sign,
18 or other overhead obstruction. The permittee is responsible for providing the appropriate advance
19 notice as required by each entity.

20 (2) Escort requirements for overwidth loads. Unless an exception is granted based on a
21 route and traffic study conducted by TxDOT, an overwidth load must:

22 (A) have a front escort flag vehicle if the width of the load exceeds 14 feet, but
23 does not exceed 16 feet, when traveling on a two lane roadway;

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1 (B) have a rear escort flag vehicle if the width of the load exceeds 14 feet, but
2 does not exceed 16 feet, when traveling on a roadway of four or more lanes; and

3 (C) have a front and a rear escort flag vehicle for all roads, when the width of
4 the load exceeds 16 feet.

5 (3) Escort requirements for overlength loads. Unless an exception is granted by TxDOT,
6 based on a route and traffic study, overlength loads must have:

7 (A) a front escort flag vehicle when traveling on a two lane roadway if the
8 vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length;

9 (B) a rear escort flag vehicle when traveling on a multi-lane highway if the
10 vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length; and

11 (C) a front and rear escort flag vehicle at all times if the permitted vehicle
12 exceeds 125 feet overall length.

13 (4) Escort requirements for overheight loads. Unless an exception is granted by TxDOT,
14 based on a route and traffic study, overheight loads must have:

15 (A) a front escort flag vehicle equipped with a height pole to ensure the vehicle
16 and load can clear all overhead obstructions for any permitted vehicle that exceeds 17 feet in height;
17 and

18 (B) a front and rear escort flag vehicle for any permitted vehicle exceeding 18
19 feet in height.

20 (5) Escort requirements for permitted vehicles exceeding legal limits in more than one
21 dimension. When a load exceeds more than one dimension that requires an escort under this
22 subsection, front and rear escort flag vehicles will be required unless an exception is granted by TxDOT.

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(6) Escort requirements for convoys. Convoys must have a front escort flag vehicle and a rear escort flag vehicle on all highways at all times.

(7) General equipment requirements. The following special equipment requirements apply to permitted vehicles and escort flag vehicles that are not motorcycles.

(A) An escort flag vehicle must be a single unit with a gross vehicle weight (GVW) of not less than 1,000 pounds nor more than 10,000 pounds.

(B) An escort flag vehicle must be equipped with two flashing amber lights; one rotating amber beacon of not less than eight inches in diameter; or alternating or flashing blue and amber lights, each of which must be visible from all directions while actively engaged in escort duties for the permitted vehicle.

(C) An escort flag vehicle must display a sign, on either the roof of the vehicle, or the front and rear of the vehicle, with the words "OVERSIZE LOAD" or "WIDE LOAD." The sign must be visible from the front and rear of the vehicle while escorting the permitted load. The sign must meet the following specifications:

(i) at least five feet, but not more than seven feet in length, and at least 12 inches, but not more than 18 inches in height;

(ii) the sign must have a yellow background with black lettering;

(iii) letters must be at least eight inches, but not more than 10 inches high with a brush stroke at least 1.41 inches wide; and

(iv) the sign must be visible from the front or rear of the vehicle while escorting the permitted vehicle, and the signs must not be used at any other time.

(D) An escort flag vehicle must maintain two-way communications with the permitted vehicle and other escort flag vehicles involved with the movement of the permitted vehicle.

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1 ~~[(E) Warning flags must be either red or orange fluorescent material, at least 12~~
2 ~~inches square, securely mounted on a staff or securely fastened by at least one corner to the widest~~
3 ~~extremities of an overwidth permitted vehicle, and at the rear of an overlength permitted vehicle or a~~
4 ~~permitted vehicle with a rear overhang in excess of four feet.]~~

5 (8) Equipment requirements for motorcycles.

6 (A) An official law enforcement motorcycle may be used as a primary escort flag
7 vehicle for a permitted vehicle traveling within the limits of an incorporated city, if the motorcycle is
8 operated by a highway patrol officer, sheriff, or duly authorized deputy, or municipal police officer.

9 (B) An escort flag vehicle must maintain two-way communications with the
10 permitted vehicle and other escort flag vehicles involved with the movement of the permitted vehicle.

11 (I) Restrictions.

12 (1) Daytime ~~[Daylight]~~ and nighttime ~~[night]~~ movement restrictions.

13 (A) A permitted vehicle may be moved only during the daytime ~~[daylight hours]~~
14 unless:

15 (i) the permitted vehicle is overweight only;

16 (ii) the permitted vehicle is traveling on an interstate highway and does
17 not exceed 10 feet wide and 100 feet long, with front and rear overhang that complies with legal
18 standards; or

19 (iii) the permitted vehicle meets the criteria of clause (ii) of this
20 subparagraph and is overweight.

21 (B) An exception may be granted allowing nighttime ~~[night]~~ movement, based
22 on a route and traffic study conducted by TxDOT. Escort flag vehicles may be required when an
23 exception allowing nighttime ~~[night]~~ movement is granted.

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1 (2) Holiday restrictions.

2 (A) Effective through January 10, 2025, the [The] maximum size limits for a
3 permit issued under Transportation Code, Chapter 623, Subchapter D, for holiday movement is 14 feet
4 wide, 16 feet high, and 110 feet long, unless an exception is granted based on a route and traffic study
5 conducted by TxDOT.

6 (B) The department may restrict holiday movement of specific loads based on
7 TxDOT's [a] determination that the load could pose a hazard for the traveling public due to local road or
8 traffic conditions.

9 (3) Curfew restrictions. The operator of a permitted vehicle must observe the curfew
10 movement restrictions published by the department. [of any city or county in which the vehicle is
11 operated. However, only the curfew restrictions listed on the permit apply to the permit.]

12 (m) General provisions.

13 (1) Multiple commodities.

14 (A) When [Except as provided in subparagraph (B) of this paragraph, when] a
15 permitted commodity creates a single overdimension, two or more commodities may be hauled as one
16 permit load, provided legal axle weight and gross weight are not exceeded, and provided an
17 overdimension of width, length or height is not created or made greater by the additional commodities.
18 For example, a permit issued for the movement of a 12 foot wide storage tank may also include a 10
19 foot wide storage tank loaded behind the 12 foot wide tank provided that legal axle weight and gross
20 weight are not exceeded, and provided an overdimension of width, length or height is not created.

21 [(B) When the transport of more than one commodity in a single load creates or
22 makes greater an illegal dimension of length, width, or height the department may issue an oversize
23 permit for such load subject to each of the following conditions.]

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1 ~~[(v) The shipper and the permittee must file with the department, in~~
2 ~~addition to all insurance provided in clause (iv) of this subparagraph, a certificate of insurance on a form~~
3 ~~prescribed by the department, or otherwise acceptable to the department, naming the department, its~~
4 ~~board members, officers, and employees as insurers under an auto liability insurance policy for the~~
5 ~~benefit of said insurers in an amount of \$5 million per accident. The insurance policy is to be procured~~
6 ~~from a company licensed to transact insurance business in the State of Texas. If the shipper or the~~
7 ~~permittee is self-insured with regard to automobile liability then that party must take all steps and~~
8 ~~perform all acts necessary under the law to indemnify the department, its board members, officers, and~~
9 ~~employees as if the party had contracted for insurance pursuant to, and in the amount set forth in, the~~
10 ~~preceding sentence and shall agree to so indemnify the department, its board members, officers, and~~
11 ~~employees in a manner acceptable to the department.]~~

12 ~~[(vi) Issuance of the permit is approved by written order of the board~~
13 ~~which written order may be, among other things, specific as to duration and routes.]~~

14 (B) [(C)] Subject to the restrictions in subparagraph (A) of this paragraph and the
15 definition of a “nondivisible load or vehicle” in §219.2 of this title (relating to Definitions), an [An]
16 applicant requesting a permit to haul a dozer and its detached blade may be issued a permit, as a
17 nondivisible [non-dismantable] load, if removal of the blade will decrease the overall width of the load,
18 thereby reducing the hazard to the traveling public.

19 (2) Oversize hauling equipment. A vehicle that exceeds the legal size limits, as set forth
20 by Transportation Code, Chapter 621, Subchapter C, may only haul a load that exceeds legal size limits
21 unless otherwise noted in this subchapter, but such vehicle may haul an overweight load that does not
22 exceed legal size limits, except for the special exception granted in §219.13(c)(3) of this title (relating to
23 Time Permits).

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(n) Surety bonds under Transportation Code, §623.075.

(1) General requirements. The surety bond must comply with the following requirements:

(A) be in the amount of \$10,000;

(B) be filed on a form and in a manner prescribed by the department;

(C) be effective the day it is issued and expire at the end of the state fiscal year;

(D) include the primary mailing address and zip code of the principal;

(E) be signed by the principal; and

(F) have a single entity as principal with no other principal names listed.

(2) Non-resident agent. A non-resident agent with a valid Texas insurance license may issue a surety bond on behalf of an authorized insurance company when in compliance with Insurance Code, Chapter 4056.

(3) Certificate of continuation. A certificate of continuation will not be accepted.

(4) Electronic copy of surety bond. The department will accept an electronic copy of the surety bond in lieu of the original surety bond.

§219.12. Single-Trip Permits Issued Under Transportation Code, Chapter 623, Subchapter D.

(a) General. The information in this section applies to single-trip permits issued under Transportation Code, Chapter 623, Subchapter D. The department will issue permits under this section in accordance with the requirements of §219.11 of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(b) Overweight loads.

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- 1 (1) The maximum weight limits for an overweight permit are specified in §219.11(d).
- 2 (2) The applicant shall pay, in addition to the single-trip permit fee of \$60, the applicable
- 3 highway maintenance fee.
- 4 (3) The applicant must also pay the vehicle supervision fee (VSF) for a permit issued for
- 5 an overweight vehicle and load exceeding 200,000 pounds gross weight.
- 6 (A) The VSF is \$35 if:
- 7 (i) the vehicle and load do not exceed 254,300 pounds gross weight;
- 8 (ii) there is at least 95 feet of overall axle spacing; and
- 9 (iii) the vehicle and load do not exceed maximum permit weight on any
- 10 axle or axle group, as described in §219.11(d).
- 11 (B) The VSF is \$500 if:
- 12 (i) there is less than 95 feet of overall axle spacing;
- 13 (ii) the vehicle and load exceed maximum permit weight on any axle or
- 14 axle group, as described in §219.11(d); or
- 15 (iii) the vehicle and load exceed 254,300 pounds gross weight. However,
- 16 for a vehicle and load described in this subparagraph, the VSF is reduced from \$500 to \$100 if no bridges
- 17 are crossed, and the VSF is reduced from \$500 to \$35 for an additional identical load that is to be moved
- 18 over the same route within 30 days of the movement date of the original permit.
- 19 (C) An applicant must pay the VSF at the time of permit application in order to
- 20 offset TxDOT's [department] costs for analyses performed in advance of issuing the permit. A request

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1 for cancellation must be in writing and received by the department prior to collection of the structural
2 information associated with the permit application. If the application is canceled, the department will
3 return the vehicle supervision fee.

4 (4) An applicant applying for a permit to move a load that is required for the fulfillment
5 of a fixed price public works contract that was entered into prior to the effective date of this section,
6 and administered by federal, state, or local governmental entities, will not be required to pay the vehicle
7 supervision fee, provided the applicant presents proof of the contract to the department prior to permit
8 issuance.

9 (5) When the department has determined that a permit can be issued for an
10 overdimension load exceeding 200,000 pounds gross weight, all remaining fees are due at the time the
11 permit is issued.

12 (6) Unless the permit is issued for a load under subsection (c) of this section, this permit
13 may not be used for a container, including a trailer ~~[or an intermodal container]~~, loaded with divisible
14 cargo.

15 (7) The following provisions apply to an application for a superheavy permit to move an
16 overdimension load that is over 254,300 pounds gross weight, between 200,001 and 254,300 pounds
17 gross weight with less than 95 feet overall axle spacing, or over the maximum permitted weight on any
18 axle or axle group described in §219.11(d) of this title.

19 (A) In consultation with TxDOT and the applicant as necessary, the department
20 will determine a tentative route based on the physical size of the overdimension load excluding the
21 weight. After the department provides the tentative route to the applicant, the applicant must
22 investigate the tentative route and acknowledge in writing to the department that the tentative route is

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1 capable of accommodating the overdimension load. If the applicant tells the department that the
2 tentative route is not capable of accommodating the overdimension load, the department will consult
3 with TxDOT and the applicant as necessary to attempt to create a tentative route that the applicant can
4 acknowledge is capable of accommodating the overdimension load.

5 (B) The applicant must provide the department with the name and email
6 address of the applicant's TxDOT-certified, licensed professional engineering firm, which TxDOT certifies
7 under Chapter 28, Subchapter G of this title (relating to Oversize and Overweight Vehicles and Loads).
8 Once the applicant provides the department with the name and email address of the applicant's TxDOT-
9 certified, licensed professional engineering firm and acknowledges to the department that the tentative
10 route is capable of accommodating the overdimension load, the department will provide the tentative
11 route and the applicant's application information to the applicant's TxDOT-certified, licensed
12 professional engineering firm.

13 (C) The applicant must provide information and documents, as requested, to the
14 applicant's TxDOT-certified, licensed professional engineering firm to enable the engineering firm to
15 provide TxDOT with a written report under §28.86 of this title (relating to Bridge Report).

16 (D) Before the superheavy permit may be issued, the applicant's TxDOT-
17 certified, licensed professional engineering firm must provide TxDOT with a written report that includes
18 a detailed structural analysis of the bridges on the tentative route, demonstrating that the bridges and
19 culverts on the tentative route are capable of sustaining the load. The department will not issue a
20 superheavy permit unless TxDOT provides the department with approval for the tentative route
21 proposed by the department and acknowledged by the applicant as capable of accommodating the
22 overdimension load.

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[An applicant requesting a permit to move an overdimension load that is between 200,001 and 254,300 pounds total with less than 95 feet overall axle spacing, or is over the maximum permitted weight on any axle or axle group, or is over 254,300 pounds gross weight, or the weight limits described in §219.11(d), must submit the following items to the department to determine if the permit can be issued:]

[(A) a detailed loading diagram which indicates the number of axles, the number of tires on each axle, the tire size on each axle, the distance between each axle, the tare and gross weight on each axle, the transverse spacing of each set of dual wheels, the distance between each set of dual wheels, the load's center of gravity, the distance from the center of gravity to the center of the front bolster, the distance from the center of gravity to the center of the rear bolster, the distance from the center of the front bolster to the center of the fifth wheel of the truck, the distance from the center of the rear bolster to the center of the closest axle, and any other measurements as may be needed to verify that the weight of the overdimension load is adequately distributed among the various axle groups in the amounts indicated by the loading diagram;]

[(B) a map indicating the exact beginning and ending points relative to a state highway;]

[(C) a completed form prescribed by the department, attesting to the facts regarding the applicant's agreement to transport the shipment;]

[(D) the vehicle supervision fee as specified in paragraph (3) of this subsection; and]

[(E) the name, phone number, and fax number of the applicant's licensed professional engineer who has been approved by the department.]

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1 ~~[(8) The department will select a tentative route based on the physical size of the~~
2 ~~overdimension load excluding the weight. The tentative route must be investigated by the applicant,~~
3 ~~and the department must be advised, in writing, that the route is capable of accommodating the~~
4 ~~overdimension load.]~~

5 ~~[(9) Before the permit is issued, the applicant's TxDOT approved licensed professional~~
6 ~~engineer shall submit to the department and TxDOT a written certification that includes a detailed~~
7 ~~structural analysis of the bridges on the proposed route demonstrating that the bridges and culverts on~~
8 ~~the travel route are capable of sustaining the load. The certification must be approved by TxDOT and~~
9 ~~submitted to the department before the permit will be issued.]~~

10 (c) Drill pipe and drill collars hauled in a pipe box.

11 (1) A vehicle or combination of vehicles may be issued a permit under Transportation
12 Code, §623.071, to haul drill pipe and drill collars in a pipe box.

13 (2) The maximum width must not exceed 10 feet.

14 (3) The axle weight limits must not exceed the maximum weight limits as specified in
15 §219.11(d)(3).

16 (4) The height and length must not exceed the legal limits specified in Transportation
17 Code, Chapter 621, Subchapter C.

18 (5) The permit will be issued for a single-trip only. For loads over 80,000 pounds, the
19 applicant must pay the single-trip permit fee, in addition to the highway maintenance fee specified in
20 Transportation Code, §623.077.

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1 (6) The permit is valid only for travel on any farm-to-market and ranch-to-market road,
2 and such road will be specified on the permit; however, the permitted vehicle will not be allowed to
3 cross any load restricted bridge when exceeding the posted capacity of the bridge.

4 (7) Movement will be restricted to daytime ~~[daylight hours]~~ only.

5 (d) Houses ~~[and storage tanks]~~.

6 ~~[(1) Unless an exception is granted by TxDOT, the department will not issue a permit for~~
7 ~~a house or storage tank exceeding 20 feet in width.]~~

8 (1) ~~[(2)]~~ The issuance of a permit for a house ~~[or storage tank]~~ exceeding 20 feet in width
9 will be based on:

10 (A) the amount of inconvenience and hazard to the traveling public, based on
11 traffic volume;

12 (B) highway geometrics and time of movement; and

13 (C) the overall width, measured to the nearest inch, of the house, including the
14 eaves or porches.

15 ~~[(3) A storage tank must be empty.]~~

16 (2) ~~[(4)]~~ The proposed route must include the beginning and ending points on a state
17 highway.

18 (3) ~~[(5)]~~ A permit may be issued for the movement of an overweight house provided:

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1 (A) the applicant provides the department with the requested information
2 regarding weights; [the applicant completes and submits to the department a copy of a diagram for
3 moving overweight houses, as shown in Figure: 43 TAC §219.12(e) of this section;]

4 (B) each support beam, parallel to the centerline of the highway, is equipped
5 with an identical number of two-axle ~~[two-axle]~~ groups which may be placed directly in line and across
6 from the other corresponding two-axle ~~[two-axle]~~ group or may be placed in a staggered offset
7 arrangement to provide for proper weight distribution;

8 (C) that, when a support beam is equipped with two or more two-axle ~~[two-axle]~~
9 groups, each two-axle ~~[two-axle]~~ group is connected to a common mechanical or hydraulic system to
10 ensure that each two-axle ~~[two-axle]~~ group shares equally in the weight distribution at all times during
11 the movement; and when the spacing between the two-axle ~~[two-axle]~~ groups, measured from the
12 center of the last axle of the front group to the center of the first axle of the following group, is eight
13 feet or more, the front two-axle ~~[two-axle]~~ group is equipped for self-steering in a manner that will
14 guide or direct the axle group in turning movements without tire scrubbing or pavement scuffing; and

15 (D) the department conducts a detailed analysis of each structure on the
16 proposed route and determines the load can be moved without damaging the roads and bridges.

17 ~~[(6) The department may waive the requirement that a loading diagram be submitted~~
18 ~~for the movement of an overweight house if the total weight of all axle groups located in the same~~
19 ~~transverse plane across the house does not exceed the maximum weight limits specified in~~
20 ~~§219.11(d)(2).]~~

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~~[(e) Diagram for moving overweight houses. The following Figure: 43 TAC §219.12(e) indicates the type of diagram that is to be completed by the permit applicant for moving an overweight house. All measurements must be stated to the nearest inch.]~~

~~[Attached Graphic]~~

(e) ~~[(f)]~~ Self-propelled off-road equipment. A permit may be issued for the movement of oversize and overweight self-propelled off-road equipment under the following conditions.

(1) The weight per inch of tire width must not exceed 650 pounds.

(2) The rim diameter of each wheel must be a minimum of 25 inches.

(3) The maximum weight per axle must not exceed 45,000 pounds.

(4) The minimum spacing between axles, measured from center of axle to center of axle, must not be less than 12 feet.

(5) The equipment must be moved empty.

(6) The route will not include any controlled access highway, unless an exception is granted based on a route and traffic study conducted by TxDOT.

§219.13. Time Permits.

(a) General information. Applications for time permits issued under Transportation Code, Chapter 622 and Chapter 623, and this section shall be made in accordance with §219.11(b) and (c) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures). Permits issued under this section are governed by the requirements of §219.11(e)(1) of this title.

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(b) 30, 60, and 90 day permits. The following conditions apply to time permits issued for
overwidth or overlength loads, or overlength vehicles, under this section.

~~[(1) Fees. The fee for a 30-day permit is \$120; the fee for a 60-day permit is \$180; and
the fee for a 90-day permit is \$240. All fees are payable in accordance with §219.11(f) of this title. All
fees are non-refundable.]~~

(1) ~~[(2)]~~ Validity of Permit. Time permits are valid for a period of 30, 60, or 90 calendar
days, based on the request of the applicant, and will begin on the effective date stated on the permit.

(2) ~~[(3)]~~ Weight/height limits. The permitted vehicle may not exceed the weight or
height limits set forth by Transportation Code, Chapter 621, Subchapters B and C.

~~[(4) Registration requirements for permitted vehicles. Time permits will not be issued to
a vehicle or vehicle combination that is registered with temporary vehicle registration.]~~

(3) ~~[(5)]~~ Vehicle indicated on permit. The permit will indicate only the truck or truck-
tractor transporting the load; however, any properly registered trailer or semi-trailer is covered by the
permit.

(4) ~~[(6)]~~ Permit routes. The permit will allow travel on a statewide basis.

(5) ~~[(7)]~~ Restrictions.

(A) The permitted vehicle must not cross a load restricted bridge or load
restricted road when exceeding the posted capacity of the road or bridge.

(B) The permitted vehicle may travel through highway construction or
maintenance areas if the dimensions do not exceed the construction restrictions as published by the
department.

06/27/24

Exhibit B

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1 (C) The permitted vehicle is subject to the restrictions specified in §219.11(l) of
2 this title, and the permittee is responsible for obtaining from the department information concerning
3 current restrictions.

4 (6) ~~[(8)]~~ Escort requirements. Permitted vehicles are subject to the escort requirements
5 specified in §219.11(k) of this title.

6 (7) ~~[(9)]~~ Transfer of time permits. Time permits issued under this subsection are non-
7 transferable between permittees or vehicles.

8 (8) ~~[(10)]~~ Amendments. With the exception of time permits issued under subsection
9 (e)(4) of this section, time permits issued under this subsection will not be amended except in the case
10 of permit officer error.

11 (c) Overwidth loads. An overwidth time permit may be issued for the movement of any load or
12 overwidth trailer, subject to subsection (a) of this section and the following conditions:

13 (1) Width requirements.

14 (A) A time permit will not be issued for a vehicle with a width exceeding 13 feet.

15 (B) When multiple items are hauled at the same time, the items may not be
16 loaded in a manner that creates a width greater than the width of the widest item being hauled.

17 (2) Weight, height, and length requirements.

18 (A) The permitted vehicle shall not exceed legal weight, height, or length
19 according to Transportation Code, Chapter 621, Subchapters B and C.

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1 (B) When multiple items are hauled at the same time, the items may not be
2 loaded in a manner that creates:

3 (i) a height greater than 14 feet;

4 (ii) an overlength load; or

5 (iii) a gross weight exceeding the legal gross or axle weight of the vehicle
6 hauling the load.

7 (3) Movement of overwidth trailers. When the permitted vehicle is an overwidth trailer,
8 it will be allowed to:

9 (A) move empty to and from the job site; and

10 (B) haul a load from the permitted vehicle's point of origin to pick up a permitted
11 load, and to the permitted vehicle's point of origin or the permittee's place of business after dropping off
12 a permitted load, as long as:

13 (i) the load does not exceed legal size and weight limits under
14 Transportation Code, Chapters 621 and 622; and

15 (ii) the transport complies with the permit, including the time period
16 stated on the permit.

17 (4) Use in conjunction with other permits. An overwidth time permit may be used in
18 conjunction with an overlength time permit.

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(d) Overlength loads. An overlength time permit may be issued for the transportation of overlength loads or the movement of an overlength self-propelled vehicle, subject to subsection (a) of this section and the following conditions:

(1) Length requirements.

(A) The maximum overall length for the permitted vehicle may not exceed 110 feet.

(B) The department may issue a permit under Transportation Code, §623.071(a) for an overlength load or an overlength self-propelled vehicle that falls within the definition of a nondivisible load or vehicle.

(2) Weight, height and width requirements.

(A) The permitted vehicle may not exceed legal weight, height, or width according to Transportation Code, Chapter 621, Subchapters B and C.

(B) A permit will not be issued when the load has more than 25 feet front overhang, or more than 30 feet rear overhang.

(3) Use in conjunction with other permits. An overlength time permit may be used in conjunction with an overwidth time permit.

(4) Emergency movement. A permitted vehicle transporting utility poles will be allowed emergency nighttime ~~[night]~~ movement for restoring electrical utility service, provided the permitted vehicle is accompanied by a rear escort flag vehicle.

(e) Annual permits.

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(1) General information. All permits issued under this subsection are subject to the following conditions.

~~[(A) Fees for permits issued under this subsection are payable as described in §219.11(f) of this title.]~~

(A) ~~[(B)]~~ Permits issued under this subsection are not transferable.

(B) ~~[(C)]~~ Vehicles permitted under this subsection shall be operated according to the restrictions described in §219.11(l) of this title. The permittee is responsible for obtaining information concerning current restrictions from the department.

(C) ~~[(D)]~~ Vehicles permitted under this subsection may not travel over a load restricted bridge or load restricted road when exceeding the posted capacity of the road or bridge.

(D) ~~[(E)]~~ Vehicles permitted under this subsection may travel through any highway construction or maintenance area provided the dimensions do not exceed the construction restrictions as published by the department.

(E) ~~[(F)]~~ With the exception of permits issued under paragraph (5) of this subsection, vehicles permitted under this subsection shall be operated according to the escort requirements described in §219.11(k) of this title.

(2) Implements of husbandry. An annual permit may be issued for an implement of husbandry being moved by a dealer in those implements, and for harvesting equipment being moved as part of an agricultural operation. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

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1 (A) The fee for a permit issued under this paragraph is \$270, plus the highway
2 maintenance fee specified in Transportation Code, §623.077.

3 (B) The time period will be for one year and will start on the effective date stated
4 on the permit.

5 (C) The maximum width may not exceed 16 feet; maximum height may not
6 exceed 16 feet; maximum length may not exceed 110 feet; and maximum weight may not exceed the
7 limits stated in §219.11(d) of this title.

8 (D) Unless stated otherwise on the permit, the permitted vehicle must travel in
9 the outside traffic lane on multi-lane highways, when the width of the load exceeds 12 feet.

10 (E) The permitted vehicle must be registered in accordance with Transportation
11 Code, Chapter 502, for maximum weight for the vehicle or vehicle combination, as set forth by
12 Transportation Code, Chapter 621.

13 (3) Water well drilling machinery. The department may issue annual permits under
14 Transportation Code, §623.071, for water well drilling machinery and equipment that fall within the
15 definition of a nondivisible load or vehicle. Permits issued under this paragraph are subject to the
16 conditions described in paragraph (1) of this subsection.

17 (A) The fee for a permit issued under this paragraph is \$270, plus the highway
18 maintenance fee specified in Transportation Code, §623.077 for an overweight load.

19 (B) A water well drilling machinery permit is valid for one year from the effective
20 date stated on the permit.

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1 (C) The maximum dimensions may not exceed 16 feet wide, 14 feet 6 inches
2 high, 110 feet long, and maximum weight may not exceed the limits stated in §219.11(d) of this title.

3 (D) The permitted vehicle must be registered in accordance with Transportation
4 Code, Chapter 502, for the maximum weight of the vehicle, as set forth by Transportation Code, Chapter
5 621.

6 (E) A permit issued under this section authorizes a permitted vehicle to operate
7 only on the state highway system.

8 (4) Envelope vehicle permits.

9 (A) The department may issue an annual permit under Transportation Code,
10 §623.071(c), to a specific vehicle, for the movement of superheavy or oversize equipment that falls
11 within the definition of a nondivisible load. This permit may not be used for a container, including a
12 trailer ~~or an intermodal container~~, loaded with divisible cargo. Unless otherwise noted, permits issued
13 under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

14 (i) Superheavy or oversize equipment operating under an annual
15 envelope vehicle permit may not exceed:

16 (I) 12 feet in width;

17 (II) 14 feet in height;

18 (III) 110 feet in length; or

19 (IV) 120,000 pounds gross weight.

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(ii) Superheavy or oversize equipment operating under an annual envelope vehicle permit may not transport a load that has more than 25 feet front overhang, or more than 30 feet rear overhang.

(iii) The fee for an annual envelope vehicle permit is \$4,000, and is non-refundable.

(iv) The time period will be for one year and will start on the effective date stated on the permit.

(v) This permit authorizes operation of the permitted vehicle only on the state highway system.

(vi) The permitted vehicle must comply with §219.11(d)(2) and (3) of this title.

(vii) The permitted vehicle or vehicle combination must be registered in accordance with Transportation Code, Chapter 502, for maximum weight as set forth by Transportation Code, Chapter 621.

(viii) A permit issued under this paragraph is non-transferable between permittees.

(ix) A permit issued under this paragraph may be transferred from one vehicle to another vehicle in the permittee's fleet provided:

(I) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof

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1 that the negotiable certificate of title or other qualifying documentation has been surrendered to the
2 department; or

3 (II) the certificate of title to the permitted vehicle is transferred
4 to someone other than the permittee, and the permittee presents proof that the negotiable certificate
5 of title or other qualifying documentation has been transferred from the permittee.

6 (x) A single-trip permit, as described in §219.12 of this title (relating to
7 Single-Trip Permits Issued Under Transportation Code, Chapter 623, Subchapter D), may be used in
8 conjunction with an annual permit issued under this paragraph for the movement of vehicles or loads
9 exceeding the height or width limits established in subparagraph (A) of this paragraph. The department
10 will indicate the annual permit number on any single-trip permit to be used in conjunction with a permit
11 issued under this paragraph, and permittees will be assessed a fee of \$60 for the single-trip permit.

12 (B) The department may issue an annual permit under Transportation Code,
13 §623.071(d), to a specific motor carrier, for the movement of superheavy or oversize equipment that
14 falls within the definition of a nondivisible load. This permit may not be used for a container, including a
15 trailer ~~or an intermodal container~~, loaded with divisible cargo. Unless otherwise noted, permits issued
16 under this paragraph are subject to the conditions described in paragraph (1) of this subsection and
17 subparagraphs (A)(i)-(viii) of this paragraph. A permit issued under this paragraph may be transferred
18 from one vehicle to another vehicle in the permittee's fleet provided:

19 (i) that no more than one vehicle is operated at a time; and

20 (ii) the original certified permit is carried in the vehicle that is being
21 operated under the terms of the permit.

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(C) An annual envelope permit issued under subparagraph (B) of this paragraph will be sent to the permittee via registered mail, or at the permittee's request and expense overnight delivery service. This permit may not be duplicated. This permit will be replaced only if:

(i) the permittee did not receive the original permit within seven business days after its date of issuance;

(ii) a request for replacement is submitted to the department within 10 business days after the original permit's date of issuance; and

(iii) the request for replacement is accompanied by a notarized statement signed by a principal ~~[principle]~~ or officer of the permittee acknowledging that the permittee understands the permit may not be duplicated and that if the original permit is located, the permittee must return either the original or replacement permit to the department.

(D) A request for replacement of a permit issued under subparagraph (B) of this paragraph will be denied if the department can verify that the permittee received the original.

(E) Lost, misplaced, damaged, destroyed, or otherwise unusable permits will not be replaced. A new permit will be required.

(5) Annual manufactured housing permit. The department may issue an annual permit for the transportation of new manufactured homes from a manufacturing facility to a temporary storage location, not to exceed 20 miles from the point of manufacture, in accordance with Transportation Code, §623.094. Permits issued under this paragraph are subject to the requirements of paragraph (1), subparagraphs (A), (B), (C), and (D) ~~[(E), and (G),]~~ of this subsection.

(A) A permit shall contain the name of the company or person authorized to be issued permits by Transportation Code, Chapter 623, Subchapter E.

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1 (B) The fee for a permit issued under this paragraph is \$1,500. Fees are non-
2 refundable ~~[, and shall be paid in accordance with §219.11(f) of this title].~~

3 (C) The time period will be for one year from the effective date stated on the
4 permit.

5 (D) The permitted vehicle must travel in the outside traffic lane on multi-lane
6 highways when the width of the load exceeds 12 feet.

7 ~~[(E) The permitted vehicle must be registered in accordance with Transportation~~
8 ~~Code, Chapter 502.]~~

9 (E) ~~[(F)]~~ Authorized movement for a vehicle permitted under this section shall be
10 valid during daytime ~~[daylight hours]~~ only ~~[as defined by Transportation Code, §541.401].~~

11 ~~[(G) The permitted vehicle must be operated in accordance with the escort~~
12 ~~requirements described in §219.14(f) of this title (relating to Manufactured Housing, and Industrialized~~
13 ~~Housing and Building Permits).]~~

14 (F) ~~[(H)]~~ Permits issued under this section are non-transferable between
15 permittees.

16 (6) Power line poles. An annual permit will be issued under Transportation Code,
17 Chapter 622, Subchapter E, for the movement of poles required for the maintenance of electric power
18 transmission and distribution lines. Permits issued under this paragraph are subject to the conditions
19 described in paragraph (1) of this subsection.

20 (A) The fee for the permit is \$120.

21 (B) The time period will be for one year and will start on the effective date
22 stated on the permit.

23 (C) The maximum length of the permitted vehicle may not exceed 75 feet.

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(D) The width, height and gross weight of the permitted vehicle may not exceed the limits set forth by Transportation Code, Chapter 621.

(E) Vehicles permitted under this paragraph may not travel over a load restricted bridge or load zoned road when exceeding posted limits.

~~[(F) The permitted vehicle must be registered in accordance with Transportation Code, Chapter 502, for maximum weight as set forth by Transportation Code, Chapter 621.]~~

(F) ~~[(G)]~~ Movement will be between the hours of sunrise and sunset; however, the limitation on hours of operation does not apply to a vehicle being operated to prevent interruption or impairment of electric service, or to restore electric service that has been interrupted. When operated at nighttime ~~[night]~~, a vehicle permitted under this subsection must be accompanied by a rear escort flag vehicle.

(G) ~~[(H)]~~ The speed of the permitted vehicle may not exceed 50 miles per hour.

(H) ~~[(I)]~~ The permitted vehicle must display on the extreme end of the load:

(i) two red lamps visible at a distance of at least 500 feet from the rear;

(ii) two red reflectors that indicate the maximum width and are visible, when light is insufficient or atmospheric conditions are unfavorable, at all distances from 100 to 600 feet from the rear when directly in front of lawful lower beams of headlamps; and

(iii) two red lamps, one on each side, that indicate the maximum overhang, and are visible at a distance of at least 500 feet from the side of the vehicle.

(7) Cylindrically shaped bales of hay. An annual permit may be issued under Transportation Code, §623.017, for the movement of vehicles transporting cylindrically shaped bales of hay. Permits issued under this paragraph are subject to the conditions described in paragraph (1) of this subsection.

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1 (A) The permit fee is \$10.

2 (B) The time period will be for one year, and will start on the effective date

3 stated on the permit.

4 (C) The maximum width of the permitted vehicle may not exceed 12 feet.

5 (D) The length, height, and gross weight of the permitted vehicle may not

6 exceed the limits set forth by Transportation Code, Chapter 621.

7 (E) Movement is restricted to daytime ~~[daylight hours]~~ only.

8 ~~[(F) The permitted vehicle must be registered in accordance with Transportation~~

9 ~~Code, Chapter 502, for maximum weight, as set forth by Transportation Code, Chapter 621.]~~

10 (8) Overlength load or vehicles. An annual overlength permit may be issued for the

11 transportation of a nondivisible overlength load or the movement of a nondivisible overlength vehicle or

12 combination of vehicles under Transportation Code, §623.071(c-1). This permit is subject to the portions

13 of subsections (a), (b), and (d) of this section that are not limited to the ~~[fee or]~~ duration for the 30, 60,

14 and 90 day permits.

15

16 §219.14. Manufactured Housing, and Industrialized Housing and Building Permits.

17 (a) General Information.

18 (1) A manufactured home that exceeds size limits for motor vehicles as defined by

19 Transportation Code, Chapter 621, Subchapters B and C, must obtain a permit from the department.

20 (2) Pursuant to Transportation Code, Chapter 623, Subchapter E, a permit may be issued

21 to persons registered as manufacturers, installers, or retailers with the Texas Department of Housing and

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1 Community Affairs or motor carriers registered with the department under Transportation Code, Chapter
2 643.

3 (3) The department may issue a permit to the owner of a manufactured home provided
4 that:

5 (A) the same owner is named on the title of the manufactured home and towing
6 vehicle;

7 (B) or the owner presents a lease showing that the owner of the manufactured
8 home is the lessee of the towing vehicle.

9 (b) Permit application.

10 (1) To qualify for a permit under this section, a person must submit an application to the
11 department.

12 (2) All applications shall be made in a form and by the method prescribed by the
13 department, and at a minimum shall include the following:

14 (A) name, customer identification number, and address of the applicant;

15 (B) name, telephone number, and email address of contact person;

16 (C) applicant's USDOT Number if applicant is required by law to have a USDOT
17 Number;

18 (D) complete description of the manufactured home, including the year, make
19 and one of the following:

20 (i) manufactured home's HUD label number;

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1 (ii) Texas seal number; or

2 (iii) the complete identification number or serial number;

3 (E) the maximum width, height and length of the vehicle and manufactured
4 home; and

5 (F) any other information required by law, including the information listed in
6 Transportation Code §623.093(a).

7 (c) Amendments to permit. Amendments can only be made to change intermediate points
8 between the origination and destination points listed on the permit.

9 ~~[(d) Payment of permit fee. The cost of the permit is \$40, payable in accordance with §219.11(f)~~
10 ~~of this title.]~~

11 (d) ~~[(e)]~~ Permit provisions and conditions.

12 (1) The overall combined length of the manufactured home and the towing vehicle
13 includes the length of the hitch or towing device.

14 (2) The height is measured from the roadbed to the highest elevation of the
15 manufactured home.

16 (3) The width of a manufactured home includes any roof or eaves extension or overhang
17 on either side.

18 (4) A permit will be issued for a single continuous movement not to exceed five days.

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1 ~~[(5) Movement must be made during daylight hours only and may be made on any day~~
2 ~~except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas~~
3 ~~Day.]~~

4 (5) ~~[(6)]~~ The department may limit the hours for travel on certain routes because of
5 heavy traffic conditions.

6 (6) ~~[(7)]~~ The department will publish any limitations on movements during the national
7 holidays ~~[listed in this subsection]~~, or any limitations during certain hours of heavy traffic conditions, and
8 will make such publications available to the public prior to the limitations becoming effective.

9 (7) ~~[(8)]~~ The permit will contain the route for the transportation of the manufactured
10 home from the point of origin to the point of destination.

11 (8) ~~[(9)]~~ The route for the transportation must be the most practical route as described
12 in §219.11(e) of this title (relating to General Oversize/Overweight Permit Requirements and
13 Procedures), except where construction is in progress and the permitted vehicle's dimensions exceed the
14 construction restrictions as published by the department, or where bridge or overpass width or height
15 would create a safety hazard.

16 ~~[(10) The department will publish annually a map or list of all bridges or overpasses~~
17 ~~which, due to height or width, require an escort flag vehicle to stop oncoming traffic while the~~
18 ~~manufactured home crosses the bridge or overpass.]~~

19 (9) ~~[(11)]~~ A permittee may not transport a manufactured home with a void permit; a
20 new permit must be obtained.

21 ~~[(f) Escort requirements.]~~

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1 ~~[(1) A manufactured home exceeding 12 feet in width must have a rotating amber~~
2 ~~beacon of not less than eight inches in diameter mounted somewhere on the roof at the rear of the~~
3 ~~manufactured home, or may have two five-inch flashing amber lights mounted approximately six feet~~
4 ~~from ground level at the rear corners of the manufactured home. The towing vehicle must have one~~
5 ~~rotating amber beacon of not less than eight inches in diameter mounted on top of the cab. These~~
6 ~~beacons or flashing lights must be operational and luminiferous during any permitted move over the~~
7 ~~highways, roads, and streets of this state.]~~

8 ~~[(2) A manufactured home with a width exceeding 16 feet but not exceeding 18 feet~~
9 ~~must have a front escort flag vehicle on two-lane roadways and a rear escort flag vehicle on roadways of~~
10 ~~four or more lanes.]~~

11 ~~[(3) A manufactured home exceeding 18 feet in width must have a front and a rear~~
12 ~~escort flag vehicle on all roadways at all times.]~~

13 ~~[(4) The escort flag vehicle must:]~~

14 ~~[(A) have one red 16-inch square flag mounted on each of the four corners of the~~
15 ~~vehicle;]~~

16 ~~[(B) have a sign mounted on the front and rear of the vehicle displaying the~~
17 ~~words "WIDE LOAD" in black letters at least eight inches high with a brush stroke at least 1.41 inches~~
18 ~~wide against a yellow background;]~~

19 ~~[(C) have mounted on top of the vehicle and visible from both the front and~~
20 ~~rear;]~~

21 ~~[(i) two simultaneously flashing lights;]~~

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(b) Application for permit. Applications shall be made in accordance with §219.11(c) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(c) Permit issuance. Permit issuance is subject to the requirements of §219.11[(b)(2),(e) and (g) of this title.

(d) Non-refundable [Payment of] permit fee. [The cost of the permit is \$15, with all fees payable in accordance with §219.11(f) of this title.] All fees are non-refundable.

(e) Permit provisions and conditions.

(1) A portable building unit may only be issued a single-trip permit.

(2) Portable building units may be loaded end-to-end to create an overlength permit load, provided the overall length does not exceed 80 feet.

(3) Portable building units must not be loaded side-by-side to create an overwidth load, or loaded one on top of another to create an overheight load.

(4) Portable building units must be loaded in a manner that will create the narrowest width for permit purposes and provide for greater safety to the traveling public.

(5) The permit will be issued for a single continuous movement from the origin to the destination for an amount of time necessary to make the move, not to exceed 10 consecutive days.

(6) Movement of the permitted vehicle must be made during daytime [daylight hours] only.

(7) A permittee may not transport portable building units or portable building compatible cargo with a void permit; a new permit must be obtained.

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1 ~~[(f) Escort requirements.]~~

2 ~~[(1) A portable building unit or portable building compatible cargo with a width~~
3 ~~exceeding 16 feet but not exceeding 18 feet must have a front escort flag vehicle on two-lane roadways~~
4 ~~and a rear escort flag vehicle on roadways of four or more lanes.]~~

5 ~~[(2) A portable building unit or portable building compatible cargo exceeding 18 feet in~~
6 ~~width must have a front and a rear escort flag vehicle on all roadways at all times.]~~

7 ~~[(3) The escort flag vehicle must:]~~

8 ~~[(A) have one red 16-inch square flag mounted on each of the four corners of the~~
9 ~~vehicle;]~~

10 ~~[(B) have a sign mounted on the front and rear of the vehicle displaying the~~
11 ~~words "WIDE LOAD" in black letters at least eight inches high with a brush stroke at least 1.41 inches~~
12 ~~wide against a yellow background;]~~

13 ~~[(C) have mounted on top of the vehicle and visible from both front and rear,~~
14 ~~two simultaneously flashing lights, one rotating amber beacon of not less than eight inches in diameter,~~
15 ~~or alternating or flashing blue and amber lights; and]~~

16 ~~[(D) maintain two-way communications with the permitted vehicle and other~~
17 ~~escort flag vehicles involved with the movement of the permitted vehicle.]~~

18 ~~[(4) An escort flag vehicle must comply with the requirements in §219.11(k)(1) and~~
19 ~~§219.11(k)(7)(A) of this title.]~~

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SUBCHAPTER C. PERMITS FOR OVER AXLE AND OVER GROSS WEIGHT TOLERANCES**43 TAC §§219.30 - 219.32 and §§219.34 - 219.36**

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.0171, which requires the department by rule to require an applicant for a permit for a ready-mixed concrete truck to designate the counties in which the applicant intends to operate; Transportation Code, §623.0171, which requires the department by rule to specify how 50 percent of the fee collected for a permit for a ready-mixed concrete truck shall be divided among and distributed to the counties designated in the permit application; Transportation Code, §623.411, which requires the department to adopt rules that are necessary to implement Subchapter U of Transportation Code, Chapter 623, regarding intermodal shipping containers; Transportation Code, §623.427, which requires the department to adopt rules that are necessary to implement Subchapter V of Transportation Code, Chapter 623 regarding vehicles transporting fluid milk; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; and the statutory authority referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The amendments implement Transportation Code, Chapters 621, 623, and 1002; and Government Code, Chapter 2001.

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1 Text.

2 §219.30. Permits for Over Axle and Over Gross Weight Tolerances.

3 (a) Purpose. In accordance with Transportation Code, §623.011, the department is
4 authorized under certain conditions to issue an annual permit for the operation of a vehicle within
5 certain tolerances above legal axle and gross weight limits, as provided in Transportation Code,
6 Chapter 621. ~~[The sections under this subchapter set forth the requirements and procedures to be
7 used in issuing an annual permit.]~~

8 (b) Scope. A permit may be issued to an applicant under this section ~~[subchapter]~~ to
9 operate a vehicle that exceeds the legal axle weight by a tolerance of 10% and the legal gross
10 weight by a tolerance of 5.0% on any county road and on any road in the state highway system
11 provided the vehicle:

12 (1) is not operated on the national system of interstate and defense highways at a
13 weight greater than authorized by federal law; and

14 (2) is not operated on a bridge for which the maximum weight and load limit has
15 been established and posted under Transportation Code, §621.102 or §621.301, if the gross weight
16 of the vehicle and load or the axles and wheel loads are greater than the established and posted
17 limits, unless the bridge provides the only public vehicular access to or from the permittee's origin
18 or destination.

19 (c) Application for permit.

20 (1) To qualify for a permit under this section, a person must submit an application
21 to the department.

22 (2) The application shall be in a form prescribed by the department and at a
23 minimum will require the following:

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1 (A) name, customer identification number, and address of the applicant;

2 (B) name, telephone number, and email address of contact person;

3 (C) vehicle information, including truck year, make, license plate number
4 and state of issuance, and vehicle identification number;

5 (D) an indication as to whether the commodities to be transported will be
6 agricultural or non-agricultural;

7 (E) a list of counties in which the vehicle will operate; and

8 (F) applicant's USDOT Number if applicant is required by law to have a USDOT
9 Number.

10 (3) The application shall be accompanied by:

11 (A) the total permit fee, which includes an administrative fee of \$5, the base
12 fee, and the applicable annual fee based on the number of counties designated for travel; and

13 (B) an original bond or irrevocable letter of credit as required in
14 Transportation Code §623.012.

15 ~~[(4) Payment of fees. Fees for permits issued under this subchapter are payable as~~
16 ~~required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements~~
17 ~~and Procedures).]~~

18 (d) Issuance of permit and windshield sticker.

19 (1) A permit and a windshield sticker will be issued on the approval of the
20 application and each will be mailed to the applicant at the address contained in the application.

21 (2) The permit shall be carried in the vehicle for which the permit is issued at all
22 times.

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(3) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker ~~[within six inches above the vehicle's inspection sticker]~~ in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void, and will require a new permit and sticker. The windshield sticker must be removed from the vehicle upon expiration of the permit.

(4) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department which shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle. The cost for a replacement sticker is \$3.00.

~~[(5) Within 14 days of issuance of the permit, the department shall notify the county clerk of each county indicated on the application, and such notification shall contain or be accompanied by the following minimum information:]~~

~~[(A) the name and address of the person for whom a permit is issued; and]~~

~~[(B) the vehicle identification number, license plate number, and registration state of the vehicle, and the permit number.]~~

(e) Issuance of a credit. Upon written application on a form prescribed by the department, a prorated credit for the remaining time on the permit may be issued for a vehicle that is destroyed or otherwise becomes permanently inoperable to an extent that it will no longer be utilized. The date for computing a credit will be based on the date of receipt of the credit request. The fee for a credit will be \$25, and will be issued on condition that the applicant provides to the department:

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1 (1) the original permit; or

2 (2) if the original permit no longer exists, written evidence of the destruction or
3 permanent incapacity from the insurance carrier of the vehicle.

4 (f) Use of credit. A credit issued under subsection (e) of this section may be used only
5 towards the payment of permit fees under this section.

6 ~~[(g) Exceptions. A vehicle carrying timber, wood chips, wood pulp, cotton, or other
7 agricultural products in their natural state, may be allowed to exceed the maximum allowable axle
8 weight by 12% without a permit; however, if such vehicle exceeds the maximum allowable gross
9 weight by an amount of up to 5.0%, a permit issued in accordance with this section will be
10 required.]~~

11 (g) ~~[(h)]~~ Lapse or termination of permit. A permit shall lapse or terminate and the
12 windshield sticker must be removed from the vehicle:

13 (1) when the lease of the vehicle expires;

14 (2) on the sale of the vehicle for which the permit was issued;

15 (3) on the sale, takeover, or dissolution of the firm, partnership, or corporation to
16 which a permit was issued; or

17 (4) if the permittee does not replace or replenish the letter of credit or bond as
18 required by Transportation Code, §623.012.

19
20 §219.31. Timber Permits.

21 (a) Purpose. This section prescribes the requirements and procedures regarding the annual
22 permit for the operation of a vehicle or combination of vehicles that will be used to transport

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1 unrefined timber, wood chips, woody biomass, or equipment used to load timber on a vehicle
2 under the provisions of Transportation Code, Chapter 623, Subchapter Q.

3 (b) Application for permit.

4 (1) To qualify for a timber permit, a person must submit an application to the
5 department.

6 (2) The application shall be in a form prescribed by the department and at a
7 minimum, will require the following:

8 (A) name, customer identification number, and address of the applicant;

9 (B) name, telephone number, and email address of contact person;

10 (C) vehicle information, including vehicle year, make, license plate number
11 and state of issuance, and vehicle identification number;

12 (D) a list of timber producing counties described in Transportation Code,
13 §623.321(a), in which the vehicle or combination of vehicles will be operated; and

14 (E) applicant's USDOT Number if applicant is required by law to have a USDOT
15 Number.

16 (3) The application shall be accompanied by:

17 (A) the total annual permit fee required by statute; and

18 (B) a blanket bond or irrevocable letter of credit as required by
19 Transportation Code, §623.012, unless the applicant has a current blanket bond or irrevocable
20 letter of credit on file with the department that complies with Transportation Code, §623.012.

21 ~~[(4) Fees for permits issued under this section are payable as required by §219.11(f)~~
22 ~~of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

23 (c) Issuance and placement of permit and windshield sticker; restrictions.

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(1) A permit and a windshield sticker will be issued once the application is approved, and each will be mailed to the applicant at the address contained in the application.

(2) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void and will require a new permit and sticker.

(3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department which shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

(d) Notification. The financially responsible party as defined in Transportation Code, §623.323(a), shall electronically file the notification document described by §623.323(b) with the department via the form on the department's website.

(e) Transfer of permit. An annual permit issued under this section is not transferable between vehicles.

(f) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(g) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

- (1) on the expiration of the permit;
- (2) when the lease of the vehicle expires;
- (3) on the sale or other transfer of ownership of the vehicle for which the permit was issued;

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(4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued; or

(5) if the permittee fails to timely replenish the bond or letter of credit as required by Transportation Code, §623.012.

(h) Restrictions. Permits issued under this section are subject to the restrictions in §219.11(l) of this title.

§219.32. Ready-Mixed Concrete Truck Permits.

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for a ready-mixed concrete truck, operating on three axles, under the provisions of Transportation Code, §623.0171 and Chapter 622, Subchapter B.

(b) Axles. To qualify for movement with a ready-mixed concrete truck permit, the truck may only operate on three axles, regardless of whether the truck actually has more than three axles.

(c) Application for permit.

(1) To qualify for a ready-mixed concrete truck permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, telephone number, and email address of contact person;

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number;

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(D) a list of counties in which the vehicle will be operated; and

(E) applicant's USDOT Number if applicant is required by law to have a USDOT

Number.

(3) The application shall be accompanied by the total annual permit fee of \$1,000.

~~[(4) Fees for permits issued under this section are payable as required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

(d) Issuance and placement of permit and windshield sticker; restrictions.

(1) A permit and a windshield sticker will be issued once the application is approved, and each will be mailed to the applicant at the address contained in the application.

(2) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void and will require a new permit and sticker.

(3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department. The request shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

(e) Transfer of permit. An annual permit issued under this section is not transferable between vehicles.

(f) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

(g) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

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- 1 (1) on the expiration of the permit;
- 2 (2) when the lease of the vehicle expires;
- 3 (3) on the sale or other transfer of ownership of the vehicle for which the permit
- 4 was issued; or
- 5 (4) on the dissolution or termination of the partnership, corporation, or other legal
- 6 entity to which the permit was issued.
- 7 (h) Curfew restrictions. The operator of a permitted vehicle must observe the curfew
- 8 movement restrictions published by the department.
- 9 (i) Construction or maintenance areas.
- 10 (1) Permits issued under this section authorize the operator of the permitted
- 11 vehicle to travel through any state highway construction or maintenance area, provided the size
- 12 and weight of the vehicle do not exceed the construction restrictions that are available on the
- 13 department's website. If a permitted vehicle is delivering concrete to a state highway construction
- 14 or maintenance jobsite within a construction or maintenance area, the following may provide the
- 15 permittee a written exception to operate the permitted vehicle in the construction or maintenance
- 16 area at a size or weight that exceeds the size and weight listed on the department's website: the
- 17 Texas Department of Transportation or a Texas Department of Transportation contractor that is
- 18 authorized by the Texas Department of Transportation to issue permit exceptions. The written
- 19 exception must be carried in the permitted vehicle when the vehicle is on a state highway and
- 20 must be provided to the department or law enforcement upon request.
- 21 (2) The permittee is responsible for contacting the appropriate local jurisdiction for
- 22 construction or maintenance restrictions on non-state maintained roadways.

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(j) Manufacturer's tire load rating. Permits issued under this section do not authorize the vehicle to exceed the manufacturer's tire load rating.

(k) Distribution of fees. Fifty percent of the [The] fees collected for permits under Transportation Code, §623.0171 shall be divided equally among all counties designated in the permit application. [distributed as follows:]

~~[(1) 50 percent shall be deposited to the credit of the state highway fund; and]~~

~~[(2) 50 percent shall be divided equally among all counties designated in the permit application under Transportation Code, §623.0171.]~~

§219.34. North Texas Intermodal Permit.

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for transporting an intermodal shipping container under the provisions of Transportation Code, §623.0172.

(b) Application for permit.

(1) To qualify for a North Texas intermodal permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, telephone number, and email address of contact person;

(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number; and

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1 (D) applicant's USDOT Number if applicant is required by law to have a USDOT
2 Number.

3 (3) The application shall be accompanied by the total annual permit fee of \$1,000.

4 ~~[(4) Fees for permits issued under this section are payable as required by §219.11(f)~~
5 ~~of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

6 (c) Amendments. An annual permit issued under this section will not be amended except in
7 the case of department error.

8 (d) Transfer of permit. A permit issued under this section may only be transferred once
9 during the term of the permit from one vehicle to another vehicle in the permittee's fleet
10 provided:

11 (1) the permitted vehicle is destroyed or otherwise becomes permanently
12 inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that
13 the negotiable title or other qualifying documentation, as determined by the department, has
14 been surrendered to the department; or

15 (2) the title to the permitted vehicle is transferred to someone other than the
16 permittee, and the permittee presents proof that the negotiable title or other qualifying
17 documentation, as determined by the department, has been transferred from the permittee.

18 (e) Curfew restrictions. The operator of a permitted vehicle must observe the curfew
19 movement restrictions published by the department.

20 (f) Construction or maintenance areas. The permitted vehicle may not travel through any
21 state highway construction or maintenance area if prohibited by the construction restrictions
22 published by the department.

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(g) Nighttime [Night] movement. Nighttime [Night] movement is allowed under this permit, unless prohibited by the curfew movement restrictions published by the department.

(h) Manufacturer's tire load rating. Permits issued under this section do not authorize the vehicle to exceed the manufacturer's tire load rating.

(i) A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle in the combination is equipped with a roll stability support safety system.

(j) A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the distance between the front axle of the truck-tractor and the last axle of the semitrailer, measured longitudinally, is approximately 647 inches. For the purposes of this subsection, "approximately 647 inches" means the distance can be up to 15 percent above 647 inches for a total distance of 744.05 inches.

§219.35. Fluid Milk Transport Permit.

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for transporting fluid milk under the provisions of Transportation Code, Chapter 623, Subchapter V. ~~[U, as added by Chapter 750 (S.B. 1383), Acts of the 85th Legislature, Regular Session, 2017.]~~

(b) Application for permit.

(1) To qualify for a fluid milk transport permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

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1 (A) name, customer identification number, and address of the applicant;

2 (B) name, telephone number, and email address of contact person;

3 (C) vehicle information, including vehicle year, make, license plate number
4 and state of issuance, and vehicle identification number;

5 (D) a list of counties in which the vehicle will be operated; and

6 (E) applicant's USDOT Number if applicant is required by law to have a USDOT
7 Number.

8 (3) The application shall be accompanied by the total annual permit fee of \$1,200.

9 ~~[(4) Fees for permits issued under this section are payable as required by §219.11(f)~~
10 ~~of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

11 (c) Issuance and placement of permit and windshield sticker; restrictions.

12 (1) A permit and a windshield sticker will be issued once the application is
13 approved, and each will be mailed to the applicant at the address contained in the application.

14 (2) The windshield sticker shall be affixed to the inside of the windshield of the
15 vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will
16 not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will
17 render the sticker void and will require a new permit and sticker.

18 (3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be
19 issued, provided that the permittee submits a request on a form approved by the department
20 which shall include a statement, signed by the permittee, affirming that the sticker was lost,
21 stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

22 (d) Amendments. An annual permit issued under this section will not be amended except in
23 the case of department error.

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(e) Transfer of permit. A permit issued under this section may only be transferred once during the term of the permit from one vehicle to another vehicle in the permittee's fleet provided:

(1) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been surrendered to the department; or

(2) the title to the permitted vehicle is transferred to someone other than the permittee, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been transferred from the permittee.

(f) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

(1) on the expiration of the permit;

(2) when the lease of the vehicle expires;

(3) on the sale or other transfer of ownership of the vehicle for which the permit was issued; or

(4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued.

(g) Curfew restrictions. The operator of a permitted vehicle must observe the curfew movement restrictions published by the department.

(h) Construction or maintenance areas.

(1) The permitted vehicle may not travel through any state highway construction or maintenance area if prohibited by the construction restrictions published by the department.

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(2) The permittee is responsible for contacting the appropriate local jurisdiction for construction or maintenance restrictions on non-state maintained roadways.

(i) Nighttime ~~[Night]~~ movement. Nighttime ~~[Night]~~ movement is allowed under this permit, unless prohibited by the curfew movement restrictions published by the department.

(j) Manufacturer's tire load rating. Permits issued under this section do not authorize the vehicle to exceed the manufacturer's tire load rating.

(k) A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle in the combination is equipped with a roll stability support safety system.

§219.36. Intermodal Shipping Container Port Permit.

(a) Purpose. This section prescribes the requirements, restrictions, and procedures regarding the annual permit for transporting an intermodal shipping container under the provisions of Transportation Code, Chapter 623, Subchapter U. ~~[, as added by Chapter 108 (S.B. 1524), Acts of the 85th Legislature, Regular Session, 2017.]~~

(b) Application for permit.

(1) To qualify for an intermodal shipping container port permit, a person must submit an application to the department.

(2) The application shall be in a form prescribed by the department and at a minimum, will require the following:

(A) name, customer identification number, and address of the applicant;

(B) name, telephone number, and email address of contact person;

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(C) vehicle information, including vehicle year, make, license plate number and state of issuance, and vehicle identification number;

(D) a list of counties in which the vehicle will be operated;

(E) a list of municipalities in which the vehicle will be operated; and

(F) applicant's USDOT Number if applicant is required by law to have a USDOT Number.

(3) The application shall be accompanied by the total annual permit fee of \$6,000.

~~[(4) Fees for permits issued under this section are payable as required by §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

(c) Issuance and placement of permit and windshield sticker; restrictions.

(1) A permit and a windshield sticker will be issued once the application is approved, and each will be mailed to the applicant at the address contained in the application.

(2) The windshield sticker shall be affixed to the inside of the windshield of the vehicle in accordance with the diagram printed on the back of the sticker and in a manner that will not obstruct the vision of the driver. Any attempt to remove the sticker from the windshield will render the sticker void and will require a new permit and sticker.

(3) A replacement sticker for a lost, stolen, or mutilated windshield sticker may be issued, provided that the permittee submits a request on a form approved by the department which shall include a statement, signed by the permittee, affirming that the sticker was lost, stolen, or mutilated. The replacement sticker shall only be valid for the permitted vehicle.

(d) Amendments. An annual permit issued under this section will not be amended except in the case of department error.

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(e) Transfer of permit. A permit issued under this section may only be transferred once during the term of the permit from one vehicle to another vehicle in the permittee's fleet provided:

(1) the permitted vehicle is destroyed or otherwise becomes permanently inoperable, to an extent that it will no longer be utilized, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been surrendered to the department; or

(2) the title to the permitted vehicle is transferred to someone other than the permittee, and the permittee presents proof that the negotiable title or other qualifying documentation, as determined by the department, has been transferred from the permittee.

(f) Termination of permit. An annual permit issued under this section will automatically terminate, and the windshield sticker must be removed from the vehicle:

(1) on the expiration of the permit;

(2) when the lease of the vehicle expires;

(3) on the sale or other transfer of ownership of the vehicle for which the permit was issued; or

(4) on the dissolution or termination of the partnership, corporation, or other legal entity to which the permit was issued.

(g) Curfew restrictions. The operator of a permitted vehicle must observe the curfew movement restrictions published by the department.

(h) Construction or maintenance areas.

(1) The permitted vehicle may not travel through any state highway construction or maintenance area if prohibited by the construction restrictions published by the department.

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(2) The permittee is responsible for contacting the appropriate local jurisdiction for construction or maintenance restrictions on non-state maintained roadways.

(i) Nighttime [~~Night~~] movement. Nighttime [~~Night~~] movement is allowed under this permit, unless prohibited by the curfew movement restrictions published by the department.

(j) Manufacturer's tire load rating. Permits issued under this section do not authorize the vehicle to exceed the manufacturer's tire load rating.

(k) A truck-tractor and semitrailer combination is only eligible for a permit issued under this section if the truck-tractor is equipped with truck blind spot systems, and each vehicle in the combination is equipped with a roll stability support safety system.

(l) A truck-tractor and semitrailer combination is only eligible for a permit issued under Transportation Code, §623.402(a) if the distance between the front axle of the truck-tractor and the last axle of the semitrailer, measured longitudinally, is approximately 647 inches. For the purposes of this subsection, "approximately 647 inches" means the distance can be up to 15 percent above 647 inches for a total distance of 744.05 inches.

(m) A truck-tractor and semitrailer combination is only eligible for a permit issued under Transportation Code, §623.402(b) if the distance between the front axle of the truck-tractor and the last axle of the semitrailer, measured longitudinally, is approximately 612 inches. For the purposes of this subsection, "approximately 612 inches" means the distance can be up to 15 percent above 612 inches for a total distance of 703.8 inches.

SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL RELATED VEHICLES**43 TAC §§219.41 - 219.45**

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1

2 **STATUTORY AUTHORITY.** The department adopts amendments under Transportation Code, §621.008,
3 which authorizes the board to adopt rules that are necessary to implement and enforce Transportation
4 Code, Chapter 621; Transportation Code, §623.002, which authorizes the board to adopt rules as
5 necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.145, which
6 requires the board, in consultation with the Texas Transportation Commission, to adopt rules to provide
7 for the issuance of a permit under Subchapter G of Transportation Code, Chapter 623 regarding oil well
8 servicing and drilling machinery; Transportation Code, §1002.001, which authorizes the board to adopt
9 rules that are necessary and appropriate to implement the powers and the duties of the department;
10 Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature
11 and requirements of all available formal and informal procedures; and the statutory authority referenced
12 throughout the preamble and in the rule text, which is incorporated herein by reference.

13 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapters
14 621, 623, and 1002; and Government Code, Chapter 2001.

15

16 Text.

17 §219.41. General Requirements.

18 (a) General information.

19 (1) Permits issued under this subchapter, with the exception of permits issued under
20 §219.45 of this title (relating to Permits for Vehicles Transporting Liquid Products Related to Oil Well
21 Production), are subject to the requirements of this section.

22 (2) Oil well related vehicles are eligible for:

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1 (A) single-trip mileage permits;

2 (B) quarterly hubometer permits; and

3 (C) annual permits.

4 (b) Permit application. All applications shall be made on a form and in a manner prescribed by
5 the department. An applicant shall provide all applicable information, including:

6 (1) name, customer identification number, and address of the applicant;

7 (2) name, telephone number, and email address of contact person;

8 (3) year, make, and vehicle identification number of the unit;

9 (4) width, height, and length of the unit;

10 (5) unit axle and tire information, including number of axles, distance between axles,
11 gauge per axle, axle weights, number of tires, and tire size;

12 (6) applicant's USDOT Number if applicant is required by law to have a USDOT Number;

13 and

14 (7) any other information required by law.

15 ~~[(c) Payment of permit fees. Fees for permits issued under this subchapter are payable as~~

16 ~~described in §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and~~

17 ~~Procedures).]~~

18 (c) ~~[(d)]~~ Restrictions.

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(1) A vehicle permitted under this subchapter is subject to the restrictions specified in §219.11(l)(2) and (3), and the permittee is responsible for obtaining information concerning current restrictions from the department.

(2) Vehicles permitted under this subchapter may not cross a load restricted bridge when exceeding the posted capacity of such. Vehicles permitted under this subchapter may travel on a load restricted road unless otherwise noted.

(3) A vehicle permitted under this subchapter may travel through highway construction or maintenance areas provided the dimensions do not exceed the construction restrictions as published by the department.

(4) A unit exceeding nine feet in width, 14 feet in height, or 65 feet in length is restricted to daytime ~~[daylight]~~ movement only.

(d) ~~[(e)]~~ Transferability. Unless otherwise noted, a permit issued under this subchapter may not be transferred between units or permittees.

(e) ~~[(f)]~~ Escort requirements. In addition to any other escort requirements specified in this subchapter, vehicles permitted under this subchapter are subject to the escort requirements specified in §219.11(k).

219.42. Single-Trip Mileage Permits.

(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

06/27/24

Exhibit B

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1 (2) A single-trip mileage permit:

2 (A) is limited to a maximum of seven consecutive days;

3 (B) routes the vehicle from the point of origin to the point of destination and has
4 the route listed on the permit; and

5 (C) allows the unit to be returned to the point of origin on the same permit,
6 provided the return trip is made within the time period stated in the permit.

7 (3) A unit exceeding 175,000 pounds gross weight must:

8 (A) have front and rear escort flag vehicles to prevent traffic from traveling
9 beside the unit as it crosses a bridge;

10 (B) cross all multi-lane bridges by centering the unit on a lane line;

11 (C) cross all two-lane bridges in the center of the bridge; and

12 (D) cross each bridge at a speed not greater than 20 miles per hour.

13 (4) A unit exceeding 12 feet in width must be centered in the outside traffic lane of any
14 highway that has paved shoulders.

15 (b) Maximum permit weight limits.

16 (1) The maximum permit weight for any single axle must not exceed 30,000 pounds or
17 850 pounds per inch of tire width, whichever is less.

18 (2) The maximum permit weight for any group of axles on a unit will be determined by
19 calculating the "W" weight for the group, using the formulas shown in Figure 2: 43 TAC §219.42(f), titled

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1 "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding
2 "W" weight that is established in Figure 1: 43 TAC §219.42(f), titled "Maximum Permit Weight Table."

3 (3) The maximum permit weight per inch of tire width for axles that are steerable must
4 not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not
5 steerable must not exceed 850 pounds.

6 (4) A unit that does not have any group of axles that exceeds the limits established in
7 Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f),
8 "Maximum Permit Weight Formulas" will be permitted with a single-trip mileage or quarterly hubometer
9 permit for travel on any route that does not include a load restricted bridge.

10 (5) A unit that has any group of axles that exceeds the limits established by Figure 1: 43
11 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit
12 Weight Formulas" will be eligible, on an individual case-by-case basis, for a single-trip mileage permit
13 only; permit approval or denial will be based on a detailed route study and an analysis conducted by
14 TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) are capable
15 of sustaining the movement.

16 (6) A road or bridge that has been analyzed and determined to be incapable of
17 sustaining the unit will be excluded from the permit route.

18 (c) Permit application and issuance.

19 (1) An application for a single-trip mileage permit under this section must be made in
20 accordance with §219.41(b) of this title and shall also include the origin and destination points of the
21 unit.

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(2) Upon receipt of the application, the department will review and verify unit size and weight information, check route and mileage to be traveled, compute the permit fee, and advise the applicant of the permit fee.

(3) Upon receipt of the permit fee, the department will advise the applicant of the permit number, and will provide a copy of the permit to the applicant.

(d) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a single-trip mileage permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Permit fee calculation. The fee for a single-trip mileage permit is calculated by multiplying the number of miles traveled, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Highway use factor. The highway use factor for a single trip mileage permit is 0.6.

(B) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. For a trailer-mounted ~~[trailer-mounted]~~ unit, the total rate per mile is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

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1 (iii) The mileage rate for a single axle or any axle within a group that
2 exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045
3 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle
4 group and dividing the resultant figure by 1,000 pounds.

5 (iv) The mileage rate for a single axle or any axle within a group that
6 exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055
7 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle
8 group and dividing the resultant figure by 1,000 pounds.

9 (3) Permit fees for trailer-mounted ~~[trailer-mounted]~~ units.

10 ~~[(A)]~~ The permit fee for a trailer-mounted ~~[trailer-mounted]~~ unit is based on the
11 overall width, overall height, and all axle weights, including the truck-tractor axles.

12 ~~[(B) A unit with two or more axle groups that do not have a spacing of at least 12~~
13 ~~feet between the closest axles of the opposing groups must have the permit fee calculated by the~~
14 ~~following method.]~~

15 ~~[(i) The axle group with the lowest weight will have the axle closest to~~
16 ~~the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet~~
17 ~~between the two groups for fee calculation purposes.]~~

18 ~~[(ii) An axle group will not have more than one axle disregarded.]~~

19 ~~[(iii) The permit fee for the axle group with the temporarily disregarded~~
20 ~~axle must be based on the actual weight of the entire axle group minus the legal weight for the~~
21 ~~remaining axles of the group.]~~

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(4) Refunds. Fees for permits issued under this section are non-refundable.

(e) Amendments. A single-trip mileage permit may not be amended unless an exception is granted by the department.

(f) Weight table and formulas. The following table entitled "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.42(f), and the list of formulas entitled, "Maximum Permit Weight Formulas," is Figure 2: 43 TAC §219.42(f).

[Attached Graphic](#)

[Attached Graphic](#)

219.43. Quarterly Hubometer Permits.

(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(2) A quarterly hubometer permit:

(A) is effective for three consecutive months;

(B) allows the unit to travel on all state-maintained highways; and

(C) allows the unit to travel on a state-wide basis.

(3) A unit permitted under this subsection must not exceed any of the following dimensions:

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- 1 (A) 12 feet in width;
- 2 (B) 14 feet, 6 inches in height; and
- 3 (C) 95 feet in length.
- 4 (4) With the exception of units that are overlength only, a unit operated with a permit
- 5 issued under this section must be equipped with a hubometer. The permittee must maintain the
- 6 hubometer in good working condition.
- 7 (5) A unit exceeding 175,000 pounds gross weight must:
- 8 (A) have front and rear escort flag vehicles to prevent traffic from traveling
- 9 beside the unit as it crosses a bridge;
- 10 (B) cross all multi-lane bridges by centering the unit on a lane line;
- 11 (C) cross all two-lane bridges in the center of the bridge; and
- 12 (D) cross each bridge at a speed not greater than 20 miles per hour.
- 13 (b) Maximum permit weight limits.
- 14 (1) The maximum permit weight for any single axle must not exceed 30,000 pounds or
- 15 850 pounds per inch of tire width, whichever is less.
- 16 (2) The maximum permit weight for any group of axles on a unit will be determined by
- 17 calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.42(f), "Maximum
- 18 Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight
- 19 that is established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table."

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(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A unit that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be permitted with a single-trip mileage or quarterly hubometer permit for travel on any route that does not include a load restricted bridge.

(5) A unit that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be eligible, on an individual case-by-case basis, for a single-trip mileage permit only; permit approval or denial will be based on a detailed route study and an analysis conducted by TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) are capable of sustaining the movement.

(6) A bridge that has been analyzed and determined to be incapable of sustaining the unit will be excluded from the permit route.

(c) Initial permit application and issuance.

(1) An application for an initial quarterly hubometer permit under this section must be made in accordance with §219.41(b) of this title. In addition, the applicant must provide the current hubometer mileage reading and an initial \$31 processing fee.

(2) Upon verification of the unit information and receipt of the permit fee, the department will provide a copy of the permit to the applicant, as well as a renewal application.

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(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must be made on a form and in the manner prescribed by the department.

(2) Upon receipt of the renewal application, the department will verify unit information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees.

(1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Fees for overlength units. A unit that is overlength only must obtain a quarterly hubometer permit with a fee of \$31, but is not required to have a hubometer.

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the unit's current hubometer mileage reading minus the unit's hubometer mileage reading from the previous quarterly hubometer permit.

(B) Highway use factor. The highway use factor for a quarterly hubometer permit is 0.3.

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(C) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. The rate per mile for a trailer-mounted ~~[trailer-mounted]~~ unit is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(4) Permit fees for trailer-mounted ~~[trailer-mounted]~~ units.

~~[(A)]~~ The permit fee for a trailer-mounted ~~[trailer-mounted]~~ unit is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

~~[(B) A unit with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.]~~

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~~[(i) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.]~~

~~[(ii) An axle group will not have more than one axle disregarded.]~~

~~[(iii) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.]~~

(f) Amendments. A quarterly hubometer permit may be amended only to change the following:

(1) if listed on the permit, the hubometer serial number; or

(2) the license plate number.

§219.44. Annual Permits.

(a) General information. Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(1) Annual self-propelled oil well servicing unit permits.

~~[(A) A unit that does not exceed legal size and weight limits and is registered with a permit plate must purchase an annual permit issued under this section.]~~

~~[(B)]~~ The fee for an annual self-propelled oil well servicing unit permit is \$52 per axle. The indirect cost share is included in this fee.

(2) Annual oil field rig-up truck permits.

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1 (A) An oil field rig-up truck permitted under this section must not exceed:

2 (i) legal height or length limits, as provided in Transportation Code,

3 Chapter 621, Subchapter C;

4 (ii) 850 pounds per inch of tire width on the front axle;

5 (iii) 25,000 pounds on the front axle; or

6 (iv) legal weight on all other axles.

7 (B) An oil field rig-up truck, operating under an annual permit, must be

8 registered in accordance with Transportation Code, Chapter 502.

9 (C) The annual permit fee for an oil field rig-up truck is \$52. The indirect cost
10 share is included in this fee.

11 (D) An annual permit for an oil field rig-up truck allows the unit to travel at
12 nighttime [night], provided the unit does not exceed nine feet in width.

13 (3) A permit issued under this section may not be amended.

14 (4) A permit issued under this section allows travel on a statewide basis and on all state
15 maintained highways.

16 (b) Permit application and issuance.

17 (1) An application for an annual permit under this section must be made in accordance
18 with §219.41(b) of this title.

19 (2) Upon receipt of the application and the appropriate fees, the department will
20 provide a copy of the permit to the applicant.

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1

2 §219.45. Permits for Vehicles Transporting Liquid Products Related to Oil Well Production.

3 (a) General provisions. This section applies to the following vehicles which may secure an annual
4 permit issued under provisions of Transportation Code, Chapter 623, Subchapter G, to haul liquid loads
5 over all state-maintained highways.

6 (1) A vehicle combination consisting of a truck-tractor and semi-trailer specifically
7 designed with a tank and pump unit for transporting:

8 (A) liquid ~~fracking~~ ~~[fracing]~~ products, liquid oil well waste products, or unrefined
9 liquid petroleum products to an oil well; or

10 (B) unrefined liquid petroleum products or liquid oil well waste products from an
11 oil well not connected to a pipeline.

12 (2) A permit issued under this section is effective for one year beginning on the effective
13 date.

14 (b) Application for permit.

15 (1) An application for an annual permit under this section must be made in accordance
16 with §219.41(b) of this title (relating to General Requirements).

17 (2) The permit request must be received by the department not more than 14 days prior
18 to the date that the permit is to begin.

19 (c) Permit qualifications and requirements.

20 (1) The semi-trailer must be of legal size and weight.

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1 ~~[(2) The semi-trailer must be registered for the maximum legal gross weight.]~~

2 (2) ~~[(3)]~~ Only one semi-trailer will be listed on a permit.

3 (3) ~~[(4)]~~ The permit may be transferred from an existing trailer being removed from
4 service and placed on a new trailer being added to the permittee's fleet, if the permittee supplies the
5 department with:

6 (A) the existing valid permit number;

7 (B) the make and model of the new trailer;

8 (C) the license plate number of the new trailer; and

9 (D) a transfer fee of \$31 per permit to cover administrative costs.

10 (d) Fees. ~~[All fees associated with permits issued under this section are payable as described in~~
11 ~~\$219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).]~~

12 (1) The permit fee is based on the axles of the semi-trailer and the drive axles of the
13 truck-tractor. The fee for the permit, which includes the indirect cost share, is determined as follows:

14 (A) \$52 per axle--to haul liquid oil well waste products or unrefined liquid
15 petroleum products from oil wells not connected by a pipeline and return empty;

16 (B) \$52 per axle--to haul liquid products related to oil well production to an oil
17 well and return empty; and

18 (C) \$104 per axle--to haul liquid products related to oil well production to an oil
19 well and return with liquid oil well waste products or unrefined liquid petroleum products from an oil
20 well not connected to a pipeline.

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(2) Each permittee will be charged a \$20 issuance fee in addition to the permit fee.

(e) Permit movement conditions. The permit load must not cross any load-restricted bridge when exceeding the posted capacity of such.

SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT EQUIPMENT MOTOR**VEHICLES****43 TAC §§219.60 - 219.64**

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.181, which authorizes the department to issue an annual permit for the movement over a highway or road in this state of an unladen lift equipment motor vehicle that exceeds the maximum weight or width limitations prescribed by statute; Transportation Code, §623.195, which requires the board, in consultation with the Texas Transportation Commission, to adopt rules to provide for the issuance of a permit under Subchapter J of Transportation Code, Chapter 623 regarding trip permits for unladen lift equipment motor vehicles; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all

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1 available formal and informal procedures; and the statutory authority referenced throughout the
2 preamble and in the rule text, which is incorporated herein by reference.

3 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapters
4 621, 623, and 1002; and Government Code, Chapter 2001.

5
6 Text.

7 219.60. Purpose.

8 The sections in this subchapter set forth the requirements and procedures applicable to permits
9 issued for unladen lift equipment motor vehicles [~~cranes~~] under the provisions of Transportation Code,
10 Chapter 623, Subchapters I and J.

11
12 §219.61. General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor
13 Vehicles.

14 (a) General information.

15 (1) Unless otherwise noted, permits issued under this subchapter are subject to the
16 requirements of this section.

17 (2) Unladen lift equipment motor vehicles [~~cranes~~] are eligible for an annual permit
18 under this subchapter.

19 (3) Unladen lift equipment motor vehicles [~~cranes~~] are also eligible for the following
20 permits under this subchapter at weights above those established by §219.11(d)(2) of this title (relating
21 to General Oversize/Overweight Permit Requirements and Procedures):

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1 (A) single-trip mileage permits; and

2 (B) quarterly hubometer permits.

3 ~~[(4) If a truck tractor is used to transport a trailer-mounted crane, the combination of~~
4 ~~vehicles is limited to the dimensions and weights listed in this subchapter.]~~

5 (b) Permit application. An application shall be made on a form and in a manner prescribed by the
6 department. The applicant shall provide all applicable information, including:

7 (1) name, customer identification number, and address of the applicant;

8 (2) name, telephone number, and email address of contact person;

9 (3) year, make and vehicle identification number of the unladen lift equipment motor
10 vehicle ~~[crane]~~;

11 (4) width, height, and length of the unladen lift equipment motor vehicle ~~[crane]~~;

12 (5) unladen lift equipment motor vehicle ~~[crane]~~ axle and tire information, including the
13 number of axles, distance between axles, gauge per axle, axle weights, number of tires, and tire size;

14 (6) applicant's USDOT Number if applicant is required by law to have a USDOT Number;

15 and

16 (7) any other information required by law.

17 ~~[(c) Payment of permit fees. Fees for permits issued under this subchapter are payable as~~
18 ~~described in §219.11(f) of this title.]~~

19 (c) ~~[(d)]~~ Restrictions.

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(1) An unladen lift equipment motor vehicle [~~A crane~~] permitted under this subchapter is subject to the restrictions specified in §219.11(l)(2) and (3) of this title, and the permittee is responsible for obtaining information concerning current restrictions from the department.

(2) An unladen lift equipment motor vehicle [~~A crane~~] permitted under this subchapter may travel through highway construction or maintenance areas provided the dimensions do not exceed the construction restrictions as published by the department.

(3) An unladen lift equipment motor vehicle [~~A crane~~] permitted under this subchapter may only be operated during daytime [~~daylight~~], unless:

(A) the unladen lift equipment motor vehicle [~~crane~~] is overweight only; or

(B) the unladen lift equipment motor vehicle [~~crane~~] complies with one of the following, regardless of whether the unladen lift equipment motor vehicle [~~crane~~] is overweight:

(i) the unladen lift equipment motor vehicle [~~crane~~] does not exceed nine feet in width, 14 feet in height, or 65 feet in length; or

(ii) the unladen lift equipment motor vehicle [~~crane~~] is accompanied by a front and rear escort flag vehicle and does not exceed:

(I) 10 feet, 6 inches in width;

(II) 14 feet in height; or

(III) 95 feet in length.

(d) [~~(e)~~] Transferability. Unless otherwise noted, a permit issued under this subchapter may not be transferred between unladen lift equipment motor vehicles [~~cranes~~] or between permittees.

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(e) [(f)] Escort requirements. In addition to any other escort requirements specified in this subchapter, unladen lift equipment motor vehicles [cranes] permitted under this subchapter are subject to the escort requirements specified in §219.11(k) of this title.

~~[(g) Properly secured equipment. A crane permitted under this subchapter may travel with properly secured equipment, such as outriggers, booms, counterweights, jibs, blocks, balls, cribbing, outrigger pads, and outrigger mats, in accordance with the manufacturer's specifications to the extent the equipment is necessary for the crane to perform its intended function, provided the axle weights, axle group weights, and gross weight do not exceed the maximum permit weights listed in this subchapter.]~~

§219.62. Single-Trip [Single-Trip] Mileage Permits.

(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles).

(2) A single-trip mileage permit:

(A) is limited to a maximum of seven consecutive days;

(B) is routed from the point of origin to the point of destination and has the route listed on the permit; and

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1 (C) allows the unladen lift equipment motor vehicle [~~crane~~] to be returned to
2 the point of origin on the same permit, provided the return trip is made within the time period stated in
3 the permit.

4 (3) An unladen lift equipment motor vehicle [~~A crane~~] exceeding 175,000 pounds gross weight
5 must:

6 (A) have front and rear escort flag vehicles to prevent traffic from traveling
7 beside the unladen lift equipment motor vehicle [~~crane~~] as it crosses a bridge;

8 (B) cross all multi-lane bridges by centering the unladen lift equipment motor
9 vehicle [~~crane~~] on a lane line;

10 (C) cross all two-lane bridges in the center of the bridge; and

11 (D) cross each bridge at a speed not greater than 20 miles per hour.

12 (4) An unladen lift equipment motor vehicle [~~A crane~~] exceeding 12 feet in width must
13 be centered in the outside traffic lane of any highway that has paved shoulders.

14 (5) Except as otherwise provided in this section, the permitted unladen lift equipment
15 motor vehicle [~~crane~~] must not cross a load-restricted bridge when exceeding the posted capacity of the
16 bridge.

17 (b) Maximum permit weight limits.

18 (1) The maximum permit weight for any single axle must not exceed 30,000 pounds or
19 850 pounds per inch of tire width, whichever is less.

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(2) The maximum permit weight for any group of axles on an unladen lift equipment motor vehicle [a crane] is determined by calculating the "W" weight for the group, using the formulas shown in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) An applicant with an unladen lift equipment motor vehicle [a crane] that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," must comply with the following process and requirements:

(A) submit the following to the department to determine if a permit can be issued:

(i) a detailed diagram, on a form prescribed by the department, which illustrates the required information listed in §219.61(b)(5) of this title;

(ii) the exact beginning and ending points relative to a state highway;
and

(iii) the name and contact information of the applicant's TxDOT-approved licensed professional engineer.

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1 (B) The department will select and provide the applicant with a tentative route
2 based on the size of the unladen lift equipment motor vehicle [crane], excluding the weight. The
3 applicant must inspect the tentative route and advise the department, in writing, that the route is
4 capable of accommodating the unladen lift equipment motor vehicle [crane].

5 (C) Before the department will issue a permit, the applicant's TxDOT-approved
6 licensed professional engineer must submit to TxDOT a written certification that includes a detailed
7 structural analysis of the bridges on the proposed route demonstrating that the bridges and culverts on
8 the travel route are capable of sustaining the unladen lift equipment motor vehicle [crane]. The
9 certification must be approved by TxDOT and submitted to the department before the department will
10 issue the permit.

11 (c) Permit application and issuance.

12 (1) An application for a single-trip mileage permit under this section must be made in
13 accordance with §219.61(b) of this title and must also include the origin and destination points of the
14 unladen lift equipment motor vehicle [crane].

15 (2) Upon receipt of the application, the department will review and verify size and
16 weight information, check the route and mileage to be traveled, compute the permit fee, and advise the
17 applicant of the permit fee.

18 (3) Upon receipt of the permit fee, the department will advise the applicant of the
19 permit number and will provide a copy of the permit to the applicant.

20 (d) Permit fees and refunds.

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1 (1) Minimum fee. The minimum fee for a single-trip mileage permit is either the
2 calculated permit fee or \$31, whichever is the greater amount.

3 (2) Permit fee calculation. The permit fee for a single-trip mileage permit is calculated by
4 multiplying the number of miles traveled, the highway use factor, and the total rate per mile, and then
5 adding the indirect cost share to the product.

6 (A) Highway use factor. The highway use factor for a single-trip mileage permit is
7 0.6.

8 (B) Total rate per mile. The total rate per mile is the combined mileage rates for
9 width, height, and weight for the unladen lift equipment motor vehicle. ~~[crane. The rate per mile for a~~
10 ~~trailer-mounted crane is based on the overall width, overall height, and all axle weights, including the~~
11 ~~truck tractor axles.]~~

12 (i) The mileage rate for width is \$.06 per mile for each foot (or fraction
13 thereof) above legal width.

14 (ii) The mileage rate for height is \$.04 per mile for each foot (or fraction
15 thereof) above legal height.

16 (iii) The mileage rate for a single axle or any axle within a group that
17 exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045
18 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle
19 group and dividing the resultant figure by 1,000 pounds.

20 (iv) The mileage rate for a single axle or any axle within a group that
21 exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055

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times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

~~[(3) Exceptions to fee computations. A crane with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.]~~

~~[(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.]~~

~~[(B) An axle group will not have more than one axle disregarded.]~~

~~[(C) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.]~~

(3) ~~[(4)]~~ Refunds. Fees for permits issued under this section are non-refundable.

(e) Amendments. A single-trip mileage permit issued under this section may not be amended unless an exception is granted by the department.

(f) Weight table and formulas. The following table entitled "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.62(f), and the list of formulas entitled "Maximum Permit Weight Formulas," is Figure 2: 43 TAC §219.62(f).

[Attached Graphic](#)

[Attached Graphic](#)

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1

2 219.63. Quarterly Hubometer Permits.

3 (a) General information.

4 (1) Permits issued under this section are subject to the requirements of §219.61 of this
5 title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment
6 Motor Vehicles).

7 (2) A quarterly hubometer permit:

8 (A) is effective for three consecutive months;

9 (B) allows the unladen lift equipment motor vehicle [~~crane~~] to travel on all state-
10 maintained highways; and

11 (C) allows the unladen lift equipment motor vehicle [~~crane~~] to travel on a state-
12 wide basis.

13 (3) An unladen lift equipment motor vehicle [~~A crane~~] permitted under this section must
14 not exceed any of the following dimensions:

15 (A) 12 feet in width;

16 (B) 14 feet, 6 inches in height; or

17 (C) 95 feet in length.

18 (4) With the exception of unladen lift equipment motor vehicles [~~cranes~~] that are
19 overlength only, unladen lift equipment motor vehicles [~~cranes~~] operated with a quarterly hubometer

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1 permit must be equipped with a hubometer. The permittee must maintain the hubometer in good
2 working condition.

3 (5) An unladen lift equipment motor vehicle [~~A crane~~] exceeding 175,000 pounds gross
4 weight must:

5 (A) have front and rear escort flag vehicles to prevent traffic from traveling
6 beside the unladen lift equipment motor vehicle [~~crane~~] as it crosses a bridge;

7 (B) cross all multi-lane bridges by centering the unladen lift equipment motor
8 vehicle [~~crane~~] on a lane line;

9 (C) cross all two-lane bridges in the center of the bridge; and

10 (D) cross each bridge at a speed not greater than 20 miles per hour.

11 (6) The permitted unladen lift equipment motor vehicle [~~crane~~] must not cross a load-
12 restricted bridge when exceeding the posted capacity of the bridge.

13 (7) The permit may be amended only to change the following:

14 (A) if listed on the permit, the hubometer serial number; or

15 (B) the license plate number.

16 (b) Maximum permit weight limits.

17 (1) The maximum permit weight for any single axle must not exceed 30,000 pounds or
18 850 pounds per inch of tire width, whichever is less.

19 (2) The maximum permit weight for any group of axles on an unladen lift equipment
20 motor vehicle [~~a crane~~] will be determined by calculating the "W" weight for the group, using the

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1 formulas in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the
2 calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC
3 §219.62(f), "Maximum Permit Weight Table."

4 (3) The maximum permit weight per inch of tire width for axles that are steerable must
5 not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not
6 steerable must not exceed 850 pounds.

7 (4) An unladen lift equipment motor vehicle [~~A crane~~] that has any group of axles that
8 exceeds the limits established by Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and
9 Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," is not eligible for a permit under this
10 section; however, it is eligible for a permit under §219.62 of this title (relating to Single-Trip Mileage
11 Permits).

12 (c) Initial permit application and issuance.

13 (1) An application for an initial quarterly hubometer permit must be made in accordance
14 with §219.61(b) of this title. In addition, the applicant must provide the current hubometer mileage
15 reading and an initial \$31 processing fee.

16 (2) Upon verification of the unladen lift equipment motor vehicle [~~crane~~] information
17 and receipt of the permit fee, the department will provide a copy of the permit to the applicant, and will
18 also provide a renewal application form to the applicant.

19 (d) Permit renewals and closeouts.

20 (1) An application for a permit renewal or closeout must be made on a form and in a
21 manner prescribed by the department.

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(2) Upon receipt of the renewal application, the department will verify the unladen lift equipment motor vehicle ~~[crane]~~ information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees.

(1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the calculated permit fee or \$31, whichever is the greater amount.

(2) Fees for overlength unladen lift equipment motor vehicles ~~[cranes]~~. An unladen lift equipment motor vehicle ~~[A crane]~~ that is overlength only is not required to have a hubometer. The fee for this permit is \$31.

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the unladen lift equipment motor vehicle's ~~[crane's]~~ current hubometer mileage reading minus the unladen lift equipment motor vehicle's ~~[crane's]~~ hubometer mileage reading from the previous quarterly hubometer permit.

(B) Highway use factor. The highway use factor for a quarterly hubometer permit is 0.3.

(C) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unladen lift equipment motor vehicle ~~[crane]~~.

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(i) The mileage rate for width is \$.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is \$.04 per mile for each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying \$.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying \$.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

~~[(4) Special fee provisions. A crane with two or more axle groups that do not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.]~~

~~[(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.]~~

~~[(B) An axle group will not have more than one axle disregarded.]~~

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Chapter 219, Oversize and Overweight Vehicles and Loads

1 ~~[(C) The permit fee for the axle group with the temporarily disregarded axle~~
2 ~~must be based on the actual weight of the entire axle group minus the legal weight for the remaining~~
3 ~~axles of the group.]~~

219.64. Annual Permits.

6 (a) General information. Permits issued under this section are subject to the requirements of
7 §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen
8 Lift Equipment Motor Vehicles).

9 (1) An unladen lift equipment motor vehicle ~~[A crane]~~ permitted under this section must
10 not exceed:

11 (A) the weight limits established in §219.11(d)(1), (2), and (3) of this title
12 (relating to General Oversize/Overweight Permit Requirements and Procedures);

13 (B) a gross weight of 120,000 pounds;

14 (C) legal length and height limits as specified in Transportation Code, Chapter
15 621, Subchapter C; and

16 (D) 10 feet in width.

17 (2) A permit issued under this section may not be amended.

18 (3) An unladen lift equipment motor vehicle ~~[A crane]~~ permitted under this section must
19 not cross a load-restricted bridge or a load-restricted road when exceeding the posted capacity of such.

20 (b) Permit application and issuance.

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(1) Initial permit application. An application for an annual permit under this section must be made in accordance with §219.61(b) of this title.

(2) Permit issuance. Upon receipt of the application and the appropriate permit fee, the department will verify the application information and provide the permit to the applicant.

SUBCHAPTER F. COMPLIANCE**43 TAC §§219.81, 219.84 and 219.86**

STATUTORY AUTHORITY. The department adopts the amendment under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; and the statutory authority referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendment implements Transportation Code, Chapters 621, 622, 623, and 1002; and Government Code, Chapter 2001.

Text.

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Chapter 219, Oversize and Overweight Vehicles and Loads

1 §219.81. Applicability.

2 (a) A person operating or loading a vehicle for which a permit under this chapter is required shall
3 comply with all applicable terms, conditions, and requirements of the permit, and with this chapter and
4 Transportation Code, Chapters 621, 622, or 623 as applicable.

5 (b) A person loading a vehicle or operating on a public road or highway a vehicle for which a
6 permit under this chapter is not required shall comply with the weight and size provisions of
7 Transportation Code, Chapters 621, 622, or 623.

8 ~~[(c) Gross weight registration. A person may not operate on a highway or public road a vehicle~~
9 ~~that exceeds its gross weight registration.]~~

10

11 **STATUTORY AUTHORITY.** The department adopts the repeals under Transportation Code, §621.008,
12 which authorizes the board to adopt rules that are necessary to implement and enforce Transportation
13 Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are
14 necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002,
15 which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623;
16 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
17 appropriate to implement the powers and the duties of the department; and the statutory authority
18 referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

19 **CROSS REFERENCE TO STATUTE.** The adopted repeals implement Transportation Code, Chapters 621,
20 622, 623 and 1002.

21

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Chapter 219, Oversize and Overweight Vehicles and Loads

1 Text.

2 [~~§219.84. Compliance with Remote Permit System.~~]

3 [~~A person who by contract is authorized by the department to access the electronic filing~~
4 ~~applications system shall comply with all of the requirements of the contract and any conditions placed~~
5 ~~on the permits.~~]

6

7 [~~§219.86. Permit Compliance.~~]

8 [~~A permit issued under this chapter becomes invalid immediately on the violation of a rule or a~~
9 ~~condition or requirement placed on the permit. Movement over a highway or public road of the vehicle~~
10 ~~for which the permit was issued after the permit becomes invalid under this section is a violation of this~~
11 ~~chapter and subject to enforcement action under this chapter and Transportation Code, Chapter 621,~~
12 ~~622, or 623.~~]

13

14 **SUBCHAPTER G. RECORDS AND INSPECTIONS**

15 **43 TAC §219.102**

16

17 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
18 §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce
19 Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt
20 rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation
21 Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation

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Code, Chapter 623; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; and the statutory authority referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The amendments implement Transportation Code, Chapters 621, 622, and 623; and Government Code, Chapter 2001.

Text.

§219.102. Records.

(a) General records to be maintained. Each person who is subject to this chapter shall maintain the following records if information in such a record is necessary to verify the person's operation:

(1) operational logs, insurance certificates, and documents to verify the person's operations;

(2) complete and accurate records of services performed; and

(3) all certificate of title documents, shipper's certificate of weight, including information used to support the shipper's certificate of weight, weight tickets, permits for oversize or overweight vehicles and loads, dispatch records, load tickets, waybill or any other document that verify the operations of the vehicle to determine the actual weight, insurance coverage, size or capacity of the vehicle, and the size or weight of the commodity being transported.

(b) Evidence of permits.

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Chapter 219, Oversize and Overweight Vehicles and Loads

(1) Except as stated otherwise in §219.13(e)(4)(B)(ii) of this title (relating to Time Permits), the original permit, a print copy of the permit, or an electronic copy of the permit must be kept in the permitted vehicle until the permit terminates or expires.

(2) Except as stated otherwise in §219.13(e)(4)(B)(ii), an operator of a vehicle operating under a permit issued under Transportation Code, Subtitle E, shall, on request, provide the original permit, a print copy of the permit, or an electronic copy of the permit to a department inspector or to a peace officer, as defined by Code of Criminal Procedure, Article 2.12.

(A) If the department provides a permit electronically, the vehicle operator may provide a legible and accurate image of the permit displayed on a wireless communication device.

~~[(B) The display of an image that includes permit information on a wireless communication device under this paragraph does not constitute effective consent for a law enforcement officer, or any other person, to access the contents of the wireless communication device except to view the permit information.]~~

(B) ~~[(C)]~~ The authorization of the use of a wireless communication device to display permit information under this paragraph does not prevent the State Office of Administrative Hearings or a court of competent jurisdiction from requiring a person to provide a paper copy of the person's evidence of permit in a hearing or trial or in connection with discovery proceedings.

~~[(D) A telecommunications provider, as defined by Utilities Code, §51.002, may not be held liable to the operator of the motor vehicle for the failure of a wireless communication device to display permit information under this paragraph.]~~

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(c) Preservation and destruction of records. Records required under this section shall be maintained for not less than two years, except that drivers' time cards and logs shall be maintained for not less than six months.

SUBCHAPTER H. ADMINISTRATIVE PENALTIES AND SANCTIONS**43 TAC §219.123**

STATUTORY AUTHORITY. The department adopts the repeal under Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.271, which requires the payment of an administrative penalty under §623.271 before the department may issue a permit under Transportation Code, Chapter 623 to a person who has been ordered to pay the administrative penalty and for the vehicle that is the subject of the enforcement order; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Government Code, §2001.054, which specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license; and the statutory authority referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

06/27/24

Exhibit B

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Adopted Sections

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Chapter 219, Oversize and Overweight Vehicles and Loads

1 **CROSS REFERENCE TO STATUTE.** The adopted repeal implements Transportation Code, Chapters 621,
2 622, and 623; and Government Code, Chapter 2001.

3

4 Text.

5 ~~[\$219.123. Implications for Nonpayment of Penalties; Grounds for Action.]~~

6 ~~[The department may not issue an oversize or overweight permit to the person who has not~~
7 ~~paid an administrative penalty that is due or for the vehicle that is the subject of the enforcement order~~
8 ~~until the amount of the delinquent administrative penalty has been paid to the department.]~~

9

10

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 6
Subject: Rule Review Adoption under Government Code, §2001.039: Chapter 219, Oversize and Overweight Vehicles and Loads

RECOMMENDATION

Action Item. Approval to publish the notice of readoption of Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter A; Subchapter B, §§219.10-219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H for publication in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The department conducted a review of Chapter 219, with the exception of §219.16, to comply with Government Code, §2001.039. The department will review §219.16 separately in the future.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Government Code, §2001.039 requires state agencies to review their rules every four years and to readopt, readopt with amendments, or repeal the current rules. The department has determined that the reasons for initially adopting the rules in Chapter 219, Subchapter A; Subchapter B, §§219.10-219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H continue to exist. The department therefore recommends readoption of Chapter 219, Subchapter A; Subchapter B, §§219.10-219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H, subject to amendments and repeals, which are also presented to the board at this meeting for consideration to adopt.

The notice of the department's intention to review was published in the *Texas Register* on February 23, 2024. The comment period closed on March 25, 2024. No comments were received on the rule review.

As a result of the review, the department identified necessary amendments and repeals in Chapter 219. Those amendments and repeals are also presented to the board at this meeting for consideration to adopt.

TITLE 43. TRANSPORTATION

Adopted Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 219

Intention to Readopt

The Texas Department of Motor Vehicles (department) files this notice of readoption of Title 43 Texas Administrative Code (TAC), Part 10, Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter A; Subchapter B, §§219.10-219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H, subject to the amendments and repeals in Chapters 219 that are also published in this issue of the *Texas Register*. The review was conducted pursuant to Government Code, §2001.039.

Notice of the department's intention to review was published in the February 23, 2024, issue of the *Texas Register* (49 TexReg 1107). The department did not receive any comments on the rule review.

As a result of the review, the department readopts Chapter 219, Subchapter A; Subchapter B, §§219.10 - 219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H in accordance with the requirements of Government Code, §2001.039, with amendments and repeals in Chapter 219 resulting from the rule review also published in this issue of the *Texas Register*. The department has determined that the reasons for initially adopting the readopted rules continue to exist. The department will review §219.16 separately in the future.

This concludes the review of Chapter 219, Subchapter A; Subchapter B, §§219.10–219.15 and 219.17; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; and Subchapter H.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 6/27/2024**BRIEFING ITEM**

To: Texas Department of Motor Vehicles Board
From: Roland Luna, Deputy Executive Director
Agenda Item: 7
Subject: House Bills (HB) 718 and 3297, and Senate Bill 224 Implementation Update (88th Texas Legislature, Regular Session)

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

During the 88th Texas Legislature, Regular Session (2023), three bills passed that required significant implementation by TxDMV: House Bill (HB) 718, which eliminated temporary tags and timed permits in favor of metal plates, HB 3297, which eliminated safety inspections, and Senate Bill 224, which enacted new requirements related to catalytic converters. Each of these bills required that the board pass rules to implement the statutory changes.

FINANCIAL IMPACT

No financial impact. The financial impact of these implementations will be found in each amended chapter of the Texas Administrative Code.

BACKGROUND AND DISCUSSION

TxDMV began working on the implementation of HB 718 by creating committees to assist with different components of the legislation. Five (5) committees were formed to structure and manage the implementation of HB 718. Each committee was tasked with clearly defined goals to make the implementation of HB 718 seamless and efficient across the TxDMV. One of these committees, the Regulatory Affairs Committee, was responsible for implementing administrative rules.

Board Meeting Date: 6/27/2024
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Ashley Healy, Deputy General Counsel
Agenda Item: 8
Subject: Advisory Committee Recommendations: Vehicle Titles and Registration Advisory Committee (VTRAC), Motor Vehicle Industry Regulation Advisory Committee (MVIRAC), and Customer Service and Protection Advisory Committee (CSPAC) Recommendations

RECOMMENDATION

Briefing Only. That the Texas Department of Motor Vehicles Board (board) consider advisory committee recommendations for amendments to 43 Texas Administrative Code (TAC), Chapter 215.

PURPOSE AND EXECUTIVE SUMMARY

To implement Transportation Code §1001.031, by retaining or establishing one or more advisory committees to make recommendations to the board or the executive director.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

In February and March 2024, the Vehicle Titles and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC) held meetings to review and to discuss possible amendments to 43 TAC Chapters 215, Motor Vehicle Distribution; 217, Vehicle Titles and Registration; and 221, Salvage Vehicle Dealers; for Presentation to the Board. As a result of those meetings, the VTRAC, MVIRAC and the CSPAC made recommendations for rule amendments to Chapter 215.

Under 43 TAC §206.93(j), recommendations of the advisory committees are reported to the board at a board meeting prior to board action on issues related to the recommendations. The Presiding Officer of the advisory committee or the presiding officer's designee may appear before the board to present their respective advisory committee's recommendations. MVIRAC Presiding David Blassingame will appear before the board to present their joint and individual advisory committee recommendations for amendments to department rules for the board's consideration.

Staff has incorporated the advisory committees' recommendations into the draft rule text for proposed amendments to 43 TAC Chapter 215 that the board will consider as Item 9 on this agenda.

Roles of the Five Advisory Committees

1. The **Customer Service and Protection Advisory Committee** will make recommendations related to improving and enhancing customer service by the department including: infrastructure, new customer service initiatives, policy and process improvements, and technology; topics on investigation and enforcement issues including: vehicle titles and registration fraud; lemon law; the warranty performance program; and various other topics affecting consumers.
2. The **Household Goods Rules Advisory Committee** will make recommendations on topics related to the protections for consumers using the service of a motor carrier who is transporting household goods for compensation.
3. The **Motor Carrier Regulation Advisory Committee** will make recommendations on topics related to motor carrier registration and motor carrier regulation.
4. The **Motor Vehicle Industry Regulation Advisory Committee** will make recommendations on topics related to regulation of the motor vehicle industry.
5. The **Vehicle Titles and Registration Advisory Committee** will make recommendations on topics related to vehicle titles and registration.

Customer Service and Protection Advisory Committee (CSPAC), Motor Vehicle Regulation Advisory Committee (MVIRAC), and Vehicle Titles and Registration (VTRAC) Recommendations to TxDMV Board

Impacted Section	Recommendation By	Recommended Change
Chapter 215, Motor Vehicle Distribution		
§215.120(d)	MVIRAC	Modify item (3) to read: “the VIN of the vehicle, <u>if applicable</u> ; and” and modify item (4) to read: “the name of the person in control of the vehicle plate.”
§215.140(a)(6)(E)	All three committees	<p>VTRAC: Modify item (6)(E) to read: “at least one securely locked, substantially constructed, <u>secure storage room, facility</u>, safe or steel cabinet, bolted or affixed to the floor or wall in such a way that the safe or steel cabinet cannot be readily removed...” and add the language wherever draft rules describe license plate storage.</p> <p>MVIRAC: Modify item (6)(E) to read: “at least one locked, secured storage room, safe or steel cabinet that cannot be readily removed, and of sufficient size to store all dealer’s and buyer’s plates in a dealer’s possession...” and make this modification in any instance where license plate storage security is covered in the draft rules.</p> <p>CSPAC: Modify item (6)(E) to include requirements for storage of license plates and add this modification wherever the language occurs in the draft rules.</p>

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 9
Subject: Chapter 215, Motor Vehicle Distribution
(Relating to HB 718 and SB 224 Legislative Implementation, and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the rule amendments, new sections, and repeals in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments, new sections, and repeals would implement House Bill (HB) 718 and Senate Bill (SB) 224, 88th Legislature, Regular Session (2023), and clarify language in Chapter 215.

FINANCIAL IMPACT

In the first five years the program will create costs to the department for implementation and ongoing administration, ranging from \$13.5 million to \$21.5 million per year. However, these costs will be offset by an increase in revenue to the department from the new \$10 license plate fee.

BACKGROUND AND DISCUSSION

This proposal implements HB 718 and SB 224, both of which were enacted during the 88th Legislature, Regular Session (2023). HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaces these tags with categories of license plates, effective July 1, 2025. HB 718 requires the department to determine new distribution methods, systems, and procedures and set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and requires the department to adopt related rules by December 1, 2024. Beginning July 1, 2025, if a motor vehicle is sold to a Texas resident, a Texas dealer will assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license plate, and the assigned license plate will stay with the vehicle if the vehicle is later sold to another Texas buyer.

On May 29, 2023, catalytic converter recordkeeping and inspection requirements in SB 224 became effective for certain license holders under Occupations Code, Chapter 2301 and owners of a garage or repair shop. Two new sections, §215.122 and §215.162, are being proposed in addition to other amendments to implement this statutory change. If the board adopted these proposals, the department would recommend an earlier effective date than July 1, 2025.

Repeals of §215.153 and §215.159 are proposed to implement HB 718 as §215.153 contains the specifications for all temporary tags, and §215.159 contains the requirements for temporary tags issued and displayed by a converter.

In 2019, the Sunset Commission recommended the board establish advisory committees and adopt rules regarding standard advisory committee structure and operating criteria. The board adopted rules in 2019 and advisory committees

have since provided valuable input on rule proposals considered by the board for proposal or adoption. In February and March 2024, the department provided an early draft of rule changes implementing HB 718 to three department advisory committees, the Vehicle Titles and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC). Committee members voted on formal motions and provided informal comments on other provisions. The department incorporated input from all three committees and the Tax-Assessor Collector Association (TACA) in proposed §§215.2, 215.138, 215.140, 215.150-215.152, 215.155-215.158, and 215.178. Additionally, stakeholders including the Texas Automobile Dealers Association (TADA), the Texas Independent Automobile Dealers Association (TIADA), the Texas Recreational Vehicle Association (TRVA), and the Texas Motorcycle Dealers Association (TMDA) provided feedback and input on one or more rule proposals.

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Chapter 215 – Motor Vehicle Distribution

PROPOSAL OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §215.1 and §215.2****SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS****43 TAC §§215.101, 215.102, AND 215.120-122****SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.****43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-****215.160, AND 215.162****SUBCHAPTER E. LESSORS AND LEASE FACILITATORS****43 TAC §215.178****REPEAL OF****SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES****§§215.151, 215.153, 215.154 and 215.159**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §215.1 and §215.2; proposes amendments to Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters, 43 TAC §§215.101, 215.102, 215.120, and 215.121, and proposes new §§215.122, 215.123, and 215.124; in Subchapter D. General Distinguishing Numbers and In-Transit Licenses, proposes amendments to §§215.131–133; 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150, 215.152, 215.155-215.158, and 215.160, proposes new §§215.151, 215.154, and 215.162, and proposes repeals of §§215.151, 215.153, 215.154 and 215.159; and in Subchapter F. Lessors and Lease Facilitators, proposes amendments to §215.178. These amendments, new sections, and repeals are necessary to implement

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Chapter 215 – Motor Vehicle Distribution

1 House Bill (HB) 718 and Senate Bill (SB) 224, enacted during the 88th Legislature, Regular Session (2023).
2 HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when
3 purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025.
4 HB 718 requires the department to determine new distribution methods, systems, and procedures, and
5 set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to
6 implement or administer these changes in law and requires the department to adopt related rules by
7 December 1, 2024. Beginning July 1, 2025, if a motor vehicle is sold to a Texas resident, a Texas dealer will
8 assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license plate, and
9 the assigned license plate will stay with the vehicle if the vehicle is later sold to another Texas buyer.
10 Proposed amendments implementing Occupations Code, Chapters 1956 and 2305, as amended by SB 224,
11 require certain license holders under Occupations Code, Chapter 2301, and an owner of a garage or repair
12 shop to keep records regarding catalytic converters and make those records available for inspection.

13 Two new sections are being proposed, §215.122 and §215.162, to implement the catalytic
14 converter recordkeeping and inspection requirements in SB 224, which became effective on May 29,
15 2023.

16 Repeals of §215.151 and §215.154 are proposed to implement HB 718 and new replacement rules
17 are being proposed for each of these two sections. Repeals of §215.153 and §215.159 are also proposed
18 to implement HB 718 as §215.153 contains the specifications for all temporary tags, and §215.159
19 contains the requirements for temporary tags issued and displayed by a converter. Neither of these rules
20 are necessary effective July 1, 2025, when temporary tags will no longer exist.

21 In 2019, the Sunset Commission recommended the board establish advisory committees and
22 adopt rules regarding standard advisory committee structure and operating criteria. The board adopted
23 rules in 2019 and advisory committees have since provided valuable input on rule proposals considered

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Chapter 215 – Motor Vehicle Distribution

1 by the board for proposal or adoption. In February and March 2024, the department provided an early
2 draft of rule changes implementing HB 718 to three department advisory committees, the Vehicle Titles
3 and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory
4 Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC). Committee
5 members voted on formal motions and provided informal comments on other provisions. The department
6 incorporated input from all three committees and the Tax Assessor-Collector Association (TACA) in
7 proposed §§215.2, 215.138, 215.140, 215.150-215.152, 215.155-215.158, and 215.178. Additionally,
8 stakeholders including the Texas Automobile Dealers Association (TADA), the Texas Independent
9 Automobile Dealers Association (TIADA), the Texas Recreational Vehicle Association (TRVA), and the Texas
10 Motorcycle Dealers Association (TMDA) provided feedback and input on one or more rule proposals.

11 Proposed nonsubstantive amendments are necessary to modify language to be consistent with
12 statutes and other chapters in Title 43 of the Texas Administrative Code; to modify language to be
13 consistent with current practice including use of records or electronic systems; to improve readability
14 through the use of consistent terminology; to clarify or delete unused, archaic, or inaccurate definitions,
15 terms, references or other language; to clarify existing requirements, or to modernize language and
16 improve readability.

17 The effective date for these rules is proposed to be July 1, 2025, unless otherwise designated.

18 EXPLANATION.

19 Subchapter A. General Provisions.

20 Proposed amendments to §215.1 would add references to Occupations Code, Chapter 2305, and
21 Transportation Code, Chapter 520, as the scope of the rules in this chapter changed to include these
22 statutes. Occupations Code, Chapter 2305 implements SB 224, and Transportation Code, Chapter 520
23 contains provisions regarding dealer responsibilities that may be delegated by a county tax assessor

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1 collector- to a dealer deputy including the issuance of a license plate upon the sale of a vehicle as
2 authorized by HB 718.

3 Proposed amendments to §215.2(a) add statutory references to definitions in Occupations Code,
4 Chapter 2305, and Transportation Code, Chapter 520 to reflect the change in the scope of the chapter. A
5 proposed amendment in §215.2(b)(4) would add a definition for employee and defines the term as a
6 natural person employed directly by a license holder for wages or a salary and would eliminate contractors
7 from being considered employees under Chapter 215. Proposed amendments would renumber the
8 remaining definitions in this subsection. The effective date for this section is proposed to be 20 days after
9 the adoption is filed with the Texas Secretary of State.

10 Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters.

11 Proposed amendments to §215.101 would add references to Occupations Code, Chapter 2305,
12 and Transportation Code, Chapter 520, as the scope of the rules in this subchapter includes these statutes.
13 SB 224 amended Occupations Code, Chapter 2305 to give the department authority to inspect license
14 holders' catalytic converter records, and Transportation Code, Chapter 520 contains provisions regarding
15 dealer responsibilities that may be delegated by a county tax assessor-collector to a dealer deputy,
16 including the issuance of a license plate upon the sale of a vehicle as authorized by HB 718. The effective
17 date for this section is proposed to be 20 days after the adoption is filed with the Texas Secretary of State.

18 A proposed amendment to §215.102(e)(1)(K)(iv) requires an applicant for a manufacturer's
19 distributor's, or converter's license to inform the department whether the applicant repairs a motor
20 vehicle with a catalytic converter in Texas and if this type of repair is performed, the physical address at
21 which the applicant performs this repair. This proposed amendment will allow the department to obtain
22 the information necessary to carry out its responsibilities to inspect license holders' records of catalytic

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1 converter repair under SB 224. The effective date for this section is proposed to be 20 days after the
2 adoption is filed with the Texas Secretary of State.

3 Proposed amendments to §215.120(d) and §215.120(e) would require a manufacturer,
4 distributor, or converter to maintain a record of the license plates assigned for its use in the designated
5 electronic system that the department will use to manage these industry license plates. Certain data for
6 these license plates are currently housed in eLICENSING, the department's electronic licensing system.
7 During the next several months, the department will decide whether license holders will be required to
8 maintain industry license plate data in the current system or in the new license plate system that is being
9 developed and deployed to implement the broader changes required by HB 718. A proposed amendment
10 to §215.120(f) encourages license holders to immediately report all stolen license plates to local law
11 enforcement. This proposed amendment would give local law enforcement earlier notice, which may aid
12 law enforcement in identifying and stopping related criminal activity more quickly than if the stolen
13 license plate was solely reported in the department's electronic database. A proposed amendment to
14 §215.120(g) would repeal the current text as these license holders will no longer be required to keep local
15 records because all records will be held in the department-designated system, and the remaining
16 subsections would be re-lettered accordingly.

17 Proposed amendments to §215.121 would add sanctions for a license holder who fails to report
18 a lost, stolen, or damaged license plate to the department and who fails to keep or maintain records
19 related to catalytic converters. A proposed amendment to §215.121(b)(7) would add the phrase "or fails
20 to report a lost, stolen, or damaged license plate" to inform a license holder that a sanction may apply for
21 failure to report these types of plates within the timeframe required by rule. This sanction is necessary as
22 failure to report such a plate will prevent this information from being promptly transmitted to law
23 enforcement and risks public harm. A proposed amendment to §215.121(b)(18) would add a sanction for

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1 a license holder who fails to maintain the catalytic converter records required under Occupations Code,
2 Chapter 2305, Subchapter D. This sanction is important as a license holder's failure to keep catalytic
3 converter records will impede law enforcement from investigating related criminal activity, which harms
4 Texas citizens. The effective date for this section is proposed to be 20 days after the adoption is filed with
5 the Texas Secretary of State.

6 Proposed new §215.122 implements SB 224, which is currently in effect. Proposed new §215.122
7 informs a manufacturer, distributor, or converter that if the license holder repairs a vehicle with a catalytic
8 converter in Texas, the license holder must comply with the recordkeeping and inspection requirements
9 under Occupations Code, Chapter 2305, Subchapter D. These recordkeeping and record inspection
10 requirements are required by statute and allow law enforcement to investigate related criminal activity,
11 which harms Texas citizens. The effective date for this section is proposed to be 20 days after the adoption
12 is filed with the Texas Secretary of State.

13
14 Subchapter D. General Distinguishing Numbers and In-Transit Licenses.

15 Proposed amendments to §215.131 add references to Transportation Code, Chapter 520, and
16 Occupations Code, Chapter 2305, as the scope of the rules in this subchapter changed to include these
17 statutes. SB 224 amended Occupations Code, Chapter 2305 to give the department authority to inspect
18 license holders' catalytic converter records, and Transportation Code, Chapter 520 contains provisions
19 regarding dealer responsibilities that may be delegated by a county tax assessor-collector to a dealer
20 deputy including the issuance of a license plate upon the sale of a vehicle as authorized by HB 718. The
21 effective date for this section is proposed to be 20 days after the adoption is filed with the Texas Secretary
22 of State.

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1 Proposed amendments to §215.132 would define certain terms used in the section: buyer's
2 license plate, buyer's temporary license plate, and dealer's temporary license plate. Proposed
3 amendments also delete the definition of temporary tag. A buyer's license plate is proposed to be defined
4 as a general issue plate or set of license plates issued by a dealer to a vehicle buyer under Transportation
5 Code, §503.063 for a vehicle that will be titled and registered in Texas. This term is also proposed to be
6 defined to include a buyer's provisional license plate, which is a short-term use license plate that a dealer
7 may issue if the dealer does not have the applicable license plate available for the type of vehicle the
8 buyer is purchasing. A buyer's temporary license plate is proposed to be defined as a temporary license
9 plate to be issued by a dealer to a non-resident vehicle buyer whose vehicle will be titled and registered
10 out-of-state in accordance with Transportation Code, §503.063(i). A dealer's temporary license plate is
11 defined as a license plate that a dealer who holds a general distinguishing number (GDN) may purchase
12 and use for the purposes allowed under Transportation Code, §502.062. Proposed amendments to these
13 definitions would implement HB 718, which eliminates temporary paper tags and requires the department
14 to create new categories of license plates that will be affixed to a vehicle upon purchase. Some of the
15 remaining definitions are proposed to be re-lettered to allow for the addition and deletion of definitions.

16 Proposed amendments to §215.133(c)(1)(I) would add a reference to the "license plate system"
17 to implement HB 718, which eliminates temporary paper tags and becomes effective on July 1, 2025.
18 Additionally, a proposed amendment to §215.133 would add §215.133(c)(1)(P) to require GDN applicants
19 to disclose whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the
20 physical address where the repair is performed. This proposed amendment will allow the department to
21 obtain the information necessary to carry out its responsibilities under SB 224. To allow for the additional
22 requirement, the following subsection is re-lettered accordingly. A proposed amendment to
23 §215.133(c)(2)(J) would add a requirement that applicants complete training in webDEALER, the

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1 department's system through which dealers submit to the county tax assessor-collector title and
2 registration applications for purchasers. This amendment would implement HB 718, which requires all
3 dealer title and registration applications for purchasers to go through webDEALER beginning on July 1,
4 2025. Proposes amendments to §215.133(c)(3)(B) would add "dealer" and "temporary license" before the
5 word "plate" to be consistent with the amended definitions in §215.132, and to implement HB 718 when
6 it becomes effective on July 1, 2025. The effective date for this section is proposed to be the first day of a
7 calendar month following a period of at least 20 days after the adoption is filed with the Texas Secretary
8 of State.

9 Proposed amendments to §215.138 would add certain dealer's plates to those subject to the
10 requirements of the chapter, clarify certain exceptions to the license plate requirements, and add record
11 keeping and reporting requirements to prevent fraud and theft. Proposed amendments to §215.138 adds
12 personalized prestige and temporary license plates to the types of license plates to which the
13 requirements of the section apply. These types of license plates are proposed to be added in §215.138(a),
14 (b), (c), (f) and (j) to implement HB 718. This section lists the requirements for dealer's license plates and
15 referencing these additional types of plates in each subsection ensures these requirements are inclusive
16 of all types of dealer's plates that may be used by a dealer. Proposed amendments to §215.138(c) would
17 add §215.138(c)(3) and (c)(4) to add golf carts and off-highway vehicles, as described by Transportation
18 Code Chapters 551 and 551A, respectively, to ensure that §215.138(c) incorporates all the types of
19 vehicles that dealer's plates may not be displayed on, including those with the statutory exceptions, for
20 clarity and ease of reference. Proposed amendments to §215.138(h) would add the requirement that a
21 dealer maintain records of each dealer's plate in the department's designated electronic license plate
22 system rather than in the dealer's records. This proposed amendment allows the department to prevent
23 fraud and allows law enforcement access to these records. Additionally, in §215.138(h)(4), which

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describes information that must be entered into the system, proposed language requires a dealer to enter the name of the person in control of the vehicle or license plate. This proposed change would make it easier for the department and law enforcement to identify and investigate fraud and other illegal activity, while allowing dealers flexibility to assign a license plate to a vehicle or a driver. A proposed amendment to §215.138(j) encourages a dealer to immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency. This proposed amendment would give local law enforcement earlier notice, which may aid law enforcement in identifying and stopping related criminal activity more quickly than if the stolen license plate was solely reported in the department's electronic database. A proposed amendment would strike §215.138(k), which previously required a dealer's license plate record to be available for inspection by the department. This proposed subsection is no longer necessary as dealers will be entering these records into the department's designated electronic license plate system. A proposed amendment would re-letter (l) to (k) for continuity. A proposed amendment to §215.138(l) would clarify that a wholesale motor vehicle auction GDN holder that also holds a dealer's GDN may display a dealer's temporary license plate assigned to their dealer GDN on a vehicle that is being transported to or from the licensed auction location. This proposed addition clarifies that a person who holds both GDNs may use a dealer's temporary license plate to legally transport vehicles between its businesses.

Proposed amendments to §215.140 would add requirements regarding delivery of buyer's license plates and storage of those license plates. HB 718 eliminated temporary tags and created a need for buyer's plates to be delivered to dealers so that dealers may issue license plates to buyers upon vehicle purchase. This statutory change requires dealers to properly receive, secure, and store license plates to prevent fraud, plate theft, and related criminal activity. A proposed amendment to §215.140(a)(5)(F) adds buyer's plates to the types of license plates that will not be mailed to an out-of-state address, but that will

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only be delivered or mailed to a dealer's physical location. These proposed amendments are necessary to responsibly implement HB 718, which eliminates temporary tags and creates a need for buyer's plates to be delivered to dealers so that they may issue them to buyers upon vehicle purchase. Another proposed amendment to §215.140 would add §215.140(a)(6)(E), which requires a dealer to store all license plates in a dealer's possession in a locked or secured room or closet or in at least one securely locked, substantially constructed safe or steel cabinet bolted or affixed to the floor in such a way that it cannot be readily removed, to deter theft or fraudulent misuse of license plates. A proposed amendment to §215.140(b)(5) would add subsection (E), which would create a similar requirement for a wholesale motor vehicle auction GDN holder to securely store license plates removed from vehicles sold at auction, such as license plates from vehicles sold to out-of-state buyers or for export.

Proposed amendments to §215.141 would remove references to temporary tags and add sanctions that the department may assess if a license holder fails to comply with new license plate requirements or catalytic converter record requirements. These proposed changes are necessary to enforce the provisions of HB 718 and SB 224. A proposed amendment to §215.141(b)(10) would add references to "buyer's license plate or set of license plates or temporary license plates" to reflect the new plate types that the department has developed to implement HB 718, which will become effective July 1, 2025. Proposed amendments to §215.141(b)(12) and §215.141(b)(13) would add an expiration date for temporary tags of July 1, 2025, to implement HB 718. A proposed amendment to §215.141(b)(25) would update the title of a referenced rule to reflect the proposed new title for that rule. Proposed new §215.141(b)(26) would authorize sanctions should a license holder fail to securely store a license plate. Proposed new §215.141(b)(27) would authorize sanctions should a license holder fail to maintain a record of dealer license plates as required under §215.138. Proposed new §215.141(b)(28) would authorize sanctions should a license holder fail to file or enter a vehicle transfer notice. Proposed new

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1 §215.141(b)(29) would authorize sanctions should a license holder fail to enter a lost, stolen, or damaged
2 license plate in the electronic system designated by the department within the time prescribed by rule.
3 Proposed new §215.141(b)(34) would authorize sanctions should a license holder fail to remove a license
4 plate or set of license plates from a vehicle sold to an out-of-state buyer or from a vehicle sold for export.
5 The proposed amendments for §215.141(b)(26)-(29) and (34) would make the requirements of HB 718
6 enforceable by the department when HB 718 becomes effective on July 1, 2025. Proposed new
7 §215.141(b)(35) would authorize sanctions should a license holder fail to keep or maintain records
8 required under Occupations Code, Chapter 2305, Subchapter D or to allow an inspection of these records
9 by the department, to implement the record-keeping and inspection requirements of SB 224. The
10 effective date for this section is proposed to be 20 days after the adoption is filed with the Texas Secretary
11 of State.

12 A proposed amendment to §215.143(c) would streamline license plate recordkeeping for
13 in-transit license plates by requiring a drive-a-way operator to maintain required license plate data in the
14 department-designated system instead of in a local record. Additionally, in §215.143(c)(4), a proposed
15 amendment changes the requirement that the record contain the name of the person in control of the
16 vehicle to the person in control of the license plate. This proposed amendment would allow a drive-a-way
17 operator to designate in the license plate system which employee is currently responsible for an in-transit
18 plate, which would inform the department or law enforcement in case of a complaint. A proposed
19 amendment in §215.143(d)(1) strikes “operator’s plate record” and replaces it with
20 “department--designated system” for consistency. A proposed amendment to §215.143(e) would add
21 language encouraging a drive-a-way operator to immediately alert law enforcement by reporting a stolen
22 license plate to local law enforcement. This proposed amendment would give local law enforcement
23 earlier notice, which may aid law enforcement in identifying and stopping related criminal activity more

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1 quickly than if the stolen license plate was solely reported in the department's electronic database. A
2 proposed amendment would strike §215.143(f), which requires that a drive-a-way operator's license plate
3 record be available for inspection, as this is no longer necessary because these license holders will be
4 required to enter that information into the department's designated system. The remaining sections are
5 re-lettered for continuity.

6 Proposed amendments to §215.144 would replace references to the electronic title system in
7 subsection §215.144(e)(8) and §215.144(e)(9) with references to webDEALER as defined in §217.71 to
8 clarify the system to be used. A proposed amendment to §215.144(e)(9) would delete an inadvertent use
9 of "new" to describe a motor vehicle as the paragraph covers both new and used motor vehicles and is
10 unnecessary and would add "properly stamped" which was inadvertently deleted in the June 1, 2024,
11 amendment to this rule. Proposed amendments to §215.144(f)(3) would add a reference to title to clarify
12 that the reasonable time periods apply to both filing of a title and registration, simplify language to
13 improve readability, and add a new subparagraph (C) regarding timeliness for filing a title or registration
14 for certain military personnel. A proposed amendment to §215.144(i)(2)(C) would change the
15 requirement to make title application on public motor vehicle auctions from 20 working days of sale to a
16 reasonable time as defined in §215.144 (f) for consistency. Proposed amendments to §215.144(l) would
17 add punctuation and create two new subsections. The first subsection is retitled "webDEALER" and
18 incorporates existing language regarding the department's web-based title application. The proposed new
19 subsection is titled "License Plate System." This section requires a license holder to comply with §215.151,
20 which contains general requirements for the issuance of license plates by dealers and is an important
21 reference for dealers.

22 Proposed amendments to §215.147(d) would add a requirement that a dealer remove, void, and
23 destroy or recycle any license plate or registration insignia as required under §215.158 before transferring

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ownership of a vehicle to be exported, and strike paragraphs (1)-(3) relating to temporary tags. These amendments are necessary to implement HB 718 and to prevent theft and fraud of these plates which are no longer assigned to a vehicle registered in Texas.

A proposed amendment to §215.148 would make a non-substantive change to delete a repetitive phrase and parenthetical in §215.148(c). The effective date for this section is proposed to be 20 days after the adoption is filed with the Texas Secretary of State.

A proposed amendment to §215.150 would change the name of the section to strike “Temporary Tags” and replace that phrase with “License Plates” to implement HB 718, which eliminated temporary tags. A proposed amendment to §215.150(a) would require a dealer to issue a general issue license plate or set of license plates for a vehicle type the dealer is authorized to sell to (1) a buyer of a new vehicle, unless the buyer has an authorized plate or set of plates which may be assigned to the vehicle, and (2) a buyer of a used vehicle if a license plate or set of plates did not come with the vehicle or if the buyer does not have authorized plates that can be assigned to the vehicle. The proposed amendments to §215.150 would recognize that under HB 718, a converter may not issue a temporary tag or license plate effective July 1, 2025, and that the purpose of the department’s database will change from the tracking and issuance of temporary tags to the tracking and issuing of license plates on July 1, 2025. Other proposed amendments throughout this section would implement HB 718 by striking all language referencing temporary tags.

New §215.150(b) would add an exception to the requirements in §215.150(a) for vehicles sold to commercial fleet buyers authorized by a county tax assessor-collector as a dealer deputy under §217.166, because these commercial fleet buyers are authorized as dealer deputies to assign license plates to vehicles purchased from a dealer. Proposed new §215.150(c) would require a dealer to issue a buyer’s temporary license plate to an out-of-state buyer for a vehicle to be registered in another state.

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1 Proposed amendments to current §215.150(b) would re-letter the subsection as §215.150(d) and
2 would replace “license holder” with “dealer” for consistency in terminology. Another amendment to
3 current §215.150(b) would remove a list of the types of temporary tags and substitute in its place a cite
4 to license plates under Transportation Code, §503.063, which was amended by HB 718 to replace
5 temporary tags with license plates. Additionally, proposed amendments to current §215.150(b) would
6 replace references to the temporary tag database with references to the license plate system and update
7 associated statutory and rule references to implement HB 718.

8 Proposed amendments to §215.150(c) would re-letter it to §215.150(e), delete “federal, state, or
9 local” to describe a governmental agency as this descriptor is unnecessary, clarify that a governmental
10 agency may issue either a general issue license plate or a buyer’s temporary license plate unless the buyer
11 has a qualifying license plate to place on the vehicle, remove references to buyer’s temporary tags and
12 internet down tags, and update Transportation Code and rule citations.

13 Proposed amendments to current §215.150(d) would re-letter it to §215.150(f), strike the term
14 “converter,” and strike references to the temporary tag database, replacing those references with license
15 plate system to implement HB 718. Additionally, a proposed amendment to re-lettered §215.150(f)(4)
16 would delete current language and would replace with a requirement for a dealer to secure all license
17 plates, including license plates assigned to vehicles in inventory, dealer’s license plates, and unissued
18 buyer’s license plates in a locked and secured room or closet or in one or more securely locked,
19 substantially constructed safes or steel cabinets bolted or affixed to the floor or wall. A proposed
20 amendment also requires dealers to properly mark and destroy, recycle, or return all void license plates
21 as required under §215.158. These amendments are necessary to responsibly implement license plate
22 management required under HB 718 and to deter license plate theft and fraud.

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1 Current §215.151 is proposed for repeal as this section describes how to use and affix temporary
2 tags, which HB 718 has eliminated. Proposed new §215.151, titled “License Plate General Use
3 Requirements, would implement HB 718, which requires the department set rules for affixing license
4 plates to vehicles. Proposed new §215.151 would maintain consistency with how plates are currently
5 affixed under §217.27. Proposed new §215.151(a) sets out the requirements for securing a license plate
6 or set of plates to a vehicle for a Texas buyer, in accordance with §217.27. Proposed new §215.151(b)
7 would requires a dealer to issue a buyer’s temporary license plates and secure these license plates to the
8 vehicle for those vehicles purchased by non-resident buyers who intend to title and register the vehicle in
9 another state. Proposed new §215.151(c) would require a dealer to remove and destroy a plate or set of
10 plates on a used vehicle if the buyer has a specialty, personalized or other qualifying plate to put on the
11 vehicle. Proposed new §215.151(d) would require a dealer to secure plates that are assigned to a
12 particular used vehicle and either put those license plates back on the vehicle at the time of sale, or if the
13 vehicle is sold to an out-of-state buyer or for export, to update the license plates system and destroy or
14 recycle those plates in accordance with department rules. These proposed revisions are necessary to
15 implement HB 718.

16 Proposed amendments to §215.152 would replace all references to temporary tags with
17 references to dealer-issued buyer’s license plates to implement HB 718, which eliminated temporary tags
18 and the temporary tag database and requires a dealer to issue or reassign a license plate or set of license
19 plates to most vehicle buyers. Proposed amendments to §215.152(a) would strike the terms “converter”
20 and “temporary tag database” and replace those terms with “webDEALER” and “the license plate system,”
21 and add language requiring a dealer to be responsible for verifying receipt of license plates in the license
22 plate system. These proposed amendments recognize that under HB 718, a converter may not issue a
23 temporary tag or license plate effective July 1, 2025, and that the purpose of the database will change

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1 from the tracking and issuance of temporary tags to the tracking and issuing of license plates on July 1,
2 2025.

3 Proposed amendments to §215.152(b) would update the cross-reference with the proposed new
4 title of §215.157, “Issuing License Plates when Internet Not Available,” and would replace current
5 language by substituting requirements for a dealer to enter information in the license plate system,
6 including information about the vehicle, the buyer, and the license plate number assigned.

7 Proposed amendments to §215.152(c) would require the department to inform each dealer of
8 the annual maximum number of buyer’s license plates the dealer is authorized to obtain, substitute
9 “obtain” for “issue,” and add a reference to Transportation Code §503.063. Additional proposed
10 amendments to §215.152(c) would add language to describe the two types of buyer’s license plate
11 allotments that a dealer is eligible to obtain from the department, which are: (1) an allotment of
12 unassigned general issue license plates or set of license plates for vehicles to be titled and registered in
13 Texas, and (2) a separate allotment of buyer’s temporary license plates for non-resident buyers.

14 Proposed amendments to §215.152(d)(1) would provide that a dealer’s allotment will be based
15 on vehicle title transfers, sales, or license plate issuance data as determined from the department’s
16 systems from the previous fiscal year, as well as previously used multipliers based on time in operation or
17 actual in-state and out-of-state sales transactions. Proposed amendments to these previously existing
18 factors in §215.152(d)(A) and (B) would replace the “number of dealer’s temporary tags issued” with the
19 number of transactions processed through the department. Proposed amendments to §215.152(d)(4)
20 would strike temporary tags and add the word “annual” to be clear that the allotment of license plates is
21 on an annual basis.

22 A proposed amendment would strike as unnecessary former §215.152(e), which relates to
23 allocating temporary tags for converters because a converter may not issue a temporary tag or license

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plate effective July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718. The remaining subsections of §215.152 are proposed to be re-lettered accordingly.

Proposed amendments to current §215.152(f), proposed to be re-lettered as §215.152(e) would strike references to “converter,” and replace references to temporary tags with references to general issue and buyer’s temporary license plates. Additionally, proposed amendments to current §215.152(f)(1) would provide that a new franchised dealer may be issued 200 general issue license plates and 100 buyer’s temporary plates annually, and would provide that the franchised dealer may request more license plates based on credible information indicating a higher quantity is warranted. These proposed plate allocations are based on historical data for newly licensed franchised dealers. Proposed amendments would strike current §§215.152(f)(1)(A) and (B) because they relate only to temporary tags. Proposed amendments to current §215.152(f)(2) would provide the annual allocation of license plates for new non-franchised dealers as 100 general issue license plates and 48 buyer’s temporary license plates. These proposed plate allocations are based on historical data for newly licensed non-franchised dealers. Another proposed amendment to current §215.152(f) would strike §215.152(e)(3), because it relates only to the converter’s temporary tag allocation.

Proposed amendments to current §§215.152(g) and (h), which are proposed to be re-lettered as §§215.152(f) and (g), would replace references to temporary tags with references to license plates throughout, changes “license” to “GDN” and “dealership” to “dealer” for consistency in terminology, and update subsection designations based on proposed amendments.

New proposed §215.152(h) would state that the plates will be distributed on a quarterly basis, so that dealers will have enough inventory on hand to conduct business but will not have to store the entirety of the annual plate allotment at once. New proposed §215.152(i) would explain when a dealer may submit a request for additional plates, to ensure that dealers are able to order more plates well in advance of

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1 needing them and paralleling the current requirements for temporary tag requests in current §215.152(i)
2 and would delete prior language that would no longer be applicable under HB 718. New proposed
3 §215.152(j) would require a request to be submitted in in the license plate system. New proposed
4 §215.152(k) would explain the process by which a dealer must submit the request for additional plates
5 and the information that is required from the dealer, incorporating language currently in §215.152(i) with
6 the terms and statutory citations changed for consistency with HB 718 implementation. Proposed
7 amendments to the language currently in §215.152(i) that is proposed to be incorporated into new
8 §215.152(k)(3) would change the division within the department where appeals will be reviewed from the
9 Motor Vehicle Division to the Vehicle Titles and Registration Division to be consistent with current agency
10 operations. Other proposed amendments would re-letter current §§215.152(j) and (k), delete references
11 to converters and temporary tags because a converter may not issue a temporary tag or license plate
12 effective July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718, add references to
13 license plate system activity, and update statutory references. A proposed amendment would strike
14 §215.152(l), as this subsection, prohibiting rollover of temporary tag allotments from one calendar year
15 to the next, is no longer necessary. Each of these proposed amendments is necessary to implement HB
16 718.

17 Section 215.153 is proposed for repeal as part of HB 718 implementation because it only sets out
18 the specifications for the design of temporary tags and is therefore no longer necessary. Similarly,
19 §215.154 is proposed for repeal because it only describes how dealer's temporary tags are to be used,
20 and these temporary tags will no longer exist following the implementation of HB 718.

21 Proposed new §215.154 would implement HB 718 by addressing the allocation of a new license
22 plate type created by HB 718, a dealer's temporary license plate. Proposed new §215.154(a) would base
23 the number of dealer's temporary license plates a dealer may order on the type of license for which the

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1 dealer applied and the number of vehicles the dealer sold during the previous year, to deter theft and
2 fraudulent misuse of temporary plates by limiting supply. Proposed new §215.154(b) would give the
3 maximum number of dealer's temporary license plates issued to new license applicants during the
4 applicants' first license term in a graphic table. Proposed new §215.154(c) would list the exceptions for
5 which a dealer would not be subject to the initial allotment so that certain dealers who previously
6 qualified for more license plates may continue using their current allocation. Proposed new §215.154(d)
7 would allow a dealer to obtain more than the maximum initial allotment limits for dealer's temporary
8 plates by providing sales numbers from the prior year that justify an increased allocation, to allow for
9 flexibility and business continuity for those dealers who have a documented need for additional plates.
10 Similarly, proposed new §215.154(e) would allow wholesale motor vehicle dealers to obtain more than
11 the maximum initial allotment of dealer's temporary plates by providing the department with numbers of
12 vehicles purchased over the past 12 months that predict a need for additional license plates, to ensure
13 that a wholesaler has sufficient temporary plates to meet documented demand. Proposed new
14 §215.154(f) would allow the department to waive maximum issuance restrictions if the waiver is essential
15 for the continuity of business if the dealer provides the department with sales data and reason for the
16 waiver request, so as to allow the department flexibility to meet the demonstrated business needs of its
17 licensees with appropriate allocations on a case-by-case basis. Proposed new §215.154 would thus
18 implement HB 718 with an allocation system for dealer temporary license plates that balances the need
19 to limit allocations to avoid excess inventory creating an increased risk of license plate fraud or theft, with
20 the need to provide license holders with the plates they need to have on hand for their customers.

21 Proposed amendments to §215.155 would replace all references to buyer's temporary tags with
22 "general issue license plates or set of plates or buyer's temporary license plate" to implement HB 718,
23 which eliminated temporary tags in favor of license plates. A proposed amendment to §215.155(c) would

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1 require that for a wholesale transaction, a dealer may not issue a buyer's plate; rather, the purchaser
2 must use its own dealer's plate to display on a purchased vehicle. If a general issue plate or set of plates
3 is already assigned to the vehicle, the selling dealer must provide the general issue plates to the
4 purchasing dealer. This proposed amendment is to ensure that an assigned license plate stays with the
5 vehicle to which the license plate was originally assigned. The proposed amendments to §215.155 include
6 striking §215.155(e) as unnecessary because it only addresses requirements for temporary tags, which HB
7 718 has eliminated. The remaining subsections of §215.155 would be re-lettered accordingly. Proposed
8 amendments to current §215.155(f) would strike the current temporary tag fee and prescribe a new \$10
9 fee for buyer's plates. Proposed amendments to current §215.155(f) would similarly strike the current
10 temporary tag fee that governmental agencies may charge and prescribe a new \$10 fee that governmental
11 agencies may charge for buyer's plates. HB 718 amended Transportation Code §503.063(g) to eliminate
12 the temporary tag fee and to require the department to prescribe a fee to be charged by the dealer to the
13 buyer for license plates that are issued or assigned to the buyer upon vehicle purchase. The department
14 has determined that a \$10 fee will be sufficient to cover the expected costs associated with registering
15 and processing the new license plates required by HB 718. Additionally, a proposed amendment to current
16 §215.155(f)(1) would replace "electronic title system" with "designated electronic system" to better
17 reflect current department procedure.

18 Proposed amendments to §215.156 would replace all references to temporary tags with
19 references to buyer's license plates, to implement HB 718, which eliminated temporary tags in favor of
20 license plates. The purpose of §215.156 is to describe the requirements for a dealer to provide a vehicle
21 buyer with a buyer's license plate receipt. Proposed amendments requiring a dealer to print a receipt
22 from the department's designated electronic system reflect that HB 718 will require dealers to print
23 license plate receipts from a different electronic system. The proposed amendments to §215.156 would

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1 delete unnecessary language describing the process for printing temporary tag receipts, since HB 718
2 abolished temporary tags. Proposed amendments would also remove references to metal plates in favor
3 of “vehicle registration insignia” to reflect new processes and standardize terminology across chapters.
4 Additionally, proposed new §215.156(7) would require the receipt to include the procedure by which the
5 vehicle registration insignia will be provided to the buyer, as is required under Transportation Code,
6 §503.0631(d-1), as amended by HB 718. The proposed amendments to §215.156 would also delete
7 unnecessary language and punctuation.

8 Proposed amendments to §215.157 would implement HB 718 by describing the process for a
9 dealer to issue a license plate and a license plate receipt when internet access is not available by replacing
10 the prior requirement for a dealer to print out an internet down tag with a requirement for a dealer to
11 document the issuance of a buyer’s general issue license plate and then enter that information in the
12 license plate system not later than the close of the next business day. These proposed amendments are
13 necessary to implement HB 718 and maintain the integrity of the data in the license plate database.

14 Proposed amendments to §215.158 would describe the general requirements for buyer’s license
15 plates necessary to implement HB 718. Proposed amendments to the title of §215.158 would add “for
16 Buyer’s License Plates” and delete an unnecessary reference to “Preprinted Internet-down Temporary
17 Tag Numbers.” Proposed amendments to §215.158 would delete language related to internet-down
18 temporary tags, which are obsolete since HB 718 eliminated temporary tags, and replace it with language
19 about license plates. Proposed amendments to §215.158(a) would also make nonsubstantive wording and
20 punctuation changes and delete an unnecessary descriptive phrase for a governmental agency to improve
21 readability and retain the dealer and governmental agency’s responsibility for safekeeping of license
22 plates and for prompt reporting of license plates that are lost, stolen, or destroyed. A proposed
23 amendment to §215.158(a) would encourage a dealer or governmental agency to immediately report all

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1 stolen license plates to local law enforcement. This proposed amendment would give local law
2 enforcement earlier notice, which may aid law enforcement in identifying and stopping related criminal
3 activity more quickly than if the stolen license plate was solely reported in the department's electronic
4 database. Proposed amendments to §215.158(b) would require a dealer to remove and void any
5 previously assigned plates that cannot stay with the motor vehicle. Under the proposed amendment, the
6 dealer must mark these license plates as void and destroy, recycle the void license plates with a metal
7 recycler registered under Occupations Code, Chapter 1956, or return the void license plates to the
8 department or a county tax assessor-collector. This is to prevent potential theft or fraud relating to plates
9 that have been removed from a vehicle. These amendments are necessary to responsibly implement HB
10 718. Proposed amendments to §215.158(c) would require a dealer to return all buyer's license plates in
11 their possession to the department within 10 days of closing the associated license or within 10 days of
12 the department revoking, canceling or closing the associated license, to reduce the risk of theft or
13 fraudulent misuse of the plates. The remaining subsections of §215.158 are proposed for deletion as these
14 subsections refer only to internet-down tags and are no longer necessary with the implementation of HB
15 718.

16 Proposed for repeal, §215.159 describes the requirements for converter's temporary
17 tags, which will not exist when HB 718 is implemented, making §215.159 unnecessary.

18 Proposed amendments to §215.160(a) and §215.160(b) would replace the references to titles
19 under Transportation Code, §501.100 with the words "issued a title" to clarify that if a dealer knows a
20 motor vehicle has formerly been a salvage vehicle, they must disclose this fact, regardless of whether the
21 motor vehicle is currently titled under Transportation Code, §501.100. The effective date for this section
22 is proposed to be 20 days after the adoption is filed with the Texas Secretary of State.

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1 Proposed new §215.162 would implement SB 224 by requiring dealers that repair a motor vehicle
2 with a catalytic converter to comply with the statutory recordkeeping requirements in Occupations Code,
3 Chapter 2305, Subchapter D, and to allow the department to inspect those records during business hours.
4 The effective date for this section is proposed to be 20 days after the adoption is filed with the Texas
5 Secretary of State.

6
7 Subchapter F. Lessors and Lease Facilitators

8 A proposed amendment to §215.178(a)(2) would simplify language for improved readability by
9 changing “a request from a representative of the department” to “a department records request.”
10 Proposed amendments to §§215.178(c)(7)(C) and (D) and §215.178(c)(8) would replace references to the
11 electronic title system with references to webDEALER, as defined in 43 TAC §217.71, relating to
12 Automated and Web-Based Vehicle Registration and Title Systems, to provide additional context to the
13 specific part of the electronic title system to which the section applies. A proposed amendment in
14 §215.178(c)(8) would add an “a” before motor vehicle to correct sentence grammar. A proposed
15 amendment to §215.178(g) would add an exception to those records that may be kept electronically for
16 documents listed in subsection (c)(8) of this section, which are records that dealers are required to keep
17 in webDEALER. The effective date for this section is proposed to be 20 days after the adoption is filed with
18 the Texas Secretary of State.

19 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
20 has determined that for each year of the first five years the rule will be in effect, there will be no significant
21 fiscal impact to local governments as a result of the enforcement or administration of the proposal. With
22 regard to state government, Ms. Bowman has determined that for each year of the first five years the rule
23 will be in effect, the program will create costs to the department for implementation and ongoing

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administration, ranging from \$13.5 million to \$21.5 million per year for each of the first five years. However, Ms. Bowman has determined that for each year of the first five years the rule will be in effect, these costs will be offset by an increase in revenue to the department from the new plate fee of \$10.

Monique Johnston, Director of the Motor Vehicle Division (MVD) and Corrie Thompson, Director of the Enforcement Division (ENF), have determined that there will be not be a measurable effect on local employment or the local economy as a result of the proposal because the overall number of motor vehicle sales will not be affected.

PUBLIC BENEFIT AND COST NOTE. Ms. Johnston and Ms. Thompson have also determined that, for each year of the first five years the new section is in effect, there are multiple public benefits anticipated because of the elimination of temporary tags and increased oversight of catalytic converter repairs and that certain applicants and license holders may incur costs to comply with the proposal. The department prioritized the public benefits associated with reducing fraud and related crime and improving public health and safety, while carefully considering potential costs to license holders consistent with board and department responsibilities.

Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include limiting the criminal activity of a small subset of dealers who may fraudulently obtain and sell catalytic converters for profit, or obtain, sell, or issue license plates to persons seeking to engage in violent criminal activity, including armed robbery, human trafficking, and assaults on law enforcement, or to criminally operate uninsured and uninspected vehicles as a hazard to Texas motorists and the environment.

Anticipated Costs To Comply With The Proposal. Ms. Johnston and Ms. Thompson anticipate certain license holders may incur costs to comply with these proposed rules.

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1 Proposed amendments to §215.102 and §215.133 may require applicants and license holders to
2 provide more information in the application. While some applicants may be required to spend a few
3 minutes more to complete an application, Ms. Johnston and Ms. Thompson have determined these costs
4 will be offset by the reduced risk of applicants and holders incurring financial and criminal penalties due
5 to noncompliance with Occupations Code, Chapter 2305, Subchapter D and may allow the department to
6 educate applicants about areas where the applicants' business operations may not meet the requirements
7 of the Occupations Code, prior to licensure. Importantly, this information allows the department to
8 comply with the requirements of Occupations Code, Chapter 2305 which requires the department to
9 enforce catalytic converter recordkeeping requirements consistent with the department's obligations to
10 detect and deter fraud and prevent consumer harm.

11 In proposed new §215.122 and §215.162, a license holder that repairs a vehicle with a catalytic
12 converter is required to comply with statutory recordkeeping requirements and to allow the department
13 to inspect those records. Ms. Thompson expects that most license holders already maintain the required
14 records in an existing system. However, if a license holder does not currently keep the required records,
15 a license holder will be required to keep additional records and may do so in a paper record or in a
16 spreadsheet using free software available on the internet. The department's civil penalty guidelines for
17 license holders who violate statutory provisions range from \$500 to \$10,000 per violation. Ms. Thompson
18 has determined that any recordkeeping cost will be offset by the reduced risk to these license holders
19 incurring financial penalties and potential criminal liability under Occupations Code, Chapter 2305 due to
20 noncompliance with laws and regulations and will benefit the public by preventing consumer harm
21 associated with the criminal activity related to catalytic converters.

22 Proposed amendments to §215.138, relating to Dealer's License Plates, §215.147, relating to
23 Export Sales, and §215.158, relating to General Requirements for Buyer's License Plates, require a dealer

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1 to permanently mark the front of a license plate with the word “void” or a large “X” if a dealer’s temporary
2 plate or a buyer’s license plate is no longer valid for use. Department research suggests that the cost of a
3 permanent marker is \$1.50 per marker. Proposed amendments to these rules also require a dealer to
4 destroy a void buyer’s license plate, recycle a void plate with a registered metal recycler, or return the
5 void plate to the department, or to a county tax assessor-collector if the void license plate is a buyer’s
6 license plate. Aviation tin snips may be used to destroy a void license plate. Department research suggests
7 that the cost of tin snips, which can cut metal, is approximately \$20.00. A dealer or other license holder
8 may choose to recycle void license plates. Department research suggests that the cost of doing so through
9 a metal recycler will vary by locality and the availability of local recycling facilities, with some regions
10 benefitting from free curbside-pickup recycling programs and others requiring license holders to expend
11 transportation costs to take the plates to a recycling facility. Department research also suggests that scrap
12 aluminum, such as voided license plates, is currently worth about \$.50 per pound when sold to a metal
13 recycler. Lastly, a dealer may return a void buyer’s license plate to the department, including one of the
14 regional service centers, or a county tax assessor-collector office, or mail a void plate to the department.
15 Department research suggests that the average cost to mail a plate is \$9.65. The proposed rules provide
16 a license holder with multiple options for responsible disposal of void license plates and a license holder
17 may choose which option is least expensive or most convenient based on the license holder’s operation.
18 Ms. Johnston and Ms. Thompson have reviewed the department research regarding the cost of marking
19 and the options for destroying, recycling, or returning void license plates and have determined that these
20 costs are reasonable and necessary to reduce the potential for fraudulent plate use and to protect the
21 public, including law enforcement personnel.

22 Proposed amendments to §215.140, relating to Established and Permanent Place of Business
23 Premises Requirements, and §215.150, relating to Dealer Authorization to Issue License Plates, require a

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1 dealer or wholesale motor vehicle auction to store license plates in a locked and secured room or closet,
2 or one or more securely locked, substantially constructed safes or steel cabinets bolted or affixed to the
3 floor or wall of sufficient size to store all license plates in the GDN holder's possession. The department
4 expects that many current license holders already use a secured room, closet, safe, or steel cabinet to
5 store valuable equipment or supplies, and therefore will incur no costs as a result of the proposed
6 amendments. However, certain license holders may have to purchase secure lock for an existing room,
7 closet, or steel cabinet. Department research suggests that the cost of a secure door lock is approximately
8 \$25.00 with approximately \$30 in labor for installation, and the cost of a lock for steel cabinet is
9 approximately \$12.00. A license holder may also have to secure an existing safe or steel cabinet to a floor
10 or wall; department research suggests that the cost of an anchoring kit for a safe is approximately \$11.00
11 and the cost of hardware necessary to secure a steel cabinet to a wall or floor is approximately \$30.00,
12 while necessary labor costs for either installation would be approximately \$50.00. If a license holder would
13 like to construct a closet, department research suggests that the cost to build a closet would be
14 approximately \$3,000 including a locking door. Department license plate storage estimates suggest that
15 an average license holder would be required to store approximately 75 to 250 plates including all dealer's
16 and buyer's license plate types. If a license holder wishes to buy a substantially constructed safe that bolts
17 to the floor or wall to hold that quantity of plates, department research suggests the cost is approximately
18 \$200, and that the cost of a substantially constructed steel cabinet is approximately \$130.00 - \$300.00,
19 depending on the quantity of plates that the dealer needed to store securely. Ms. Johnston and Ms.
20 Thompson have determined that these costs are necessary to protect license plates from being stolen and
21 used to commit fraud and other crimes and to ensure that license plates are available for use by a license
22 holder when a vehicle is sold.

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1 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
2 Code §2006.002, the department has determined that this proposal may have an adverse economic effect
3 or disproportionate economic impact on small or micro businesses. The department has determined that
4 the proposed amendments will not have an adverse economic effect on rural communities because rural
5 communities are exempt from the requirement to hold a GDN under Transportation Code §503.024.

6 The cost analysis in the Public Benefit and Cost Note section of this proposal determined that
7 proposed amendments may result in additional costs for certain license holders. Based on data from the
8 Comptroller and the Texas Workforce Commission, the department estimates that most license holders
9 are small or micro-businesses. The department has tried to minimize costs to license holders. The new
10 proposed requirements are designed to set minimum standards that will prevent license plate fraud and
11 protect public health and safety and provide options that will allow a license holder to do so at a
12 reasonable cost. These requirements do not include requirements that will cause a license holder to incur
13 unnecessary or burdensome costs, such as employing additional persons.

14 Under Government Code §2006.002, the department must perform a regulatory flexibility
15 analysis. The department considered the alternatives of not adopting amendments, exempting small and
16 micro-business license holders from these amendments, and adopting a limited version of these
17 amendments for small and micro-business applicants and license holders. The department rejects all three
18 options. The department reviewed licensing records, including records for license holders who have been
19 denied access to the temporary tag system, and determined that small and micro-business license holders
20 are largely the bad actors perpetrating fraud. The department, after considering the purpose of the
21 authorizing statutes, does not believe it is feasible to waive or limit the requirements of the proposed
22 amendments for small or micro-business GDN dealers. Also, Government Code §2006.002(c-1) does not
23 require the department to consider alternatives that might minimize possible adverse impacts on small

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businesses and micro-businesses if the alternatives would not be protective of the health and safety of the state.

TAKINGS IMPACT ASSESSMENT. The department has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under the Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT STATEMENT. The department has determined that each year of the first five years the proposed new sections, amendments, and repeals are in effect, a government program would be created or eliminated. Implementation of the proposed new sections, amendments, and repeals will require the creation of new employee positions and will not eliminate existing employee positions. Implementation will not require an increase in future legislative appropriations to the department but will result in an increase in fees paid to the department. The proposed new sections, amendments, and repeals create new regulations that govern the processes involved in the issuance of license plates in lieu of temporary tags; expand regulations that cover recordkeeping requirements for licensees and sanctions for failure to keep records or report lost, missing or stolen license plates; and repeal existing regulations that covered the procedures involved in the issuance of temporary tags, in addition to repealed provisions §§215.151, 215.153, 215.154 and 215.159. The proposed rules do not limit any existing regulations. Lastly, the proposed new sections, amendments, and repeals do not affect the number of individuals subject to the rule's applicability and will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. Central Time (CST or CDT as applicable) on MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail

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1 to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas
2 78731. If a hearing is held, the department will consider written comments and public testimony
3 presented at the hearing.

4 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
5 department proposes amendments, new sections, and repeals to Chapter 215 under Occupations Code,
6 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
7 and the authority to take any action that is necessary or convenient to exercise that authority;
8 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
9 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
10 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
11 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
12 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
13 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
14 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
15 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
16 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
17 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
18 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
19 Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code,
20 Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain
21 contested cases; Transportation Code, §503.061, which allows the board to adopt rules regulating the
22 issuance and use of dealer's license plates; Transportation Code, §503.0631 which requires the
23 department to adopt rules to implement and manage the department's database of dealer-issued buyer's

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1 license plates; §503.0633 which allows the department to establish the maximum number of license
2 plates or sets of license plates a dealer may obtain annually under Transportation Code, §503.063 and
3 §503.065; Transportation Code, §504.0011, which allows the board to adopt rules to implement and
4 administer Chapter 504; Transportation Code, §520.003 which requires the department to adopt rules to
5 administer Chapter 520; Transportation Code, §520.0071 which requires the board to adopt rules
6 classifying deputies performing titling and registration duties, the duties and obligations of these deputies,
7 the type and amount of bonds that may be required by a county tax assessor-collector for a deputy
8 performing titling and registration duties, and the fees that may be charged or retained by deputies;
9 Transportation Code, §520.021 which allows the department to adopt rules and policies for the
10 maintenance and use of the department's automated registration and titling system; and Transportation
11 Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to
12 implement the powers and the duties of the department, as well as the statutes referenced throughout
13 this preamble.

14 The department also adopts amendments under the authority of Transportation Code, §501.0041
15 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory authority
16 referenced throughout this preamble.

17 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
18 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
19 rules to administer Transportation Code, Chapter 502.

20 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
21 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
22 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
23 of a license.

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- 1 **CROSS REFERENCE TO STATUTE.** These proposed new sections, amendments, and repeals implement
- 2 Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code,
- 3 Chapters 501-504, 520, and 1001–1003.

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SUBCHAPTER A. GENERAL PROVISIONS**43 TAC §215.1 and §215.2**

STATUTORY AUTHORITY. In addition to the rulemaking authority provided in Section 34 of HB 718, the department proposes amendments to Chapter 215 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license plates; Transportation Code, §503.0631 which requires the department to adopt rules to implement and manage the department's database of dealer-issued buyer's license plates; §503.0633 which allows the department to establish the maximum number of license plates or sets of license plates a dealer may

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1 obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code, §520.003
2 which requires the department to adopt rules to administer Chapter 520; Transportation Code, §520.0071
3 which requires the board to adopt rules classifying deputies performing titling and registration duties, the
4 duties and obligations of these deputies, the type and amount of bonds that may be required by a county
5 tax assessor-collector for a deputy performing titling and registration duties, and the fees that may be
6 charged or retained by deputies; Transportation Code, §520.021 which allows the department to adopt
7 rules and policies for the maintenance and use of the department's automated registration and titling
8 system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
9 necessary and appropriate to implement the powers and the duties of the department, as well as the
10 statutes referenced throughout this preamble.

11 The department also adopts amendments under the authority of Transportation Code,
12 §501.0041 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory
13 authority referenced throughout this preamble.

14 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
15 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
16 rules to administer Transportation Code, Chapter 502.

17 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
18 the nature and requirements of all available formal and informal procedures. Government Code,
19 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
20 annulment, or withdrawal of a license.

21 **CROSS REFERENCE TO STATUTE.** These proposed amendments implement Government Code, Chapter
22 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and
23 1001–1005.

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1

2 Text.

3 §215.1. Purpose and Scope.

4 Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 520, and

5 1001 –1005 require the Texas Department of Motor Vehicles to license and regulate the vehicle industry

6 to ensure a sound system of distributing and selling vehicles; provide for compliance with

7 manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and other

8 abuses of the people of this state in connection with the distribution and sale of vehicles. This chapter

9 describes licensing requirements and the rules governing the vehicle industry.

10

11 §215.2. Definitions; Conformity with Statutory Requirements.

12 (a) The definitions contained in Occupations Code, Chapters 2301 and 2305, and Transportation13 Code, Chapters 503, 520, and 1001–1005 govern this chapter. In the event of a conflict, the definition or

14 procedure referenced in Occupations Code, Chapter 2301 controls.

15 (b) The following words and terms, when used in this chapter, shall have the following

16 meanings, unless the context clearly indicates otherwise.

17 (1) Board--The Board of the Texas Department of Motor Vehicles, including department

18 staff to whom the board delegates a duty.

19 (2) Day--The word "day" refers to a calendar day.

20 (3) Director--The director of the division that regulates the distribution and sale of

21 motor vehicles, including any department staff to whom the director delegates a duty assigned under

22 this chapter.

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1 (4) Employee--A natural person employed directly by the license holder for wages or a
2 salary.

3 (5) [(4)] GDN--General distinguishing number, a license issued under Transportation
4 Code, Chapter 503.

5 (6) [(5)] Governmental agency--A state agency other than the department, all local
6 governmental agencies, and all agencies of the United States government, whether executive,
7 legislative, or judicial.

8 (7) [(6)] Standard license plate--A motor vehicle license plate issued by the department
9 to a license holder for use by the license holder that is not a personalized prestige dealer's license plate
10 issued under Transportation Code §503.0615.

11
12 **SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS**

13 **43 TAC §§215.101, 215.102, AND 215.120-124**

14
15 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
16 department proposes amendments and new sections to Chapter 215 under Occupations Code,
17 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
18 and the authority to take any action that is necessary or convenient to exercise that authority;
19 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
20 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
21 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
22 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
23 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which

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1 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
2 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
3 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
4 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
5 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
6 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
7 Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code,
8 Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain
9 contested cases; Transportation Code, §503.061, which allows the board to adopt rules regulating the
10 issuance and use of dealer's license plates; Transportation Code, §503.0631 which requires the
11 department to adopt rules to implement and manage the department's database of dealer-issued buyer's
12 license plates; §503.0633 which allows the department to establish the maximum number of license
13 plates or sets of license plates a dealer may obtain annually under Transportation Code, §503.063 and
14 §503.065; Transportation Code, §520.003 which requires the department to adopt rules to administer
15 Chapter 520; Transportation Code, §520.0071 which requires the board to adopt rules classifying deputies
16 performing titling and registration duties, the duties and obligations of these deputies, the type and
17 amount of bonds that may be required by a county tax assessor-collector for a deputy performing titling
18 and registration duties, and the fees that may be charged or retained by deputies; Transportation Code,
19 §520.021 which allows the department to adopt rules and policies for the maintenance and use of the
20 department's automated registration and titling system; and Transportation Code, §1002.001, which
21 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
22 duties of the department, as well as the statutes referenced throughout this preamble.

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1 The department also adopts amendments under the authority of Transportation Code,
2 §501.0041 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory
3 authority referenced throughout this preamble.

4 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
5 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
6 rules to administer Transportation Code, Chapter 502.

7 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
8 the nature and requirements of all available formal and informal procedures. Government Code,
9 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
10 annulment, or withdrawal of a license.

11 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
12 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-
13 503, 520, and 1001–1005.

14
15 Text.

16 §215.101. Purpose and Scope.

17 This subchapter implements Occupations Code, Chapters 2301 and 2305, and
18 Transportation Code, Chapters 503 and 1001 – 1005, and applies to franchised dealers,
19 manufacturers, distributors, and converters.

20
21 §215.102. Application Requirements.

22 (a) No person may engage in business, serve in the capacity of, or act as a manufacturer,
23 distributor, converter, or franchised dealer in Texas unless that person holds a license.

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(b) A license application must be on a form prescribed by the department and properly completed by the applicant. A license application must include all required information, supporting documents, and fees and must be submitted to the department electronically in the licensing system designated by the department.

(c) A license holder renewing or amending its license must verify current license information, provide related information and documents for any new license requirements or changes to the license, and pay required fees including any outstanding civil penalties owed the department under a final order.

(d) An applicant for a new license must register for an account in the department-designated licensing system by selecting the licensing system icon on the dealer page of the department website. An applicant must designate the account administrator and provide the name and email address for that person, and provide the business telephone number, name, business type, and social security number or employer identification number, as applicable. The applicant's licensing account administrator must be an owner, officer, manager, or bona fide employee.

(e) Once registered, an applicant may apply for a new license and must provide the following:

(1) Required information:

(A) type of license requested;

(B) business information, including the name, physical and mailing addresses, telephone number, Secretary of State file number (as applicable), and website address as applicable;

(C) contact name, email address, and telephone number of the person submitting the application;

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(D) contact name, email address, and telephone number of a person who can provide information about business operations and the motor vehicle products or services offered;

(E) the name, social security number, date of birth, identity document information, and ownership percentage for each owner, partner, member, beneficiary, or principal if the applicant is not a publicly traded company;

(F) the name, social security number, date of birth, and identity document information for each officer, director, manager, trustee, or other representative authorized to act on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

(G) the name, employer identification number, ownership percentage, and non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

(H) criminal history record information under the laws of Texas, another state in the United States, the United States, and any foreign jurisdiction for each person listed in the application, including offense description, date, and location;

(I) military service status;

(J) licensing history required to evaluate fitness for licensure under §215.89 of this title (relating to Fitness);

(K) if applying for a manufacturer's, distributor's, or converter's license:

(i) financial resources, business integrity and experience, facilities and personnel for serving franchised dealers;

(ii) a description of the business model or business process and product and services used or offered sufficient to allow the department to determine if the license type applied for is appropriate under Texas law; ~~and~~

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(iii) number of standard license plates requested; and[-]

(iv) whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the physical address where the repair is performed.

(L) if applying for a manufacturer's or distributor's license:

(i) if the applicant or any entity controlled by the applicant owns an interest in a Texas motor vehicle dealer or dealership, controls a Texas dealer or dealership, or acts in the capacity of a Texas dealer;

(ii) a statement regarding the manufacturer's compliance with Occupations Code Chapter 2301, Subchapter I and §§2301.451-2301.476; and

(iii) if a franchise agreement for each line-make being applied for exists which states the obligations of a Texas franchised dealer to the applicant and the obligations of the applicant to the Texas franchised dealer.

(M) if applying for a manufacturer's license, the line-make information including the world manufacturer identifier assigned by the National Highway Traffic Safety Administration, line-make name, and vehicle type;

(N) if applying for a distributor's license:

(i) the manufacturer for whom the distributor will act;

(ii) whether the manufacturer is licensed in Texas;

(iii) the person in this state who is responsible for compliance with the warranty covering the motor vehicles to be sold; and

(iv) the terms of the contract under which the distributor will act for the manufacturer.

(O) if applying for a converter's license:

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1 (i) a name and description for each conversion package; and

2 (ii) the manufacturer or distributor and line-make of the underlying

3 new motor vehicle chassis to be converted.

4 (P) if applying for a franchised dealer's license:

5 (i) reason for the new application;

6 (ii) dealership location on a system-generated map;

7 (iii) whether the dealership is under construction and expected

8 completion date;

9 (iv) information about the performance of sales or warranty services

10 at the location; and

11 (v) information necessary to obtain a franchised dealer GDN under

12 §215.133 of this title (relating to GDN Application Requirements for a Dealer or a Wholesale Motor

13 Vehicle Auction).

14 (Q) signed Certificate of Responsibility, which is a form provided by the

15 department; and

16 (R) any other information required by the department to evaluate the

17 application under current law and board rules.

18 (2) A legible and accurate electronic image of each applicable required document:

19 (A) the certificate of filing, certificate of incorporation, or certificate of

20 registration on file with the Secretary of State, as applicable;

21 (B) each assumed name certificate on file with the Secretary of State or

22 county clerk;

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(C) one of the following unexpired identity documents for each natural person listed in the application:

- (i) driver license;
- (ii) Texas Identification Card issued by the Texas Department of Public Safety under Transportation Code, Chapter 521, Subchapter E;
- (iii) license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H;
- (iv) passport; or
- (v) United States armed forces identification.

(D) if applying for a manufacturer's, distributor's, or converter's license, a written description of the business model or business process and brochures, photos, or other documents describing products and services sufficient to allow the department to identify a motor vehicle product type and the appropriate license required under Texas law;

(E) if applying for a manufacturer's or distributor's license:

(i) a list of each franchised dealer in Texas including the dealer's name and physical address, or if motor vehicle sales or offers to sell to Texas residents will solely be over the internet, a list of each out-of-state dealer or person authorized by the manufacturer or distributor to sell a new motor vehicle online to a Texas resident including the dealer's or person's name, physical address, and license number issued by the state in which the dealer or person is located; and

(ii) a list of motor vehicle product line-makes manufactured or distributed for sale.

(F) if applying for a manufacturer's license:

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1 (i) a list of authorized distributors or representatives; and

2 (ii) a franchised dealer's preparation and delivery obligations before

3 delivery of a new vehicle to a retail purchaser and the schedule of compensation to be paid to the

4 franchised dealer;

5 (G) if applying for a distributor's license, either:

6 (i) pages of the executed distributor agreement containing at

7 minimum the following:

8 (I) the legal business name of each party;

9 (II) authorized signature of each party;

10 (III) distribution territory;

11 (IV) distribution agreement effective date and end date,

12 or written confirmation from the distributor and manufacturer that the distribution agreement is

13 expected to be in effect for the entire license period;

14 (V) physical location, mailing address, and email address of

15 each party;

16 (VI) distributor responsibilities under the agreement related

17 to warranty matters under Occupations Code, Chapter 2301, and franchised dealer matters under

18 Occupations Code, Chapter 2301, Subchapter H, Dealers, Subchapter I, Warranties:

19 Reimbursement of Dealer, Subchapter J, Manufacturers, Distributors, and Representative, and

20 Subchapter K, Mediation Between Dealer and Manufacturer or Distributor;

21 (VII) party or person responsible for providing warranty

22 services; and

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(VIII) motor vehicle line-makes and vehicle types included in the agreement; or

(ii) a completed department-provided questionnaire containing the information required in clause (i) signed by the applicant and the manufacturer as true and complete. An authorized representative for the manufacturer may sign the questionnaire, however, the applicant or applicant's representative may not sign the questionnaire on behalf of a manufacturer.

(H) if applying for a franchised dealer's license, pages of the executed franchise agreement containing at minimum the following:

(i) the legal business name of each party;
(ii) authorized signature of each party;
(iii) authorized dealership location;
(iv) list of motor vehicle line-makes and vehicle types to be sold or serviced; and

(v) a department Evidence of Relocation form signed by the manufacturer or distributor, if applicable; and

(I) any other documents required by the department to evaluate the application under current law and board rules.

(3) Required fees:

(A) the license fee as prescribed by law; and

(B) the fee as prescribed by law for each plate requested by the applicant.

(f) An applicant operating under a name other than the applicant shall use the name under which the applicant is authorized to do business, as filed with the Secretary of State or county

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1 clerk, and the assumed name of such legal entity shall be recorded by the applicant on the
2 application using the letters "DBA." The applicant may not use a name or assumed name that may
3 be confused with or is similar to that of a governmental entity or that is otherwise deceptive or
4 misleading to the public.

5 (g) A manufacturer or distributor may add a new line-make to an existing license during the
6 license period by submitting a license amendment application and providing brochures, photos, or
7 other documents describing the new line-make sufficient to allow the department to identify the
8 line-make and vehicle product type. A license amendment to add a line-make to a manufacturer's
9 or distributor's license must be approved by the department before the new line-make may be
10 added to a franchised dealer's license.

11
12 §215.120. Standard License Plates.

13 (a) A manufacturer, distributor, or converter may apply for a manufacturer or converter standard
14 license plate for use on a new unregistered vehicle of the same vehicle type assembled or modified in
15 accordance with Transportation Code §503.064 or §503.0618, as applicable:

16 (1) when applying for a new or renewal license, or
17 (2) by submitting a standard license plate request application electronically in the system
18 designated by the department.

19 (b) A manufacturer may use a manufacturer's standard license plate to test a prototype motor
20 vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry a
21 load. A manufacturer's standard license plate may not be used on a commercial motor vehicle prototype

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1 or new commercial motor vehicle to carry a load for which the manufacturer or other person receives
2 compensation.

3 (c) A manufacturer, distributor, or converter shall attach a standard license plate to the rear of a
4 vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

5 (d) A manufacturer, distributor, or converter shall maintain a record of each standard license
6 plate issued to the manufacturer, distributor, or converter by the department in the department-
7 designated system. The license plate record must contain:

8 (1) the license plate number;

9 (2) the year and make of the vehicle to which the license plate is affixed;

10 (3) the VIN of the vehicle, if one has been assigned; and

11 (4) the name of the person in control of the license plate.

12 (e) If a manufacturer, distributor, or converter cannot account for a standard license plate or a
13 standard license plate is damaged, the manufacturer, distributor, or converter shall:

14 (1) document the license plate as "void" in the department-designated system [~~license~~
15 ~~plate record in subsection (d)~~]; and

16 (2) within three days of discovering that the license plate is missing or damaged, report
17 the license plate as lost, stolen, or damaged electronically in the system designated by the department;
18 and

19 (3) if found after reported missing, cease use of the license plate.

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(f) A standard license plate is no longer valid for use after the manufacturer, distributor, or converter reports to the department that the license plate is lost, stolen, or damaged. A manufacturer, distributor, or converter must render a void license plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X" and once marked, shall destroy or recycle the license plate, or return the license plate to the department within 10 days. A license holder is also encouraged to immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency.

~~[(g) The license holder's license plate record must be available for inspection and copying by the department during normal business hours or be available to submit electronically to the department upon request.]~~

~~(g)~~~~[(h)]~~ In evaluating requests for additional standard license plates, the department shall consider the business justification provided by a license holder including the following:

- (1) the number of vehicles assembled or modified;
- (2) the highest number of motor vehicles in inventory in the prior 12 months;
- (3) the size and type of business;
- (4) how the license holder typically uses standard licenses plates;
- (5) the license holder's record of tracking and reporting missing or damaged license plates to the department; and
- (6) any other factor the Department in its discretion deems necessary to support the number of license plates requested.

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1 ~~(h)~~~~(i)~~ a license holder shall return a department-issued license plate to the department within
2 10 days of the license holder closing the associated license or the associated license being revoked,
3 canceled, or closed by the department.

4
5 §215.121. Sanctions.

6 (a) The board or department may take the following actions against a license applicant, a license
7 holder, or a person engaged in business for which a license is required:

8 (1) deny an application;

9 (2) revoke a license;

10 (3) suspend a license;

11 (4) assess a civil penalty;

12 (5) issue a cease and desist order; or

13 (6) take other authorized action.

14 (b) The board or department may take action described in subsection (a) of this section if a
15 license applicant, a license holder, or a person engaged in business for which a license is required:

16 (1) fails to maintain records required under this chapter;

17 (2) refuses or fails within 15 days to comply with a request for records made by a
18 representative of the department;

19 (3) sells or offers to sell a motor vehicle to a retail purchaser other than through a
20 licensed or authorized dealer;

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(4) fails to submit a license amendment application in the electronic licensing system designated by the department to notify the department of a change of the license holder's physical address, mailing address, telephone number, or email address within 10 days of the change;

(5) fails to timely submit a license amendment application in the electronic licensing system designated by the department to notify the department of a license holder's business or assumed name change, deletion of a line-make, or management or ownership change;

(6) fails to notify the department or pay or reimburse a franchised dealer as required by law;

(7) misuses or fails to display a license plate as required by law, or fails to report a lost, stolen, or damaged license plate within the time designated by rule;

(8) is a manufacturer or distributor and fails to provide a manufacturer's certificate for a new vehicle;

(9) fails to remain regularly and actively engaged in the business of manufacturing, assembling, or modifying a new motor vehicle of the type and line make for which a license has been issued by the department;

(10) violates a provision of Occupations Code, Chapter 2301; Transportation Code Chapters 501–503 or 1001–1005; a board order or rule; or a regulation of the department relating to the manufacture, assembly, sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F of this chapter (relating to Advertising);

(11) is convicted of an offense that directly relates to the duties or responsibilities of the occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

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1 (12) is determined by the board or department, in accordance with §215.89 of this title
2 (relating to Fitness), to be unfit to hold a license;

3 (13) omits information or makes a material misrepresentation in any application or other
4 documentation filed with the department including providing a false or forged identity document or a
5 false or forged photograph, electronic image, or other document;

6 (14) fails to remit payment as ordered for a civil penalty assessed by the board or
7 department;

8 (15) violates any state or federal law or regulation relating to the manufacture,
9 distribution, modification, or sale of a motor vehicle;

10 (16) fails to issue a refund as ordered by the board or department; ~~or~~

11 (17) fails to participate in statutorily required mediation without good cause; or[-]

12 (18) fails to keep or maintain records required under Occupations Code, Chapter 2305,
13 Subchapter D.

14

15 §215.122. Catalytic Converter Record Requirements.

16 A manufacturer, distributor, or converter that repairs a motor vehicle with a catalytic converter
17 shall:

18 (1) comply with the recordkeeping requirements in Occupations Code, Chapter 2305, Subchapter
19 D; and

20 (2) allow the department to inspect these records during business hours.

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SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.

**43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-
215.160, AND 215.162**

STATUTORY AUTHORITY. In addition to the rulemaking authority provided in Section 34 of HB 718, the department proposes amendments and new sections to Chapter 215 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.061, which allows the board to adopt rules regulating the

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1 issuance and use of dealer's license plates; Transportation Code, §503.0631 which requires the
2 department to adopt rules to implement and manage the department's database of dealer-issued buyer's
3 license plates; §503.0633 which allows the department to establish the maximum number of license
4 plates or sets of license plates a dealer may obtain annually under Transportation Code, §503.063 and
5 §503.065; Transportation Code, §520.003 which requires the department to adopt rules to administer
6 Chapter 520; Transportation Code, §520.0071 which requires the board to adopt rules classifying deputies
7 performing titling and registration duties, the duties and obligations of these deputies, the type and
8 amount of bonds that may be required by a county tax assessor-collector for a deputy performing titling
9 and registration duties, and the fees that may be charged or retained by deputies; Transportation Code,
10 §520.021 which allows the department to adopt rules and policies for the maintenance and use of the
11 department's automated registration and titling system; and Transportation Code, §1002.001, which
12 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
13 duties of the department, as well as the statutes referenced throughout this preamble.

14 The department also adopts amendments under the authority of Transportation Code,
15 §501.0041 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory
16 authority referenced throughout this preamble.

17 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
18 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
19 rules to administer Transportation Code, Chapter 502.

20 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
21 the nature and requirements of all available formal and informal procedures. Government Code,
22 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
23 annulment, or withdrawal of a license.

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1 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
2 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-
3 503, 520, and 1001–1005.

4
5 Text.

6 §215.131. Purpose and Scope.

7 This subchapter implements Transportation Code, Chapters 503, 520, and 1001–1005, and
8 Occupations Code, Chapters 2301 and 2305, and applies to general distinguishing numbers and
9 drive-a-way operator in-transit licenses issued by the department.

10
11 §215.132. Definitions.

12 The following words and terms, when used in this subchapter, shall have the following
13 meanings, unless the context clearly indicates otherwise.

14 (1) Barrier--A material object or set of objects that separates or demarcates.

15 (2) Buyer's license plate--A general issue license plate or set of license plates issued
16 by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled
17 and registered in Texas. This term also includes a buyer's provisional license plate that a dealer
18 issues when the general issue license plate or set of license plates for that vehicle or motor vehicle
19 type is not in a dealer's license plate inventory at the time of retail sale.

20 (3) Buyer's temporary license plate--A temporary license plate issued by a dealer to
21 a non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in
22 accordance with Transportation Code, §503.063(i).

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(4) [(2)] Consignment sale--The owner-authorized sale of a motor vehicle by a person other than the owner.

(5) Dealer's temporary license plate--A license plate that a dealer may purchase and use for the purposes allowed under Transportation Code, §503.062.

(6) [(3)] House trailer--A nonmotorized vehicle designed for human habitation and for carrying persons and property on its own structure and for being drawn by a motor vehicle. A house trailer does not include manufactured housing. A towable recreational vehicle, as defined by Occupations Code, §2301.002, is included in the terms "house trailer" or "travel trailer."

(7) [(4)] Municipality--As defined according to the Local Government Code, Chapter 1.

(8) [(5)] Person--Has the meaning assigned by Occupations Code, §2301.002.

(9) [(6)] Sale--With regard to a specific vehicle, the transfer of possession of that vehicle to a purchaser for consideration.

~~[(7) Temporary tag--A buyer's temporary tag, converter's temporary tag, or dealer's temporary tag as described under Transportation Code, Chapter 503.]~~

(10) [(8)] Towable recreational vehicle--Has the same meaning as "house trailer" defined by this section.

(11) [(9)] Travel Trailer--Has the same meaning as "house trailer" defined by this section.

(12) [(10)] Vehicle--Has the meaning assigned by Transportation Code, §503.001.

(13) [(11)] VIN--Vehicle identification number.

§215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

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(a) No person may engage in business as a dealer or as a wholesale motor vehicle auction unless that person has a valid GDN assigned by the department for each location from which the person engages in business. A dealer must also hold a GDN for a consignment location, unless the consignment location is a wholesale motor vehicle auction.

(b) Subsection (a) of this section does not apply to a person exempt from the requirement to obtain a GDN under Transportation Code §503.024.

(c) A GDN dealer or wholesale motor vehicle auction application must be on a form prescribed by the department and properly completed by the applicant as required under §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or wholesale motor vehicle auction application must include all required information, required supporting documents, and required fees and must be submitted to the department electronically in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle auction GDN holder renewing or amending its GDN must verify current license information, provide related information and documents for any new requirements or changes to the GDN, and pay required fees including any outstanding civil penalties owed the department under a final order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the following:

(1) Required information:

(A) type of GDN requested;

(B) business information, including the name, physical and mailing addresses, telephone number, Secretary of State file number (as applicable), and website address, as applicable;

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(C) contact name, email address, and telephone number of the person submitting the application;

(D) contact name, email address, and telephone number of a person who can provide information about business operations and the motor vehicle products or services offered;

(E) the name, social security number, date of birth, identity document information, and ownership percentage for each owner, partner, member, or principal if the applicant is not a publicly traded company;

(F) the name, social security number, date of birth, and identity document information for each officer, director, manager, trustee, or other representative authorized to act on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

(G) the name, employer identification number, ownership percentage, and non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

(H) the name, social security number, date of birth, and identity document information of at least one manager or other bona fide employee who will be present at the established and permanent place of business if the owner is out of state or will not be present during business hours at the established and permanent place of business in Texas;

(I) if a dealer, the name, telephone number, and business email address of the ~~[temporary tag database]~~ account administrator for the temporary tag database prior to July 1, 2025, or for the license plate system on or after July 1, 2025, designated by the applicant who must be an owner or representative listed in the application;

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(J) criminal history record information under the laws of Texas, another state in the United States, the United States, and any foreign jurisdiction for each person listed in the application, including offense description, date, and location;

(K) military service status;

(L) licensing history required to evaluate fitness for licensure under §215.89 of this title (relating to Fitness);

(M) information about the business location and business premises, including whether the applicant will operate as a salvage vehicle dealer at the location;

(N) history of insolvency, including outstanding or unpaid debts, judgments, or liens, unless the debt was discharged under 11 U.S.C. §§101 et seq. (Bankruptcy Act) or is pending resolution under a case filed under the Bankruptcy Act;

(O) signed Certification of Responsibility, which is a form provided by the department; and

(P) if a dealer, whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the physical address where the repair is performed; and

(Q)~~(P)~~ any other information required by the department to evaluate the application under current law and board rules.

(2) A legible and accurate electronic image of each applicable required document:

(A) proof of a surety bond if required under §215.137 of this title (relating to Surety Bond);

(B) the certificate of filing, certificate of incorporation, or certificate of registration on file with the Secretary of State, as applicable;

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(C) each assumed name certificate on file with the Secretary of State or county clerk;

(D) at least one of the following unexpired identity documents for each natural person listed in the application:

(i) driver license;

(ii) Texas Identification Card issued by the Texas Department of Public Safety under Transportation Code, Chapter 521, Subchapter E;

(iii) license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H;

(iv) passport; or

(v) United States military identification card.

(E) a certificate of occupancy, certificate of compliance, or other official documentation confirming the business location complies with municipal ordinances, including zoning, occupancy, or other requirements for a vehicle business;

(F) documents proving business premises ownership, or lease or sublease agreement for the license period;

(G) business premises photos and a notarized affidavit certifying that all premises requirements in §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements) are met and will be maintained during the license period;

(H) evidence of franchise if applying for a franchised motor vehicle dealer GDN;

(I) proof of completion of the dealer education and training required under Transportation Code §503.0296, if applicable; ~~and~~

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1 (J) proof of completion of webDEALER training conducted by the
2 department under §217.174(g) of this title (relating to webDEALER Access, Use, and Training); and

3 (K)[(H)] any other documents required by the department to evaluate the
4 application under current law and board rules.

5 (3) Required fees:

6 (A) the fee for each type of license requested as prescribed by law; and

7 (B) the fee, including applicable taxes, for each dealer's standard [~~dealer~~]
8 plate, and dealer's temporary license plate on or after July 1, 2025, requested by the applicant as
9 prescribed by law.

10 (d) An applicant for a dealer or wholesale auction GDN must also comply with fingerprint
11 requirements in §211.6 of this title (relating to Fingerprint Requirements for Designated License
12 Types), as applicable.

13 (e) An applicant for a GDN operating under a name other than the applicant's business
14 name shall use the assumed name under which the applicant is authorized to do business, as filed
15 with the Secretary of State or county clerk, and the assumed name of such legal entity shall be
16 recorded by the applicant on the application using the letters "DBA." The applicant may not use a
17 name or assumed name that may be confused with or is similar to that of a governmental entity or
18 that is otherwise deceptive or misleading to the public.

19 (f) A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with
20 licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or
21 exchange vehicles at retail.

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(g) An independent mobility motor vehicle dealer shall retain and produce for inspection all records relating to the license requirements under Occupations Code, §2301.002(17-b) and all information and records required under Transportation Code §503.0295.

(h) In evaluating a new or renewal GDN application or an application for a new GDN location, the department may require a site visit to determine if the business location meets the requirements in §215.140. The department will require the applicant or GDN holder to provide a notarized affidavit confirming that all premises requirements are met and will be maintained during the license period.

(i) A person holding an independent motor vehicle GDN does not have to hold a salvage vehicle dealer's license to:

- (1) act as a salvage vehicle dealer or rebuilder; or
- (2) store or display a motor vehicle as an agent or escrow agent of an insurance company.

(j) A person holding an independent motor vehicle GDN and performing salvage activities under subsection (i) must apply for a National Motor Vehicle Title Information System (NMVTIS) identification number and provide the number to the department in the GDN application.

(k) To be eligible for an independent motor vehicle GDN, a person must complete dealer education and training specified by the department, except as provided in this subsection:

- (1) once a person has completed the required dealer education and training, the person will not have to retake the dealer education and training for subsequent GDN renewals, but may be required to provide proof of dealer education and training completion as part of the GDN renewal process;

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(2) a person holding an independent motor vehicle GDN for at least 10 years as of September 1, 2019, is exempt from the dealer education and training requirement; and.

(3) a military service member, military spouse, or military veteran will receive appropriate credit for prior training, education, and professional experience and may be exempted from the dealer education and training requirement.

§215.138. Use of Dealer's License Plates.

(a) A dealer's standard, personalized prestige, or temporary ~~or personalized prestige~~ license plate must be attached to the rear of a vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

(b) A copy of the receipt for a dealer's standard, personalized prestige, or temporary ~~or personalized prestige~~ license plate issued by the department should be carried in the vehicle to present to law enforcement personnel upon request.

(c) A dealer's standard, personalized prestige, or temporary ~~or personalized prestige~~ license plate may not be displayed on:

(1) a laden commercial vehicle being operated or moved on the public streets or highways; ~~or~~

(2) the dealer's service or work vehicle, except as provided by Transportation Code, §503.068(b-1); ~~or~~

(3) a golf cart as defined under Transportation Code Chapter 551; or

(4) an off-highway vehicle as defined under Transportation Code Chapter 551A.

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(d) For purposes of this section, a dealer's service or work vehicle includes:

(1) a vehicle used for towing or transporting another vehicle;

(2) a vehicle, including a light truck, used in connection with the operation of the dealer's shops or parts department;

(3) a courtesy car on which a courtesy car sign is displayed;

(4) a rental or lease vehicle; and

(5) a boat trailer owned by a dealer or manufacturer that is used to transport more than one boat.

(e) For purposes of this section, a light truck as defined by Transportation Code, §541.201, is not considered a laden commercial vehicle when it is:

(1) mounted with a camper unit; or

(2) towing a trailer for recreational purposes.

(f) A dealer's standard, personalized prestige, or temporary ~~[or personalized prestige]~~ license plate may be displayed only on the type of vehicle for which the GDN is issued and for which a dealer is licensed to sell. A nonfranchised dealer may not display a dealer's standard or personalized prestige license plate on a new motor vehicle.

(g) A dealer's standard or personalized prestige license plate may be displayed only on a vehicle that has a valid inspection in accordance with Transportation Code, Chapter 548.

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(h) A dealer shall maintain in an electronic license plate system designated by the department a record of each dealer's standard, ~~or~~ personalized prestige, or temporary license plate issued by the department to that dealer. The license plate record must contain:

(1) the license plate number;

(2) the year and make of the vehicle to which the dealer's license plate is affixed;

(3) the VIN of the vehicle; and

(4) the name of the person in control of the vehicle or license plate.

(i) If a dealer cannot account for a dealer's standard or personalized prestige license plate that the department issued to that dealer, the dealer shall:

(1) document the dealer's license plate as "void" in the dealer's license plate record;

(2) within three days of discovering that the dealer's license plate is missing or damaged, report the dealer's license plate as lost, stolen, or damaged in the electronic system designated by the department; and

(3) if found, cease use of the dealer's license plate.

(j) A dealer's standard, personalized prestige, or temporary ~~[or personalized prestige]~~ license plate is no longer valid for use after the dealer reports to the department that the dealer's license plate is lost, stolen, or damaged. A dealer is also encouraged to immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency. A dealer shall:

(1) render a void plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X"; and

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(2) destroy or recycle the license plate or return the license plate to the department within 10 days.

~~[(k)] A dealer's license plate record must be available for inspection and copying by the department during normal business hours or be available to submit electronically to the department upon request.~~

(k)~~[(k)]~~ A dealer shall return a department-issued license plate, sticker, or receipt to the department within 10 days of the dealer closing the associated license or the department revoking or canceling the license.

(l) A wholesale motor vehicle auction GDN holder that also holds a dealer GDN may display a dealer's temporary license plate assigned to that dealer GDN on a vehicle that is being transported to or from the licensed auction location.

§215.140. Established and Permanent Place of Business Premises Requirements.

(a) A dealer must meet the following requirements at each licensed location and maintain the requirements during the term of the license. If multiple dealers are licensed at a location, each dealer must maintain the following requirements during the entire term of the license.

(1) Business hours for retail dealers.

(A) A retail dealer's office must be open at least four days per week for at least four consecutive hours per day and may not be open solely by appointment.

(B) The retail dealer's business hours for each day of the week must be posted at the main entrance of the retail dealer's office in a manner and location that is accessible to the public.

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1 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location
2 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
3 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
4 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
5 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business
6 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona
7 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
8 to speak to a natural person or leave a message during these hours.

9 (2) Business hours for wholesale motor vehicle dealers. A dealer that holds only a
10 wholesale motor vehicle dealer's GDN must post its business hours at the main entrance of the
11 wholesale motor vehicle dealer's office in a manner and location that is accessible to the public. A
12 wholesale motor vehicle dealer or bona fide employee shall be at the wholesale motor vehicle dealer's
13 licensed location at least two weekdays per week for at least two consecutive hours per day. A wholesale
14 motor vehicle dealer may not be open solely by appointment. Regardless of the wholesale motor vehicle
15 dealer's business hours, the wholesale motor vehicle dealer's telephone must be answered from 8:00
16 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or
17 answering machine. A caller must be able to speak to a natural person or leave a message during these
18 hours.

19 (3) Business sign requirements for retail dealers.

20 (A) A retail dealer must display a conspicuous, permanent sign with letters at
21 least six inches in height showing the retail dealer's business name or assumed name substantially
22 similar to the name reflected on the retail dealer's GDN under which the retail dealer conducts business.
23 A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main

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entrance of the business office. A business sign is considered permanent only if it is made of durable, weather-resistant material.

(B) The sign must be permanently mounted at the physical address listed on the application for the retail dealer's GDN. A business sign is considered permanently mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently installed in the ground.

(C) A retail dealer may use a temporary sign or banner if that retail dealer can show proof that a sign that meets the requirements of this paragraph has been ordered and provides a written statement that the sign will be promptly and permanently mounted upon delivery.

(D) A retail dealer is responsible for ensuring that the business sign complies with municipal ordinances, and that any lease signage requirements are consistent with the signage requirements in this paragraph.

(4) Business sign requirements for wholesale motor vehicle dealers.

(A) Exterior Sign

(i) A wholesale motor vehicle dealer must display a conspicuous, permanent sign with letters at least six inches in height showing the wholesale motor vehicle dealer's business name or assumed name substantially similar to the name reflected on the wholesale motor vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers" in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main entrance of the business office. A business sign is considered permanent only if it is made of durable, weather-resistant material.

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(ii) The sign must be permanently mounted on the business property at the physical address listed on the application. A business sign is considered permanently mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been ordered and provides a written statement that the sign will be promptly and permanently mounted upon delivery.

(B) Interior Sign

(i) If the wholesale motor vehicle dealer's office is located in an office building with one or more other businesses and an outside sign is not permitted by the property owner, a conspicuous permanent business sign permanently mounted on or beside the main door to the wholesale motor vehicle dealer's office with letters at least two inches in height is acceptable. Effective September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers" in letters at least one inch in height.

(ii) An interior business sign is considered conspicuous if it is easily visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office. An interior sign is considered permanent if made from durable material and has lettering that cannot be changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been ordered and provides a written statement that the sign will be promptly and permanently mounted upon delivery.

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(C) A wholesale motor vehicle dealer is responsible for ensuring that the business sign complies with municipal ordinances and that any lease signage requirements are consistent with the signage requirements in this paragraph.

(5) Office requirements for a retail dealer and a wholesale motor vehicle dealer.

(A) A dealer's office must be located in a building with a permanent roof and connecting exterior walls on all sides.

(B) A dealer's office must comply with all applicable municipal ordinances, including municipal zoning ordinances. The dealer is responsible for obtaining a certificate of occupancy, certificate of compliance, or other required document issued by a municipal government to show compliance, including a new certificate or document when the building is altered or remodeled, or when the building use changes.

(C) A dealer's office may not be located in a residence, apartment, hotel, motel, rooming house, or any room or building not open to the public.

(D) A dealer's office may not be located in a restaurant, gas station, or convenience store, unless the office has a separate entrance door that does not require a dealer's customer to pass through the other business.

(E) A dealer's office may not be virtual or provided by a subscription for office space or office services. Access to an office space or office services is not considered an established and permanent location.

(F) The physical address of the dealer's office must be in Texas and recognized by the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services

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property address. The department will not mail a dealer's or buyer's license plate to an out-of-state address and will only mail or deliver a license plate to a dealer's physical location.

(G) A portable-type office building may qualify as an office only if the building meets the requirements of this section and is not a readily moveable trailer or other vehicle.

(H) The dealer's office space must:

(i) include at least 100 square feet of interior floor space, exclusive of hallways, closets, or restrooms;

(ii) have a minimum seven-foot-high ceiling;

(iii) accommodate required office equipment; and

(iv) allow a dealer and customer to safely access the office and conduct business in private while seated.

(6) Required office equipment for a retail dealer and a wholesale motor vehicle dealer.

At a minimum, a dealer's office must be equipped with:

(A) a desk;

(B) two chairs;

(C) internet access; ~~and~~

(D) a working telephone number listed in the business name or assumed name under which the dealer conducts business; and [-]

(E) a locked and secured room or closet or at least one securely locked, substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the

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safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's license plates in a dealer's possession including both assigned plates for vehicles in inventory and unissued buyer's license plates.

(7) Number of retail dealers in one building. Not more than four retail dealers may be located in the same building. Each retail dealer located in the same building must meet the requirements of this section.

(8) Number of wholesale motor vehicle dealers in one office building. Not more than eight wholesale motor vehicle dealers may be located in the same office building. Each wholesale motor vehicle dealer located in the same office building must meet the requirements of this section.

(9) Office sharing prohibition for retail dealers and wholesale motor vehicle dealers. Unless otherwise authorized by the Transportation Code, a retail dealer and a wholesale motor vehicle dealer licensed after September 1, 1999, may not be located in the same building.

(10) Dealer housed with other business.

(A) If a person conducts business as a dealer in conjunction with another business owned by the same person and under the same name as the other business, the same telephone number may be used for both businesses. If the name of the dealer differs from the name of the other business, a separate telephone listing and a separate sign for each business are required.

(B) A person may conduct business as a dealer in conjunction with another business not owned by that person only if the dealer owns the property on which business is conducted or has a separate lease agreement from the owner of that property that meets the requirements of this section. The same telephone number may not be used by both businesses. The dealer must have separate business signs, telephone listings, and office equipment required under this section.

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(C) A dealer's office must have permanent interior walls on all sides and be separate from any public area used by another business.

(11) Display area and storage lot requirements.

(A) A wholesale motor vehicle dealer is not required to have display space at the wholesale motor vehicle dealer's business premises.

(B) A retail dealer must have an area designated as display space for the retail dealer's inventory. A retail dealer's designated display area must comply with the following requirements.

(i) The display area must be located at the retail dealer's physical business address or contiguous to the retail dealer's physical address. The display area may not be in a storage lot.

(ii) The display area must be of sufficient size to display at least five vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the retail dealer's inventory and may not be used for customer parking, employee parking, general storage, or shared or intermingled with another business or a public parking area, a driveway to the office, or another dealer's display area.

(iii) The display area may not be on a public easement, right-of-way, or driveway unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the state highway system, use as a display area may only be authorized by a lease agreement.

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(iv) If a retail dealer shares a display or parking area with another business, including another dealer, the dealer's vehicle inventory must be separated from the other business's display or parking area by a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the space necessary to allow for entry and exit of vehicle inventory.

(v) If a dealer's business location includes gasoline pumps or a charging station or includes another business that sells gasoline or has a charging station, the dealer's display area may not be part of the parking area for fuel or charging station customers and may not interfere with access to or from the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

(vi) The display area must be adequately illuminated if the retail dealer is open at night so that a vehicle for sale can be properly inspected by a potential buyer.

(vii) The display area may be located inside a building; however, if multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the space necessary to allow for entry and exit of vehicle inventory.

(C) A GDN holder may maintain a storage lot only if the storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the license holder's name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or applicant

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1 must disclose the address of a storage lot or the location of a vehicle in inventory upon request by the
2 department.

3 (12) Dealers authorized to sell salvage motor vehicles. If an independent motor vehicle
4 dealer offers a salvage motor vehicle for sale on the dealer's premises, the vehicle must be clearly and
5 conspicuously marked with a sign informing a potential buyer that the vehicle is a salvage motor vehicle.

6 (13) Lease requirements. If the premises from which a dealer conducts business,
7 including any display area, is not owned by the dealer, the dealer must maintain a lease that is
8 continuous during the period of time for which the dealer's license will be issued. The lease agreement
9 must be on a properly executed form containing at a minimum:

10 (A) the name of the property owner as the lessor of the premises and the name
11 of the dealer as the tenant or lessee of the premises;

12 (B) the period of time for which the lease is valid;

13 (C) the street address or legal description of the property, provided that if only a
14 legal description of the property is included, a dealer must attach a statement verifying that the property
15 description in the lease agreement is the physical street address identified on the application as the
16 physical address for the established and permanent place of business;

17 (D) the signature of the property owner as the lessor and the signature of the
18 dealer as the tenant or lessee; and

19 (E) if the lease agreement is a sublease in which the property owner is not the
20 lessor, the dealer must also obtain a signed and notarized statement from the property owner including
21 the following information:

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(i) property owner's full name, email address, mailing address, and phone number; and

(ii) property owner's statement confirming that the dealer is authorized to sublease the location and may operate a vehicle sales business from the location.

(14) Dealer must display GDN and bond notice. A dealer must display the dealer's GDN issued by the department at all times in a manner that makes the GDN easily readable by the public and in a conspicuous place at each place of business for which the dealer's GDN is issued. A dealer required to obtain a surety bond must post a bond notice adjacent to and in the same manner as the dealer's GDN is displayed. The notice must include the bond company name, bond identification number, and procedure by which a claimant can recover under the bond. The notice must also include the department's website address and notify a consumer that a dealer's surety bond information may be obtained by submitting a request to the department. If the dealer's GDN applies to more than one location, a copy of the GDN and bond notice must be displayed in each supplemental location.

(b) Wholesale motor vehicle auction premises requirements. A wholesale motor vehicle auction must comply with the following premises requirements:

(1) a wholesale motor vehicle auction GDN holder must hold a motor vehicle auction on a regular periodic basis at the licensed location, and an owner or bona fide employee must be available at the business location during each auction and during posted business hours. If the owner or a bona fide employee is not available to conduct business during the posted business hours due to special circumstances or emergencies, a separate sign must be posted indicating the date and time operations will resume.

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(2) the business telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able to speak to a natural person or leave a message during these hours.

(3) a wholesale motor vehicle auction GDN holder must display a business sign that meets the following requirements:

(A) The sign must be a conspicuous, permanent sign with letters at least six inches in height showing the business name or assumed name substantially similar to the name reflected on the GDN under which the GDN holder conducts business. A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main entrance of the business office. A business sign is considered permanent only if it is made of durable, weather-resistant material.

(B) The sign must be permanently mounted at the physical address listed on the application for the wholesale motor vehicle auction GDN. A business sign is considered permanently mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently installed in the ground.

(C) An applicant may use a temporary sign or banner if the applicant can show proof that a sign that meets the requirements of this paragraph has been ordered and provides a written statement that the sign will be promptly and permanently mounted upon delivery.

(D) An applicant or holder is responsible for ensuring that the business sign complies with municipal ordinances, and that any lease signage requirements are consistent with the signage requirements in this paragraph.

(4) The business office of a wholesale motor vehicle auction GDN applicant and holder must meet the following requirements:

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1 (A) The office must be located in a building with a permanent roof and
2 connecting exterior walls on all sides.

3 (B) The office must comply with all applicable municipal ordinances, including
4 municipal zoning ordinances. The wholesale motor vehicle auction is responsible for obtaining a
5 certificate of occupancy, certificate of compliance, or other required document issued by a municipal
6 government to show compliance, including a new certificate or document when the building is altered or
7 remodeled, or when the building use changes.

8 (C) The office may not be located in a residence, apartment, hotel, motel,
9 rooming house, or any room or building not open to the public.

10 (D) The office may not be located in a restaurant, gas station, or convenience
11 store, unless the office has a separate entrance door that does not require a customer to pass through
12 the other business.

13 (E) The office may not be virtual or provided by a subscription for office space or
14 office services. Access to office space or office services is not considered an established and permanent
15 location.

16 (F) The physical address of the office must be in Texas and recognized by the U.S.
17 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property
18 address.

19 (G) A portable-type office building may qualify as an office only if the building
20 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

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(5) A wholesale motor vehicle auction GDN applicant and holder must have the following office equipment:

(A) a desk;

(B) a chair;

(C) internet access; ~~and~~

(D) a working telephone number listed in the business name or assumed name under which business is conducted; and [-]

(E) a locked and secured room or closet or at least one securely locked, substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the safe or steel cabinet cannot be readily removed and of sufficient size to store all license plates necessary to remove from a vehicle upon sale at auction such as a license plate or set of license plates removed from a vehicle sold to an out-of-state buyer or sold for export.

(6) A wholesale motor vehicle auction must meet the following display area and storage lot requirements:

(A) The area designated as display space for inventory must be located at the physical business address or contiguous to the physical address. The display area may not be in a storage lot.

(B) The display area must be of sufficient size to display at least five vehicles.

Those spaces must be reserved exclusively for inventory and may not be used for customer parking, employee parking, general storage, or shared or intermingled with another business or a public parking area, or a driveway to the office.

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1 (C) The display area may not be on a public easement, right-of-way, or driveway
2 unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly
3 consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the
4 state highway system, use as a display area may only be authorized by a lease agreement.

5 (D) If the business location includes gasoline pumps or a charging station or
6 includes another business that sells gasoline or has a charging station, the display area may not be part
7 of the parking area for fuel or charging station customers and may not interfere with access to or from
8 the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

9 (E) The display area must be adequately illuminated if open at night so that a
10 vehicle for sale can be properly inspected by a potential buyer.

11 (F) The display area may be located inside a building.

12 (G) A wholesale motor vehicle auction may maintain a storage lot only if the
13 storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the
14 business name, contact information, and the fact the property is a storage lot is permissible. A storage
15 lot must be fenced or in an access-controlled location to be considered not accessible to the public. A
16 GDN holder or applicant must disclose the address of a storage lot or the location of a vehicle in
17 inventory upon request by the department.

18 (7) A wholesale motor vehicle auction must meet the following lease requirements if the
19 business premises, including any display area, is not owned by the wholesale motor vehicle auction:

20 (A) the applicant or holder must maintain a lease that is continuous during the
21 period of time for which the GDN will be issued;

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(B) The lease agreement must be on a properly executed form containing at a minimum:

(i) the name of the property owner as the lessor of the premises and the name of the GDN applicant or holder as the tenant or lessee of the premises;

(ii) the period of time for which the lease is valid;

(iii) the street address or legal description of the property, provided that if only a legal description of the property is included, a wholesale motor vehicle auction must attach a statement verifying that the property description in the lease agreement is the physical street address identified on the application as the physical address for the established and permanent place of business;

(iv) the signature of the property owner as the lessor and the signature of the applicant or holder as the tenant or lessee; and

(C) if the lease agreement is a sublease in which the property owner is not the lessor, the wholesale motor vehicle auction must also obtain a signed and notarized statement from the property owner including the following information:

(i) property owner's full name, email address, mailing address, and phone number; and

(ii) property owner's statement confirming that the wholesale motor vehicle auction is authorized to sublease the location and may operate a wholesale motor vehicle auction business from the location.

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§215.141. Sanctions.

(a) The board or department may take the following actions against a license applicant, a license holder, or a person engaged in business for which a license is required:

(1) deny an application;

(2) revoke a license;

(3) suspend a license;

(4) assess a civil penalty;

(5) issue a cease and desist order; or

(6) or take other authorized action.

(b) The board or department may take action described in subsection (a) of this section if a license applicant, a license holder, or a person engaged in business for which a license is required:

(1) fails to maintain a good and sufficient bond or post the required bond notice if required under Transportation Code §503.033 (relating to Security Requirement);

(2) fails to meet or maintain the requirements of §215.140 (relating to Established and Permanent Place of Business Premises Requirements);

(3) fails to maintain records required under this chapter;

(4) refuses or fails to comply with a request by the department for electronic records or to examine and copy electronic or physical records during the license holder's business hours at the licensed business location:

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1 (A) sales records required to be maintained by §215.144 of this title (relating to
2 Vehicle Records);

3 (B) ownership papers for a vehicle owned by that dealer or under that dealer's
4 control;

5 (C) evidence of ownership or a current lease agreement for the property on
6 which the business is located; or

7 (D) the Certificate of Occupancy, Certificate of Compliance, business license or
8 permit, or other official documentation confirming compliance with county and municipal laws or
9 ordinances for a vehicle business at the licensed physical location.

10 (5) refuses or fails to timely comply with a request for records made by a representative
11 of the department;

12 (6) holds a wholesale motor vehicle dealer's license and

13 sells or offers to sell a motor vehicle to a person other than a licensed or authorized dealer;

14 (7) sells or offers to sell a type of vehicle that the person is not licensed to sell;

15 (8) fails to submit a license amendment application in the electronic licensing system
16 designated by the department to notify the department of a change of the license holder's physical
17 address, mailing address, telephone number, or email address within 10 days of the change;

18 (9) fails to submit a license amendment application in the electronic licensing system
19 designated by the department to notify the department of a license holder's name change, or
20 management or ownership change within 10 days of the change;

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(10) ~~[except as provided by law,]~~ issues more than one buyer's license plate or set of plates or buyer's temporary license plate for a vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1, 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

(11) fails to remove a license plate or registration insignia from a vehicle that is displayed for sale;

(12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;

(13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as required by law;

(14) holds open a title or fails to take assignment of a certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;

(15) fails to remain regularly and actively engaged in the business of buying, selling, or exchanging vehicles of the type for which the GDN is issued by the department;

(16) violates a provision of Occupations Code, Chapter 2301; Transportation Code Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F of this chapter (relating to Advertising);

(17) is convicted of an offense that directly relates to the duties or responsibilities of the occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

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1 (18) is determined by the board or department, in accordance with §215.89 of this title

2 (relating to Fitness), to be unfit to hold a license;

3 (19) has not assigned at least five vehicles in the prior 12 months, provided the dealer

4 has been licensed more than 12 months;

5 (20) files or provides a false or forged:

6 (A) title document, including an affidavit making application for a certified copy

7 of a title; or

8 (B) tax document, including a sales tax statement or affidavit;

9 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a

10 provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or

11 other laws;

12 (22) omits information or makes a material misrepresentation in any application or other

13 documentation filed with the department including providing a false or forged identity document or a

14 false or forged photograph, electronic image, or other document;

15 (23) fails to remit payment as ordered for a civil penalty assessed by the board or

16 department;

17 (24) sells a new motor vehicle without a franchised dealer's license issued by the

18 department;

19 (25) fails to comply with a dealer responsibility under §215.150 of this title (relating to

20 Dealer Authorization to Issue License Plates [~~Authorization to Issue Temporary Tags~~]);

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1 (26) on or after July 1, 2025, fails to securely store a license plate;

2 (27) fails to maintain a record of dealer license plates as required under §215.138 of this

3 title (relating to Use of Dealer's License Plates);

4 (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;

5 (29) fails to enter a lost, stolen, or damaged license plate in the electronic system

6 designated by the department within the time limit prescribed by rule;

7 [~~utilizes a temporary tag that fails to meet the requirements of §215.153 of this title~~

8 ~~(relating to Specifications for All Temporary Tags);]~~

9 (30) [~~(27)~~] violates any state or federal law or regulation relating to the sale of a motor

10 vehicle;

11 (31) [~~(28)~~] knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or

12 reconstructed and issued a title under Transportation Code, §501.100 (relating to Application for Regular

13 Certificate of Title for Salvage Vehicle);

14 (32) [~~(29)~~] fails to issue a refund as ordered by the board or department; or

15 (33) [~~(30)~~] fails to acquire or maintain a required certificate of occupancy, certificate of

16 compliance, business license or permit, or other official documentation for the licensed location

17 confirming compliance with county or municipal laws or ordinances or other local requirements for a

18 vehicle business;[~~-~~]

19 (34) on or after July 1, 2025, fails to remove a license plate or set of license plates from a

20 vehicle sold to an out-of-state buyer or from a vehicle sold for export; or

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1 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,

2 Subchapter D or to allow an inspection of these records by the department.

3
4 §215.143. Drive-a-way Operator In-Transit License Plates.

5 (a) A drive-a-way operator may apply for a drive-a-way in-transit standard license plate:

6 (1) when applying for a new or renewal in-transit license, or

7 (2) by submitting a plate request application electronically in the system designated by
8 the department.

9 (b) A drive-a-way operator must display an in-transit license plate in the rear of each transported
10 motor vehicle from the vehicle's point of origin to its point of destination in Texas in accordance with
11 §217.27 of this title (relating to Vehicle Registration Insignia).

12 (c) A drive-a-way operator shall maintain a record of each license plate issued to the operator by
13 the department in the department-designated system. The record of each license plate issued must
14 contain:

15 (1) the license plate number;

16 (2) the year and make of the vehicle to which the license plate is affixed;

17 (3) the VIN of the vehicle; and

18 (4) the name of the person in control of the license plate ~~[vehicle]~~.

19 (d) If a drive-a-way operator cannot account for a license plate or a license plate is damaged, the
20 operator must:

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(1) document the license plate as "void" in the department-designated system
~~[operator's plate record];~~

(2) within three days of discovering that the license plate is missing or damaged, report the license plate as lost, stolen, or damaged in the electronic system designated by the department; and

(3) if found once reported, cease use of the license plate.

(e) A license plate is no longer valid for use after the drive-a-way operator reports to the department that the plate is lost, stolen, or damaged. A drive-a-way operator must render a void plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X" and once marked, may destroy or recycle the license plate, or return the license plate to the department for recycling within 10 days. A drive-a-way operator is also encouraged to immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency.

~~[(f) The drive-a-way operator's license plate record must be available for inspection and copying by the department during normal business hours or be available to submit electronically to the department upon request.]~~

(f)~~(g)~~ In evaluating requests for additional license plates, the department will consider the business justification provided by a drive-a-way operator including the following:

(1) the number of vehicles currently being transported to a location in Texas;

(2) the highest number of motor vehicles transported in the prior 12 months;

(3) the size and type of business; and

(4) the operator's record of tracking and reporting missing or damaged plates to the department.

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(g) If a drive-a-way operator closes the associated license or the associated license is revoked or canceled by the department, the operator must return a license plate to the department within 10 days.

§215.144. Vehicle Records.

(a) Purchases and sales records. A dealer and wholesale motor vehicle auction shall maintain a complete record of all vehicle purchases and sales for a minimum period of 48 months and make the record available for inspection and copying by the department during business hours.

(b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work performed on each vehicle for a minimum period of 36 months after the date the adaptive work is performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and all information and records required under Transportation Code §503.0295.

(c) Location of records. A dealer's record reflecting purchases and sales for the preceding 13 months must be maintained at the dealer's licensed location. Original titles are not required to be kept at the licensed location but must be made available to the agency upon reasonable request. A dealer's record for prior time periods may be kept off-site.

(d) Request for records. Within 15 days of receiving a request from a representative of the department, a dealer shall deliver a copy of the specified records to the address listed in the request. If a dealer has a concern about the origin of a records request, the dealer may verify that request with the department prior to submitting its records.

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(e) Content of records. A dealer's complete record for each vehicle purchase or vehicle sale must contain:

(1) the date of the purchase;

(2) the date of the sale;

(3) the VIN;

(4) the name and address of the person selling the vehicle to the dealer;

(5) the name and address of the person purchasing the vehicle from the dealer;

(6) the name and address of the consignor if the vehicle is offered for sale by consignment;

(7) except for a purchase or sale where the Tax Code does not require payment of motor vehicle sales tax, a county tax assessor-collector receipt marked paid;

(8) a copy of all documents, forms, and agreements applicable to a particular sale, including a copy of:

(A) the title application;

(B) the work-up sheet;

(C) the front and back of the manufacturer's certificate of origin or manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems) [the electronic title system];

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(D) the front and back of the title for the purchase and the sale, unless the dealer enters or obtains the title through webDEALER as defined in §217.71 of this title ~~the electronic title system];~~

(E) the factory invoice, if applicable;

(F) the sales contract;

(G) the retail installment agreement;

(H) the buyer's order;

(I) the bill of sale;

(J) any waiver;

(K) any other agreement between the seller and purchaser;

(L) the purchaser's photo identification;

(M) the odometer disclosure statement signed by the buyer, unless the vehicle is exempt; and

(N) the rebuilt salvage disclosure, if applicable.

(9) the original manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a ~~new~~ motor vehicle offered for sale by a dealer which must be properly stamped if the title transaction is entered into webDEALER as defined in §217.71 of this title ~~the electronic titling system] by the dealer;~~

(10) the dealer's monthly Motor Vehicle Seller Financed Sales Returns, if any; and

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(11) if the vehicle sold is a motor home or a towable recreational vehicle subject to inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

(f) Title assignments.

(1) For each vehicle a dealer acquires or offers for sale, the dealer must properly take assignment in the dealer's name of any:

(A) title;

(B) manufacturer's statement of origin;

(C) manufacturer's certificate of origin; or

(D) other evidence of ownership.

(2) Unless not required by Transportation Code, §501.0234(b), a dealer must apply in the name of the purchaser of a vehicle for the title and registration, as applicable, of the vehicle with a county tax assessor-collector.

(3) To comply with Transportation Code, §501.0234(f), a title or registration is considered filed within a reasonable time if ~~the registration is~~ filed within:

(A) 30 days of the vehicle sale date ~~[date of sale of the vehicle for a vehicle titled or registered in Texas];~~ or

(B) 45 days of the vehicle sale date ~~[date of sale of the vehicle]~~ for a dealer-financed transaction ~~[involving a vehicle that is titled or registered in Texas];~~ or ~~[-]~~

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1 (C) 60 days of the vehicle sale date for a vehicle purchased by a member or
2 reserve member of the United States armed forces, Texas National Guard, or National Guard of another
3 state serving on active duty.

4 (4) The dealer is required to provide to the purchaser the receipt for the title and
5 registration application.

6 (5) The dealer is required to maintain a copy of the receipt for the title and registration
7 application in the dealer's sales file.

8 (g) Out-of-state sales. For a sale involving a vehicle to be transferred out of state, the dealer
9 must:

10 (1) within 30 days of the date of sale, either file the application for certificate of title on
11 behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser; and

12 (2) maintain in the dealer's record at the dealer's licensed location a photocopy of the
13 completed sales tax exemption form for out of state sales approved by the Texas Comptroller of Public
14 Accounts.

15 (h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written
16 consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle,
17 take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of
18 the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax
19 assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle
20 offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for
21 sale by consignment.

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(i) Public motor vehicle auctions.

(1) A GDN holder that acts as a public motor vehicle auction must comply with subsection (h) of this section.

(2) A public motor vehicle auction:

(A) is not required to take assignment of title of a vehicle it offers for sale;

(B) must take assignment of title of a vehicle from a consignor prior to making application for title on behalf of the buyer; and

(C) must make application for title on behalf of the purchaser and remit motor vehicle sales tax within a reasonable time as defined in subsection (f) of this section. ~~[20 working days of the sale of the vehicle.]~~

(3) A GDN holder may not sell another GDN holder's vehicle at a public motor vehicle auction.

(j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license holder shall make the record available for inspection and copying by the department during business hours.

(1) A wholesale motor vehicle auction license holder shall maintain at the licensed location a record reflecting each purchase and sale for at least the preceding 24 months. Records for prior time periods may be kept off-site.

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(2) Within 15 days of receiving a department request, a wholesale motor vehicle auction license holder shall deliver a copy of the specified records to the address listed in the request.

(3) A wholesale motor vehicle auction license holder's complete record of each vehicle purchase and sale must, at a minimum, contain:

(A) the date of sale;

(B) the VIN;

(C) the name and address of the person selling the vehicle;

(D) the name and address of the person purchasing the vehicle;

(E) the dealer's license number of both the selling dealer and the purchasing dealer, unless either is exempt from holding a license;

(F) all information necessary to comply with the federal odometer disclosure requirements in 49 CFR Part 580;

(G) auction access documents, including the written authorization and revocation of authorization for an agent or employee, in accordance with §215.148 of this title (relating to Dealer Agents);

(H) invoices, bills of sale, checks, drafts, or other documents that identify the vehicle, the parties, or the purchase price;

(I) any information regarding the prior status of the vehicle such as the Reacquired Vehicle Disclosure Statement or other lemon law disclosures; and

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(J) a copy of any written authorization allowing an agent of a dealer to enter the auction.

(k) Electronic records. A license holder may maintain a record in an electronic format if the license holder can print the record at the licensed location upon request by the department, except as provided by subsection (l) of this section.

(l) Use of department electronic titling and registration systems; [-]

(1) webDEALER. A license holder utilizing the department's web-based title application known as webDEALER, as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems), shall comply with §217.74 of this title (relating to Access to and Use of webDEALER). Original hard copy titles are not required to be kept at the licensed location but must be made available to the department upon request.

(2) License Plate System. A license holder must comply with §215.151 of this title (relating to Buyer's License Plates General Use Requirements) regarding requirements to enter information into the department-designated electronic system for license plates.

§215.147. Export Sales.

(a) Before selling a motor vehicle for export from the United States to another country, a dealer must obtain a legible photocopy of the buyer's government-issued photo identification document. The photo identification document must be issued by the jurisdiction where the buyer resides and be:

(1) a passport;

(2) a driver license;

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(3) a license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H;

(4) a national identification certificate or identity document; or

(5) other identification document containing the:

(A) name of the issuing jurisdiction;

(B) buyer's full name;

(C) buyer's foreign address;

(D) buyer's date of birth;

(E) buyer's photograph; and

(F) buyer's signature.

(b) A dealer that sells a vehicle for export from the United States shall place a stamp on the title that includes the words "For Export Only" and includes the dealer's GDN. The stamp must be legible, in black ink, at least two inches wide, and placed on the:

(1) back of the title in all unused dealer reassignment spaces; and

(2) front of the title in a manner that does not obscure any names, dates, mileage statements, or other information printed on the title.

(c) In addition to the records required to be maintained by §215.144 of this title (relating to Vehicle Records), a dealer shall maintain, for each motor vehicle sold for export, a sales file record. The sales file record shall be made available for inspection and copying upon request by the department. The sales file record of each vehicle sold for export must contain:

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(1) a completed copy of the Texas Motor Vehicle Sales Tax Exemption Certificate for Vehicles Taken Out of State, indicating that the vehicle has been purchased for export to a foreign country;

(2) a copy of the front and back of the title of the vehicle, showing the "For Export Only" stamp and the GDN of the dealer; and

(3) if applicable, an Export-only Sales Record Form, listing each motor vehicle sold for export only.

(d) A dealer, at the time of sale of a vehicle for export, shall remove, void, and destroy or recycle any license plate or registration insignia as required under §215.158 (relating to General Requirements for Buyer's License Plates) before transferring the vehicle. [;]

~~[(1) enter the information required by Transportation Code, §503.061 in the temporary tag database;]~~

~~[(2) designate the sale as "For Export Only"; and]~~

~~[(3) issue a buyer's temporary tag, in accordance with Transportation Code, §503.063.]~~

§215.148. Dealer Agents.

(a) A dealer shall provide written authorization to each person with whom the dealer's agent or employee will conduct business on behalf of the dealer, including to a person that:

(1) buys and sells motor vehicles for resale; or

(2) operates a licensed auction.

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(b) If a dealer's agent or employee that conducts business on behalf of the dealer commits an act or omission that would be cause for denial, revocation, or suspension of a license in accordance with Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, the board may:

(1) deny an application for a license; or

(2) revoke or suspend a license.

(c) The board may take action described in subsection (b) of this section after notice and an opportunity for hearing, in accordance with Occupations Code, Chapter 2301 and Chapter 224 of this title ~~[(relating to)]~~(relating to Adjudicative Practice and Procedure)[].

(d) A dealer's authorization to an agent or employee must:

(1) be in writing;

(2) be signed by the dealer principal or person in charge of daily activities of the dealership;

(3) include the agent's or employee's name, current mailing address, and telephone number;

(4) include the dealer's business name, address, and dealer license number or numbers;

(5) expressly authorize buying or selling by the specified agent or employee;

(6) state that the dealer is liable for any act or omission regarding a duty or obligation of the dealer that is caused by that agent or employee, including any financial considerations to be paid for the vehicle;

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(7) state that the dealer's authorization remains in effect until the recipient of the written authorization is notified in writing of the revocation of the authority; and

(8) be maintained as a required dealer's record and made available upon request by a representative of the department, in accordance with the requirements of §215.144 of this title (relating to Vehicle Records).

(e) A license holder, including a wholesale motor vehicle auction that buys and sells vehicles on a wholesale basis, including by sealed bid, is required to verify the authority of any person claiming to be an agent or employee of a licensed dealer who purports to be buying or selling a motor vehicle:

(1) on behalf of a licensed dealer; or

(2) under the written authority of a licensed dealer.

(f) A title to a vehicle bought by an agent or employee of a dealer shall be:

(1) reassigned to the dealer by the seller or by the auction; and

(2) shall not be delivered to the agent or employee but delivered only to the dealer or the dealer's financial institution.

(g) Notwithstanding the prohibitions in this section, an authorized agent or employee may sign a required odometer statement.

(h) In a wholesale transaction for the purchase of a motor vehicle, the seller may accept as consideration only:

(1) a check or a draft drawn on the purchasing dealer's account;

(2) a cashier's check in the name of the purchasing dealer; or

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(3) a wire transfer from the purchasing dealer's bank account.

§215.150. Dealer Authorization to Issue License Plates ~~[Temporary Tags]~~.

(a) A dealer that holds a GDN must ~~[may]~~ issue a general issue license plate or set of license plates for a vehicle type the dealer is authorized to sell to:

(1) a buyer of a new vehicle to be titled and registered in Texas, unless the buyer has a specialty, personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the department; or

(2) a buyer of a used vehicle to be titled and registered in Texas if a general issue license plate or set of license plates did not come with the vehicle and the buyer does not have a specialty, personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the department.

~~[a dealer's temporary tag, buyer's temporary tag, or a preprinted Internet-down temporary tag for authorized purposes only for each type of vehicle the dealer is licensed to sell or lease. A converter that holds a converter's license under Occupations Code, Chapter 2301 may issue a converter's temporary tag for authorized purposes only.]~~

(b) Notwithstanding subsection (a), a dealer that holds a GDN is not required to issue a general issue license plate or set of plates to a vehicle sold to a commercial fleet buyer authorized as a Dealer Deputy under §217.166 of the title (relating to Dealer Deputies).

(c) A dealer that holds a GDN must issue a buyer's temporary license plate to an out-of-state buyer for a vehicle that is to be registered in another state.

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(d) [(b)] A dealer ~~[license holder]~~ may issue a license plate under Transportation Code §503.063
[an applicable dealer's temporary tag, buyer's temporary tag, or converter's temporary tag] until:

(1) the department denies access to the license plate system ~~[temporary tag database]~~
under Transportation Code §503.0633(f) ~~[\$503.0632(f)]~~ and §224.58 of this title (relating to Denial of
Dealer ~~[or Converter]~~ Access to License Plate System ~~[Temporary Tag System]~~);

(2) the dealer ~~[license holder]~~ issues the maximum number of license plates ~~[temporary
tags]~~ authorized under Transportation Code, §503.0633(a) - (d) ~~[\$503.0632(a) - (d)]~~; or

(3) the GDN ~~[license]~~ is canceled, revoked, or suspended.

(e) [(c)] A ~~[federal, state, or local]~~ governmental agency that is exempt under Transportation
Code, § [Section]503.024 from the requirement to obtain a dealer general distinguishing number may
issue a general issue license plate or set of license plates or a buyer's temporary license plate to the
buyer of a vehicle owned by the governmental agency unless the buyer has a specialty, personalized, or
other qualifying license plate that is eligible to be assigned to the vehicle with approval of the
department. ~~[one buyer's temporary tag, or one preprinted Internet down temporary tag, in accordance
with Transportation Code §503.063.]~~ A governmental agency that issues a general issue or buyer's
temporary license plate ~~[buyer's temporary tag, or preprinted Internet down temporary tag,]~~ under this
subsection:

(1) is subject to the provisions of Transportation Code, §503.0631 and §503.0671
~~[\$503.067]~~ applicable to a dealer; and

(2) is not required to charge the registration fee authorized under Transportation Code
§503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

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(f) ~~(d)~~ A dealer ~~[or converter]~~ is responsible for all use of and access to all license plates in the dealer's possession and the license plate system ~~[the applicable temporary tag database]~~ under the dealer's ~~[or converter's]~~ account, including access by any user or unauthorized person. Dealer ~~and converter~~ duties include monitoring license plate storage and issuance ~~[temporary tag usage]~~, managing account access, and taking timely and appropriate actions to maintain license plate and system security, including:

(1) establishing and following reasonable password policies, including preventing the sharing of passwords;

(2) limiting authorized users to owners and bona fide employees with a business need to access license plates and the license plate system ~~[database]~~;

(3) removing users who no longer have a legitimate business need to access the system;

(4) securing all license plates, including license plates assigned to vehicles in inventory, dealer's license plates, and unissued buyer's license plates, by storing license plates in a locked and secured room or closet or one or more securely locked, substantially constructed safes or steel cabinets bolted or affixed to the floor or wall of sufficient size to store all dealer and buyer's license plates in a dealer's possession, and by promptly marking and destroying, recycling, or returning void license plates as required under §215.158 of this title (relating to General Requirements for Buyer's License Plates; and

~~[securing printed tags and destroying expired tags, by means such as storing printed tags in locked areas and shredding or defacing expired tags; and]~~

(5) securing equipment used to access the license plate system. ~~[temporary tag database and print temporary tags.]~~

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§215.151. License Plate General Use Requirements.

(a) If a buyer purchases a vehicle to be registered in Texas, a dealer must secure, or a government agency may secure, a license plate or set of license plates to the vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia) and update the license plate system accordingly.

(1) A dealer must secure, or a governmental agency may secure, a buyer-provided license plate on the purchased vehicle if a buyer provides a specialty, personalized, or other qualifying license plate that is eligible to be assigned to the vehicle with approval of the department and update the license plate system accordingly.

(2) A dealer must issue a general issue license plate or set of license plates to the buyer if a buyer purchases a new vehicle from a dealer and the buyer does not have a specialty, personalized, or other qualifying license plate to transfer to the vehicle.

(3) A dealer must issue, or a governmental agency may issue, a general issue license plate or set of license plates to a buyer purchasing a used vehicle if the vehicle does not have an assigned license plate in the license plate system or the assigned license plate is missing or damaged and the buyer does not have a specialty, personalized, or other qualifying license plate to transfer to the vehicle.

(b) If a non-resident buyer purchases a vehicle to be titled and registered in another state, a dealer must issue, or a governmental agency may issue, a buyer's temporary license plate and secure the temporary license plate to the rear of a vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia) and update the license plate system accordingly.

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(c) If a vehicle has an assigned license plate or set of license plates and the buyer provides a specialty, personalized, or other qualifying license plate to transfer to the vehicle, a dealer must update the license plate status in the license plate system, mark the license plate as void and destroy, recycle, or return the license plate as required in §215.158 of the title (relating to General Requirements for Buyer's License Plates).

(d) A dealer, including a wholesale dealer, must remove a general issue license plate or set of license plates from a purchased vehicle, store the license plate or set of license plates in a secure location in accordance with §215.150(d) of this title (relating to Dealer Authorization to Issue License Plates), and:

(1) provide the assigned license plate or set of license plates to a Texas buyer that purchases the vehicle; or

(2) if the vehicle is sold to an out-of-state buyer or for export, update the license plate status in the license plate system, mark the license plate as void and destroy, recycle, or return the license plate as required in §215.158 of the title (relating to General Requirements for Buyer's License Plates).

§215.152. Obtaining Dealer-Issued Buyer's License Plates. ~~[Numbers for Issuance of Temporary Tags.]~~

(a) A dealer ~~[,] or [a]~~ governmental agency~~[, or a converter]~~ is required to have internet access to connect to webDEALER and the license plate system ~~[the temporary tag databases]~~ maintained by the department and is responsible for verifying receipt of license plates in the license plate system.

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(b) Except as provided by §215.157 of this title (relating to Issuing License Plates When Internet Not Available), before a license plate may be issued or secured on a vehicle, a dealer or governmental agency must enter in the license plate system true and accurate information about:

(1) the vehicle;

(2) the buyer; and

(3) the license plate number issued or assigned to the vehicle.

~~[Except as provided by §215.157 of this title (relating to Advance Numbers, Preprinted Internet-down Temporary Tags), before a temporary tag may be issued and displayed on a vehicle, a dealer, a governmental agency, or converter must:]~~

~~[(1) enter in the temporary tag database true and accurate information about the vehicle, dealer, converter, or buyer, as appropriate; and]~~

~~[(2) obtain a specific number for the temporary tag.]~~

(c) The department will inform each dealer annually of the maximum number of buyer's license plates ~~[temporary tags]~~ the dealer is authorized to obtain ~~[issue]~~ during the calendar year under Transportation Code, §503.063, including:

(1) an allotment of unassigned general issue license plates or sets of license plates to be issued to a buyer of a vehicle that is to be titled and registered in Texas, and

(2) a separate allotment of buyer's temporary license plates to be issued to a non-resident buyer for a vehicle that will be registered and titled in another state. [§503.0632. The number of buyer's temporary tags allocated to each dealer by the department will be determined based on the following formula:]

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~~[(1) Sales data determined from the department's systems from the previous three fiscal years. A dealer's base number will contain the sum of:]~~

~~[(A) the greater number of:]~~

~~[(i) in-state buyer's temporary tags issued in one fiscal year during the previous three fiscal years; or]~~

~~[(ii) title transactions processed through the Registration and Title System in one fiscal year during the previous three fiscal years; but]~~

~~[(iii) the amount will be limited to an amount that is not more than two times the number of title transactions identified in subparagraph (ii) of this paragraph; and]~~

~~[(B) the addition of the greatest number of out-of-state buyer's temporary tags issued in one fiscal year during the previous three fiscal years;]~~

~~[(2) the total value of paragraph (1) of this subsection will be increased by a multiplier based on the dealer's time in operation giving a 10 percent increase in tags for each year the dealer has been in operation up to 10 years;]~~

~~[(3) the total value of paragraph (2) of this subsection will be increased by a multiplier that is the greater of:]~~

~~[(A) the dealer's actual growth rate percentage identified from the preceding two fiscal years, calculated by the growth of the number of title transactions processed through the Registration and Title System plus the growth of the number of out-of-state buyer's temporary tags issued, except that it may not exceed 200 percent; or]~~

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1 ~~[(B) the statewide actual growth rate percentage identified from the preceding~~
2 ~~two fiscal years, calculated by the growth of the number of title transactions processed through the~~
3 ~~Registration and Title System plus the growth of the number of out-of-state buyer's temporary tags~~
4 ~~issued, not less than zero, to determine the buyer's temporary tag allotment; and]~~

5 ~~[(4) the department may increase the determined allotment of buyer's temporary tags~~
6 ~~for dealers in the state, in a geographic or population area, or in a county, based on:]~~

7 ~~[(A) changes in the market;]~~

8 ~~[(B) temporary conditions that may affect sales; and]~~

9 ~~[(C) any other information the department considers relevant.]~~

10 (d) The department will calculate a dealer's maximum annual allotment of unassigned general
11 issue license plates and buyer's temporary license plates based on the following formula:

12 ~~[inform each dealer annually of the maximum number of agent temporary tags and vehicle~~
13 ~~specific temporary tags the dealer is authorized to issue during the calendar year under Transportation~~
14 ~~Code §503.0632. The number of agent temporary tags and vehicle specific temporary tags allocated to~~
15 ~~each dealer by the department, for each tag type, will be determined based on the following formula:]~~

16 (1) Vehicle title transfers, sales, or license plate issuance data determined from the
17 department's systems from the previous fiscal year;

18 ~~[dealer temporary tag data for agent temporary tags and vehicle specific temporary tags~~
19 ~~determined from the department's systems from the previous three fiscal years. A dealer's base number~~
20 ~~will contain the maximum number of dealer temporary tags issued during the previous three fiscal~~
21 ~~years;]~~

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(2) the total value of paragraph (1) of this subsection will be increased by a multiplier based on the dealer's time in operation giving a 10 percent increase ~~[in tags]~~ for each year the dealer has been in operation up to 10 years; and

(3) the total value of paragraph (2) of this subsection will be increased by a multiplier that is the greater of:

(A) the dealer's actual growth rate percentage identified from the preceding two fiscal years, calculated by the growth of the number of in-state or out-of-state sales transactions processed through the department-designated registration and title system or license plate system ~~[dealer's temporary tags issued]~~, except that it may not exceed 200 percent; or

(B) the statewide actual growth rate percentage identified from the preceding two fiscal years, calculated by the growth of the number of relevant transactions processed through the department-designated registration and title system or license plate system ~~[dealer's temporary tags issued]~~, not less than zero, to determine the dealer's annual ~~[temporary tag]~~ allotment; and

(4) the department may increase the annual ~~[a dealer's]~~ allotment ~~[of agent temporary tags and vehicle specific temporary tags]~~ for dealers in the state, in a geographic or population area, or in a county, based on:

(A) changes in the market;

(B) temporary conditions that may affect sales; and

(C) any other information the department considers relevant.

~~[(e) The department will inform each converter annually of the maximum number of temporary tags the converter is authorized to issue during the calendar year under Transportation Code §503.0632.~~

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1 The number of temporary tags allocated to each converter by the department will be determined based
2 on the following formula:]

3 [(1) converter temporary tag data determined from the department's systems from the
4 previous three fiscal years. A converter's base number will contain the maximum number of converter
5 temporary tags issued during the previous three fiscal years;]

6 [(2) the total value of paragraph (1) of this subsection will be increased by a multiplier
7 based on the converter's time in operation giving a 10 percent increase in tags for each year the dealer
8 has been in operation up to 10 years; and]

9 [(3) the total value of paragraph (2) of this subsection will be increased by a multiplier
10 that is the greater of:]

11 [(A) the converter's actual growth rate percentage identified from the preceding
12 two fiscal years, calculated by the growth of the number of converter's temporary tags issued, except
13 that it may not exceed 200 percent; or]

14 [(B) the statewide actual growth rate percentage identified from the preceding
15 two fiscal years, calculated by the growth of the number of converter's temporary tags issued, not less
16 than zero, to determine the converter's temporary tag allotment;]

17 [(4) the department may increase a converter's allotment of converter temporary tags
18 for converters in the state, in a geographic or population area, or in a county, based on:]

19 [(A) changes in the market;]

20 [(B) temporary conditions that may affect sales; and]

21 [(C) any other information the department considers relevant.]

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1 ~~(e) [(f)]~~ A dealer~~[or converter that is]~~ licensed after the commencement of a calendar year shall
2 be allocated ~~[authorized to issue]~~ the number of general issue license plates or sets of plates and buyer's
3 temporary plates allocated ~~[temporary tags allotted]~~ in this subsection prorated on all or part of the
4 remaining months until the commencement of the calendar year after the dealer's ~~[or converter's]~~ initial
5 license expires. The initial allocations shall be as determined by the department in granting the license,
6 but not more than:

7 (1) 200 general issue license plates or sets of plates and 100 buyer's temporary license
8 plates ~~[1,000 temporary tags]~~ for a franchised dealer ~~[per each tag type, buyer's temporary tags, agent~~
9 ~~temporary tags, and vehicle specific tags,]~~ unless the dealer provides credible information indicating that
10 a greater number of buyer's license plates or sets of license plates is warranted based on anticipated
11 sales, and growth, to include new and used vehicle sales, including information from the manufacturer
12 or distributor, or as otherwise provided in this section. [:]

13 ~~[(A) the dealer provides credible information indicating that a greater number of~~
14 ~~tags is warranted based on anticipated sales, and growth, to include new and used vehicle sales,~~
15 ~~including information from the manufacturer or distributor, or as otherwise provided in this section; and]~~

16 ~~[(B) if more than 1,000 temporary tags are determined to be needed based on~~
17 ~~anticipated sales and growth, the total number of temporary tags needed, including the 1,000, will be~~
18 ~~doubled;]~~

19 (2) 100 general issue license plates or sets of plates and 48 buyer's temporary license
20 plates ~~[300 temporary tags]~~ for a nonfranchised dealer ~~[per each tag type, buyer's temporary tags, agent~~
21 ~~temporary tags, and vehicle specific tags,]~~ unless the dealer provides credible information indicating that

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1 a greater number of license plates or sets of license plates ~~[tags]~~ is warranted based on anticipated sales
2 as otherwise provided in this section. ~~[; and]~~

3 ~~[(3) A converter will be allocated 600 temporary tags, unless the converter provides~~
4 ~~credible information indicating that a greater number of tags is warranted based on anticipated sales,~~
5 ~~including information from the manufacturer or distributor, or as otherwise provided in this section.]~~

6 (f) ~~[(g)]~~ An existing dealer ~~[or converter]~~ that is:

7 (1) moving its operations from one location to a different location will continue with its
8 allotment of general issue license plates or sets of plates and buyer's temporary license plates
9 ~~[temporary tags]~~ and not be allocated license plates ~~[temporary tags]~~ under subsection (e) ~~[(f)]~~ of this
10 section;

11 (2) opening an additional location will receive a maximum allotment of buyer's general
12 issue license plates or sets of plates and buyer's temporary license plates ~~[temporary tags]~~ based on the
13 greater of the allotment provided to existing locations, including franchised dealers opening additional
14 locations for different line makes, or the amount under subsection (e) ~~[(f)]~~ of this section;

15 (3) purchased as a buy-sell ownership agreement will receive the maximum allotment of
16 general issue license plates or sets of plates and buyer's temporary license plates ~~[temporary tags]~~
17 provided to the location being purchased and not be allocated license plates ~~[temporary tags]~~ under
18 subsection (e) ~~[(f)]~~ of this section; and

19 (4) inherited by will or laws of descent will receive the maximum allotment of general
20 issue license plates or sets of plates and buyer's temporary license plates ~~[temporary tags]~~ provided to
21 the location being inherited and not be allocated license plates ~~[temporary tags]~~ under subsection (e)
22 ~~[(f)]~~ of this section.

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1 (g) [(h)] A new dealer [or converter] may also provide credible information supporting a request
2 for additional general issue license plates or sets of plates and buyer's temporary license plates
3 [temporary tags] to the amount allocated under subsection (e) [(f)] of this section based on:

- 4 (1) franchised dealer, manufacturer, or distributor sales expectations;
- 5 (2) a change in GDN [license] required by death or retirement, except as provided in
- 6 subsection (f) [(g)] of this section;
- 7 (3) prior year's sales by a dealer [dealership] moving into the state; or
- 8 (4) other similar change of location or ownership that indicates some continuity in
- 9 existing operations.

10 (h) The annual allotment of general issue license plates or sets of plates and buyer's temporary
11 license plates will each be divided by four and allocated to a dealer on a quarterly basis. A dealer's
12 remaining unissued license plates at the end of a calendar quarter will count towards the dealer's next
13 quarterly allotment.

14 (i) A dealer may request more general issue license plates or sets of plates or buyer's temporary
15 license plates:

16 (1) after using 50 percent of the quarterly allocation of general issue plates or sets of
17 plates or buyer temporary plates, a dealer may request an advance on the next quarter's allotment; or

18 (2) after using 50 percent of the allotted annual maximum number of general issue
19 plates or sets of plates or buyer temporary plates a dealer may request an increase in the annual allotted
20 number of license plates.

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1 ~~[After using 50 percent of the allotted maximum number of temporary tags, a dealer or~~
2 ~~converter may request an increase in the number of temporary tags by submitting a request in the~~
3 ~~department's eLICENSING system.]~~

4 (j) To receive more general issue license plates or sets of plates or buyer's temporary license
5 plates under subsection (i), a dealer must submit a request in the department's designated license plate
6 system.

7 (k) A dealer requesting an increase in the maximum annual allotment of general issue license
8 plates or sets of plates or buyer's temporary license plates

9 ~~[(1) The dealer or converter]~~ must provide information demonstrating the need for
10 additional license plates ~~[temporary tags]~~ results from business operations, including anticipated needs,
11 as required by Transportation Code, §503.0633(c). ~~[\$503.0632(c).]~~ Information may include
12 documentation of sales and tax reports filed as required by law, information of anticipated need, or
13 other information of the factors listed in Transportation Code, §503.0633(b). ~~[\$503.0632(b).]~~

14 (1) [(2)] The department shall consider the information presented and may consider
15 information not presented that may weigh for or against granting the request that the department in its
16 sole discretion determines to be relevant in making its determination. Other relevant information may
17 include information of the factors listed in Transportation Code, §503.0633(b) ~~[\$503.0632(b)]~~, the timing
18 of the request, and the requestor's ~~[applicant's]~~ license plate ~~[temporary tag]~~ activity.

19 (2) [(3)] The department may allocate a lesser or greater number of additional license
20 plates ~~[temporary tags]~~ than the amount requested. Allocation of a lesser or greater number of
21 additional license plates ~~[temporary tags]~~ is not a denial of the request. Allocation of additional license

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1 ~~plates [temporary tags]~~ under this paragraph does not limit the dealer's ~~[or converter's]~~ ability to submit
2 additional requests for more license plates ~~[temporary tags]~~.

3 (3) ~~[(4)]~~ If a request is denied, the denial will be sent to the dealer ~~[or converter]~~ by
4 email to the requestor's email address.

5 (A) A dealer ~~[or converter]~~ may appeal the denial to the designated director in
6 the Vehicle Titles and Registration Division. ~~[Motor Vehicle Division Director.]~~

7 (B) The appeal must be requested through the designated license plate system
8 ~~[eLICENSING system]~~ within 15 days of the date the department emailed the denial to the dealer ~~[or~~
9 ~~converter]~~.

10 (C) The appeal may discuss information provided in the request but may not
11 include additional information.

12 (D) The designated director in the Vehicle Titles and Registration Division ~~[Motor~~
13 ~~Vehicle Division Director]~~ will review the appeal ~~[submission]~~ and any additional statements concerning
14 the information submitted in the original request and render an opinion within 15 days of receiving the
15 appeal. The designated director in the Vehicle Titles and Registration Division ~~[Motor Vehicle Division~~
16 ~~Director]~~ may decide to deny the appeal ~~[request]~~ and issue no additional license plates ~~[tags]~~ or award
17 an amount of additional license plates ~~[temporary tags]~~ that is lesser, equal to, or greater than the
18 request.

19 (E) The requesting dealer ~~[or converter]~~ will be notified as follows:

20 (i) If the designated director in the Vehicle Titles and Registration
21 Division ~~[Motor Vehicle Division Director]~~ decides to deny the appeal, the department will contact the

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1 requesting dealer ~~[license holder]~~ by email regarding the decision and options to submit a new request
2 with additional relevant credible supporting documentation or to pursue a claim in district court; or

3 (ii) If the designated director in the Vehicle Titles and Registration
4 Division ~~[Motor Vehicle Division Director]~~ awards an amount of additional license plates ~~[temporary~~
5 ~~tags]~~ that is lesser, equal to, or greater than the request, the additional license plates ~~[temporary tags]~~
6 will be added to the dealer's allocation ~~[or converter's account]~~ and the dealer ~~[license holder]~~ will be
7 contacted by email regarding the decision, informed that the request has not been denied, and options
8 to submit a new request.

9 (5) The designated director in the Vehicle Titles and Registration Division's ~~[Motor~~
10 ~~Vehicle Division Director's]~~ decision on appeal is final.

11 (6) Once a denial is final, a dealer ~~[or converter]~~ may only submit a subsequent request
12 for additional license plates ~~[temporary tags]~~ during that calendar year if the dealer ~~[or converter]~~ is able
13 to provide additional information not considered in a prior request.

14 (l) ~~[(j)]~~ A change in the allotment under subsection (i) of this section does not create a dealer ~~[or~~
15 ~~converter]~~ base for subsequent year calculations.

16 (m) ~~[(k)]~~ The department may at any time initiate an enforcement action against a dealer ~~[or~~
17 ~~converter]~~ if license plate system activity ~~[temporary tag usage]~~ suggests that misuse or fraud has
18 occurred as described in Transportation Code \$503.0633(f) or \$503.0671. ~~[\$503.038, 503.0632(f), or~~
19 ~~503.067.]~~

20 ~~[(l) Unused temporary tag allotments from a calendar year do not roll over to subsequent years.]~~
21

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1 §215.154. Dealer's Temporary License Plate Allocation.

2 (a) The number of dealer's temporary license plates a dealer may order for business use is based
3 on the type of license for which the dealer applied and the number of vehicles the dealer sold during the
4 previous year.

5 (b) Unless otherwise qualified under this section, the maximum number of dealer's temporary
6 license plates the department will issue to a new license applicant during the applicant's first license
7 term is indicated in the following table.

8 Attached Graphic

9 (c) A dealer that applies for a license is not subject to the initial allotment limits described in this
10 section and may rely on that dealer's existing allocation of dealer's temporary license plates if that
11 dealer is:

12 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the
13 entity of ownership;

14 (2) any type of dealer that is relocating and has been licensed by the department for a
15 period of one year or longer; or

16 (3) any type of dealer that is changing its business entity type and has been licensed by
17 the department for a period of one year or longer.

18 (d) A dealer may obtain more than the maximum number of dealer's temporary license plates
19 provided by this section by submitting to the department proof of sales for the previous 12-month
20 period that justifies additional license plates.

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1 (1) The number of additional dealer's temporary license plates the department will issue
2 to a dealer that demonstrates need through proof of sales is indicated in the following table.

3 Attached Graphic

4 (2) For purposes of this section, proof of sales for the previous 12-month period may
5 consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with
6 the taxing authority in the county of the dealer's licensed location. Each copy must be stamped as
7 received by the taxing authority.

8 (e) A wholesale motor vehicle dealer may obtain more than the maximum number of dealer's
9 temporary license plates provided by this section by submitting to the department proof of the number
10 of vehicles the dealer has purchased in the previous 12-month period that justifies additional license
11 plates.

12 (1) Evidence of the wholesale motor vehicle dealer's vehicle purchases for the previous
13 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling
14 dealer's name, and any other information the department in its discretion deems necessary to
15 determine the need for additional dealer's temporary license plates for the wholesale motor vehicle
16 dealer.

17 (2) Upon review and approval of a wholesale motor vehicle dealer's proof of vehicle
18 purchases documentation, the department shall issue up to 5 additional dealer's temporary license
19 plates to the dealer.

20 (f) The Director of the Motor Vehicle Division may waive the dealer's temporary license plate
21 issuance restrictions if the waiver is essential for the continuation of the business. The director will

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determine the number of dealer's temporary license plates the department will issue based on the dealer's past sales, dealer's inventory, and any other factor the Director determines pertinent.

(1) A request for a waiver must be submitted to the director in writing and specifically state why the additional dealer's temporary license plates are necessary for the continuation of the dealer's business.

(2) A request for a waiver must be accompanied by proof of the dealer's sales for the previous 12-month period, if applicable.

§215.155. Buyer's License Plates ~~[Temporary Tags]~~.

(a) A dealer may issue and secure a buyer's general issue license plate or set of plates or a buyer's temporary license plate ~~[temporary tag may be displayed]~~ only on a vehicle:

(1) from the selling dealer's inventory; and

(2) that can be legally operated on the public streets and highways; and

(3) for which a sale or lease has been consummated; and

(4) that has a valid inspection in accordance with Transportation Code Chapter 548,

unless:

(A) an inspection is not required under Transportation Code §503.063(i) or (j); or

(B) the vehicle is exempt from inspection under Chapter 548.

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(b) A dealer may not issue a buyer's general issue or temporary license plate ~~[temporary tag must be issued and provided]~~ to the buyer of a vehicle that is to be titled but not registered ~~[but the temporary tag must not be displayed on the vehicle].~~

(c) For a wholesale transaction: ~~[7]~~

(1) a dealer may not issue a buyer's license plate; rather the purchasing dealer places on
the motor vehicle its own:

(A) ~~[(1)]~~ dealer's temporary license plate ~~[tag]~~; or

(B) ~~[(2)]~~ dealer's standard or personalized prestige license plate.

(2) if a general issue plate or set of plates is assigned to a vehicle, the selling dealer must
provide the license plate or set of plates to the purchasing dealer for placement on the vehicle at time of
retail sale.

(d) A buyer's temporary license plate ~~[tag]~~ is valid until the earlier of:

(1) the date on which the vehicle is registered; or

(2) the 60th day after the date of purchase.

~~[(e) The dealer or governmental agency, must ensure that the following information is placed on~~
~~a buyer's temporary tag:]~~

~~[(1) the vehicle-specific number obtained from the temporary tag database;]~~

~~[(2) the year and make of the vehicle;]~~

~~[(3) the VIN of the vehicle;]~~

~~[(4) the month, day, and year of the expiration of the buyer's temporary tag; and]~~

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1 ~~[(5) the name of the dealer or governmental agency.]~~

2 ~~(e) [(f)]~~ A dealer shall charge a buyer a fee of \$10 ~~[\$5 for the buyer's temporary tag or Internet-~~
3 ~~down-buyer's temporary tag issued]~~, unless the vehicle is exempt from payment of registration fees
4 under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the county with the
5 title transfer application for deposit to the credit of the Texas Department of Motor Vehicles fund. If the
6 vehicle is sold by a dealer to an out-of-state resident:

7 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
8 Texas Department of Motor Vehicles fund if payment is made through the department's designated
9 electronic system ~~[electronic title system]~~; or

10 (2) the dealer shall remit the fee to the county for deposit to the credit of the Texas
11 Department of Motor Vehicles fund.

12 ~~(f) [(g)]~~ A governmental agency may charge a buyer a fee of \$10 ~~[\$5 for the buyer's temporary~~
13 ~~tag or Internet-down-buyer's temporary tag issued]~~, unless the vehicle is exempt from payment of
14 registration fees under Transportation Code, §502.453 or §502.456. If collected by a governmental
15 agency, the fee must be sent to the county for deposit to the credit of the Texas Department of Motor
16 Vehicles fund.

17
18 §215.156. Buyer's License Plate ~~[Temporary Tag]~~ Receipt.

19 A dealer[,], or ~~[federal, state, or local]~~ governmental agency[,], must print a buyer's license plate
20 receipt from the department's designated electronic system and provide the~~[a buyer's temporary tag]~~
21 receipt to the buyer of each vehicle for which a buyer's license plate or set of license plates is issued.

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~~[temporary tag is issued, regardless of whether the buyer's temporary tag is issued using the temporary tag database or if the tag is a preprinted Internet down temporary tag. The dealer, or federal, state, or local governmental agency, may print the image of the buyer's temporary tag receipt issued from the temporary tag database or create the form using the same information.]~~ The dealer[, or [federal, state, or local] governmental agency, shall instruct the buyer to keep a copy of the buyer's license plate~~[temporary tag]~~ receipt in the vehicle until the vehicle is registered in the buyer's name and the vehicle registration insignia is affixed to the motor vehicle windshield or plate, as applicable ~~[and until metal plates are affixed to the vehicle]~~. The buyer's license plate ~~[temporary tag]~~ receipt must include the following information:

- (1) the issue date of the buyer's license plate or set of plates ~~[temporary tag]~~;
- (2) the year, make, model, body style, color, and VIN of the vehicle sold;
- (3) the license plate ~~[vehicle-specific temporary tag]~~ number;
- (4) ~~[the expiration date of the temporary tag;]~~
- ~~[(5)]~~ the date of the sale;
- (5) ~~[(6)]~~ the name of the issuing dealer and the dealer's license number or the name of the issuing federal, state, or local governmental agency; ~~and~~
- (6) ~~[(7)]~~ the buyer's name and mailing address; and ~~[.]~~
- (7) the procedure by which the vehicle's registration insignia will be provided to the buyer as required under Transportation Code, §503.0631.

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§215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available

[~~Advance Numbers, Preprinted Internet down Temporary Tags~~].

~~[(a)] In accordance with Transportation Code, §503.0631(d), [a dealer, or a federal, state, or local governmental agency, may obtain an advance supply of preprinted Internet down temporary tags with specific numbers and buyer's temporary tag receipts to issue in lieu of buyer's temporary tags if the dealer is unable to access the internet.]~~

~~[(b)] [(f)] If a dealer[, or [a federal, state, or local] governmental agency[, is unable to access the internet at the time of a sale, the dealer[, or [a federal, state, or local] governmental agency [, must complete the preprinted Internet down temporary buyer's tag and buyer's temporary tag receipt by providing details of the sale, signing the buyer's temporary tag receipt, and retaining a copy. The dealer, or a federal, state, or local governmental agency,] must document the issuance of a buyer's general issue license plate or set of plates or a buyer's temporary license plate on a receipt form prescribed by the department and enter the required information regarding the sale in the license plate system [temporary tag database] not later than the close of the next business day [that the dealer has access to the internet]. The buyer's license plate [temporary tag] receipt must include a statement that the dealer [, or a federal, state, or local] or governmental agency, has internet access but, at the time of the sale, the dealer [, or a federal, state, or local] or governmental agency, was unable to access the internet or the license plate system and meet the requirements in §215.156 of this title (relating to Buyer's License Plate Receipt) [temporary tag database].~~

§215.158. General Requirements for Buyer's License Plates [~~and Allocation of Preprinted Internet down Temporary Tag Numbers~~].

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(a) A [The] dealer[, or a federal, state, or local] governmental agency[,] is responsible for the safekeeping of all license plates in the dealer's or governmental agency's possession consistent with the requirements in §215.150 (relating to Dealer Authorization to Issue License Plates). ~~[preprinted Internet-down temporary tags and shall store them in a secure place, and promptly destroy any expired tags.]~~ A [The] dealer[, or a federal, state, or local] governmental agency shall report any loss, theft, or destruction of a buyer's license plate [preprinted Internet-down temporary tags] to the department in the system designated by the department within 24 hours of discovering the loss, theft, or destruction. A dealer or governmental agency is also encouraged to immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency.

(b) When a dealer is required to remove and void a previously assigned general issue plate or set of plates or other type of license plate from a vehicle sold to an out-of-state buyer or for another reason allowed by rule, the dealer shall render a void plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X"; and within 10 days:

- (1) destroy the license plate or set of plates; or
- (2) recycle the license plate or set of license plates using a metal recycler registered under Occupations Code, Chapter 1956; or
- (3) return the license plate or set of plates to the department or county tax assessor-collector.

~~[A dealer, or a federal, state, or local governmental agency, may use a preprinted Internet-down temporary tag up to 12 months after the date the preprinted Internet-down temporary tag is created. A dealer, or a federal, state, or local governmental agency, may create replacement preprinted Internet-down temporary tags up to the maximum allowed, when:]~~

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1 ~~[(1) a dealer, or a federal, state, or local governmental agency, uses one or more~~
2 ~~preprinted Internet down temporary tags and then enters the required information in the temporary tag~~
3 ~~database after access to the temporary tag database is again available; or]~~

4 ~~[(2) a preprinted Internet down temporary tag expires.]~~

5 (c) A dealer or governmental agency must return all buyer's license plates in the dealer's
6 possession to the department within 10 days of closing the associated license or within 10 days of the
7 associated license being revoked, canceled, or closed by the department.

8 ~~[(c) The number of preprinted Internet down temporary tags that a dealer, or federal, state, or~~
9 ~~local governmental agency, may create is equal to the greater of:]~~

10 ~~[(1) the number of preprinted Internet down temporary tags previously allotted by the~~
11 ~~department to the dealer or a federal, state, or local governmental agency;]~~

12 ~~[(2) 30; or]~~

13 ~~[(3) 1/52 of the dealer's, or federal, state, or local governmental agency's, total annual~~
14 ~~sales.]~~

15 ~~[(d) For good cause shown, a dealer, or a federal, state, or local governmental agency, may~~
16 ~~obtain more than the number of preprinted Internet down temporary tags described in subsection (c) of~~
17 ~~this section. The director of the Motor Vehicle Division of the department or that director's delegate may~~
18 ~~approve, in accordance with this subsection, an additional allotment of preprinted Internet down~~
19 ~~temporary tags for a dealer, or a federal, state, or local governmental agency, if the additional allotment~~
20 ~~is essential for the continuation of the dealer's, or a federal, state, or local governmental agency's,~~
21 ~~business. The director of the Motor Vehicle Division of the department, or a federal, state, or local~~

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~~governmental agency, or that director's delegate will base the determination of the additional allotment of preprinted Internet down temporary tags on the dealer's, or a federal, state, or local governmental agency's, past sales, inventory, and any other factors that the director of the Motor Vehicle Division of the department or that director's delegate determines pertinent, such as an emergency. A request for additional preprinted Internet down temporary tags must specifically state why the additional preprinted Internet down temporary tags are necessary for the continuation of the applicant's business.]~~

~~[(e) Preprinted Internet down temporary tags created under subsection (c) of this section apply to the maximum tag limit established in §215.152 of this title (relating to Obtaining Numbers for Issuance of Temporary Tags) when the preprinted tag is entered into the temporary tag database as a sale.]~~

§215.160. Duty to Identify Motor Vehicles Offered for Sale as Rebuilt.

(a) For each motor vehicle a dealer displays or offers for retail sale and which the dealer knows has been a salvage motor vehicle as defined by Transportation Code, §501.091(15) and has subsequently been issued a title ~~[titled under Transportation Code, §501.100]~~, a dealer shall disclose in writing that the motor vehicle has been repaired, rebuilt, or reconstructed. The written disclosure must:

(1) be visible from outside of the motor vehicle; and

(2) contain lettering that is reasonable in size, stating as follows: *"This motor vehicle has been repaired, rebuilt or, reconstructed after formerly being titled as a salvage motor vehicle."*

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(b) Upon the sale of a motor vehicle which has been a salvage motor vehicle as defined by Transportation Code, §501.091(15) and subsequently issued a title ~~[titled under Transportation Code, §501.100]~~, a dealer shall obtain the purchaser's signature on the vehicle disclosure form or on an acknowledgement written in fourteen point or larger font that states as follows: "*I, (name of purchaser), acknowledge that at the time of purchase, I am aware that this vehicle has been repaired, rebuilt, or reconstructed and was formerly titled as a salvage motor vehicle.*"

(c) The purchaser's acknowledgement as required in subsection (b) of this section may be incorporated in a Buyer's Order, a Purchase Order, or other disclosure document. This disclosure requires a separate signature.

(d) An original signed acknowledgement or vehicle disclosure form required by subsection (b) of this section must be given to the purchaser and a copy of the signed acknowledgement or vehicle disclosure form shall be retained by the dealer in the records of motor vehicles sales required by §215.144 of this title (relating to Vehicle Records). If the acknowledgement is incorporated in a Buyer's Order, a Purchase Order, or other disclosure document, a copy of that document must be given to the purchaser and a copy retained in the dealer's records in accordance with §215.144.

(e) This section does not apply to a wholesale motor vehicle auction.

§215.162. Catalytic Converter Record Requirements.

A dealer that repairs a motor vehicle with a catalytic converter shall:

(1) comply with the recordkeeping requirements in Occupations Code, Chapter 2305,

Subchapter D; and

(2) allow the department to inspect these records during business hours.

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1

2 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the

3 department proposes repeals to Chapter 215 under Occupations Code, §2301.151, which gives the board

4 authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any

5 action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which

6 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,

7 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair

8 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of

9 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,

10 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or

11 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before

12 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a

13 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license

14 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,

15 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement

16 with a retail purchaser of a motor vehicle; Transportation Code, §503.002, which authorizes the board to

17 adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009,

18 which authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.061,

19 which allows the board to adopt rules regulating the issuance and use of dealer's license plates;

20 Transportation Code, §503.0631 which requires the department to adopt rules to implement and manage

21 the department's database of dealer-issued buyer's license plates; §503.0633 which allows the

22 department to establish the maximum number of license plates or sets of license plates a dealer may

23 obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code, §520.003

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1 which requires the department to adopt rules to administer Chapter 520; Transportation Code, §520.0071
2 which requires the board to adopt rules classifying deputies performing titling and registration duties, the
3 duties and obligations of these deputies, the type and amount of bonds that may be required by a county
4 tax assessor-collector for a deputy performing titling and registration duties, and the fees that may be
5 charged or retained by deputies; Transportation Code, §520.021 which allows the department to adopt
6 rules and policies for the maintenance and use of the department's automated registration and titling
7 system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
8 necessary and appropriate to implement the powers and the duties of the department, as well as the
9 statutes referenced throughout this preamble.

10 The department also adopts amendments under the authority of Transportation Code,
11 §501.0041 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory
12 authority referenced throughout this preamble.

13 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
14 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
15 rules to administer Transportation Code, Chapter 502.

16 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
17 the nature and requirements of all available formal and informal procedures. Government Code,
18 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
19 annulment, or withdrawal of a license.

20 **CROSS REFERENCE TO STATUTE.** These proposed repeals implement Government Code, Chapter 2001;
21 Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and 1001–
22 1005.

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1 Text.

2 [~~§215.151. Temporary Tags, General Use Requirements, and Prohibitions.~~]

3 [~~(a) A dealer, governmental agency, or converter shall secure a temporary tag to a vehicle in the~~
4 ~~license plate display area located at the rear of the vehicle, so that the entire temporary tag is visible and~~
5 ~~legible at all times, including when the vehicle is being operated.~~]

6 [~~(b) All printed information on a temporary tag must be visible and may not be covered or~~
7 ~~obstructed by any plate holder or other device or material.~~]

8 [~~(c) A motor vehicle that is being transported in accordance with Transportation Code,~~
9 ~~§503.068(d) or §503.0625, must have a dealer's temporary tag, a converter's temporary tag, or a buyer's~~
10 ~~temporary tag, whichever is applicable, affixed to the motor vehicle being transported.~~]

11

12 [~~§215.153. Specifications for All Temporary Tags~~]

13 [~~(a) Information printed or completed on a temporary tag must be in black ink on a white~~
14 ~~background. Other than for a motorcycle, a completed buyer's, dealer's, converter's, or preprinted~~
15 ~~Internet-down temporary tag shall be six inches high and at least eleven inches wide. For a motorcycle,~~
16 ~~the completed buyer's, dealer's, converter's, or preprinted Internet-down temporary tag shall be four~~
17 ~~inches high and at least seven inches wide.~~]

18 [~~(b) A temporary tag must be:~~]

19 [~~(1) composed of plastic or other durable, weather-resistant material; or~~]

20 [~~(2) sealed in a two-mil clear poly bag that encloses the entire temporary tag.~~]

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~~[(c) A temporary tag may only be issued and printed from the department's temporary tag database as described in §215.152 of this title (relating to Obtaining Numbers for Issuance of Temporary Tags) and §215.157 of this title (relating to Advance Numbers, Preprinted Internet-down Temporary Tags).]~~

~~[\$215.154. Dealer's Temporary Tags.]~~

~~[(a) A dealer's temporary tag may be displayed only on the type of vehicle for which the GDN is issued and for which the dealer is licensed by the department to sell or lease.]~~

~~[(b) A wholesale motor vehicle auction license holder that also holds a dealer GDN may display a dealer's temporary tag on a vehicle that is being transported to or from the licensed auction location.]~~

~~[(c) When an unregistered vehicle is sold to another dealer, the selling dealer shall remove the selling dealer's temporary tag. The purchasing dealer may display its dealer's temporary tag or its dealer's standard or personalized prestige license plate on the vehicle.]~~

~~[(d) A dealer's temporary tag:]~~

~~[(1) may be displayed on a vehicle only as authorized in Transportation Code, §503.062; and]~~

~~[(2) may not be displayed on:]~~

~~[(A) a laden commercial vehicle being operated or moved on the public streets or highways;]~~

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1 ~~[(B) on the dealer's service or work vehicles as described in §215.138(d) of this~~
2 ~~chapter (relating to Use of Dealer's License Plates);]~~

3 ~~[(C) a golf cart as defined under Transportation Code, Chapter 551; or]~~

4 ~~[(D) an off-highway vehicle as defined under Transportation Code, Chapter~~
5 ~~551A.]~~

6 ~~[(e) For purposes of subsection (d) of this section, a vehicle bearing a dealer's temporary tag is~~
7 ~~not considered a laden commercial vehicle when the vehicle is:]~~

8 ~~[(1) towing another vehicle bearing the same dealer's temporary tags; and]~~

9 ~~[(2) both vehicles are being conveyed from the dealer's place of business to a licensed~~
10 ~~wholesale motor vehicle auction or from a licensed wholesale motor vehicle auction to the dealer's~~
11 ~~place of business.]~~

12 ~~[(f) A dealer's temporary tag may not be used to operate a vehicle for the personal use of a~~
13 ~~dealer or a dealer's employee.]~~

14 ~~[(g) A dealer's temporary tag must show its expiration date, which must not exceed 60 days after~~
15 ~~the date the temporary tag was issued.]~~

16 ~~[(h) A dealer's temporary tag may be issued by a dealer to a specific motor vehicle in the dealer's~~
17 ~~inventory or to a dealer's agent who is authorized to operate a motor vehicle owned by the dealer.]~~

18 ~~[(i) A dealer that issues a dealer's temporary tag to a specific vehicle must ensure that the~~
19 ~~following information is placed on the temporary tag:]~~

20 ~~[(1) the vehicle-specific number from the temporary tag database;]~~

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1 ~~{{(2) the year and make of the vehicle;}}~~

2 ~~{{(3) the VIN of the vehicle;}}~~

3 ~~{{(4) the month, day, and year of the temporary tag's expiration; and}}~~

4 ~~{{(5) the name of the dealer.}}~~

5 ~~{{(j) A dealer that issues a dealer's temporary tag to an agent must ensure that the following~~

6 ~~information is placed on the temporary tag:}}~~

7 ~~{{(1) the specific number from the temporary tag database;}}~~

8 ~~{{(2) the month, day, and year of the temporary tag's expiration; and}}~~

9 ~~{{(3) the name of the dealer.}}~~

10

11 ~~[215.159. Converter's Temporary Tags.]~~

12 ~~{{(a) A converter's temporary tag may be displayed only on the type of vehicle that the converter~~

13 ~~is engaged in the business of assembling or modifying.}}~~

14 ~~{{(b) A converter's temporary tag must show its expiration date, which may not be more than 60~~

15 ~~days after the date of its issuance.}}~~

16 ~~{{(c) A converter that issues a converter's temporary tag to a specific vehicle shall ensure that the~~

17 ~~following information is placed on the converter's temporary tag:}}~~

18 ~~{{(1) the vehicle-specific number from the temporary tag database;}}~~

19 ~~{{(2) the year and make of the vehicle;}}~~

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1 ~~[(3) the VIN of the vehicle;]~~

2 ~~[(4) the month, day, and year of expiration of the converter's temporary tag; and]~~

3 ~~[(5) the name of the converter.]~~

4

5 **SUBCHAPTER E. LESSORS AND LEASE FACILITATORS**

6 **43 TAC §215.178**

7

8 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the

9 department proposes amendments to Chapter 215 under Occupations Code, §2301.151, which gives the

10 board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take

11 any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which

12 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,

13 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair

14 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of

15 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,

16 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or

17 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before

18 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a

19 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license

20 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,

21 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement

22 with a retail purchaser of a motor vehicle; Transportation Code, §503.002, which authorizes the board to

23 adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009,

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1 which authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.061,
2 which allows the board to adopt rules regulating the issuance and use of dealer's license plates;
3 Transportation Code, §503.0631 which requires the department to adopt rules to implement and manage
4 the department's database of dealer-issued buyer's license plates; §503.0633 which allows the
5 department to establish the maximum number of license plates or sets of license plates a dealer may
6 obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code, §520.003
7 which requires the department to adopt rules to administer Chapter 520; Transportation Code, §520.0071
8 which requires the board to adopt rules classifying deputies performing titling and registration duties, the
9 duties and obligations of these deputies, the type and amount of bonds that may be required by a county
10 tax assessor-collector for a deputy performing titling and registration duties, and the fees that may be
11 charged or retained by deputies; Transportation Code, §520.021 which allows the department to adopt
12 rules and policies for the maintenance and use of the department's automated registration and titling
13 system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
14 necessary and appropriate to implement the powers and the duties of the department, as well as the
15 statutes referenced throughout this preamble.

16 The department also adopts amendments under the authority of Transportation Code,
17 §501.0041 and §502.0021; and Government Code, §§2001.004 and 2001.054, in addition to the statutory
18 authority referenced throughout this preamble.

19 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
20 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
21 rules to administer Transportation Code, Chapter 502.

22 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
23 the nature and requirements of all available formal and informal procedures. Government Code,

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§2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These proposed amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and 1001–1005.

Text.

§215.178. Records Required for Vehicle Lessors and Vehicle Lease Facilitators.

(a) Vehicle purchase, leasing, and sales records. A vehicle lessor or vehicle lease facilitator shall maintain a complete record of all vehicle purchases, leases, and sales of leased vehicles for at least one year after the expiration of the vehicle lease.

(1) Complete records reflecting vehicle lease transactions that occurred within the preceding 24 months must be maintained at the licensed location. Records for prior time periods may be kept off-site.

(2) Within 15 days of receipt of a department records request ~~[from a representative of the department]~~, a vehicle lessor or vehicle lease facilitator shall deliver a copy of the specified records to the address listed in the request.

(b) Content of records for lease transaction. A complete record for a vehicle lease transaction must contain:

(1) the name, address, and telephone number of the vehicle lessor;

(2) the name, mailing address, physical address, and telephone number of each vehicle lessee;

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- 1 (3) the name, address, telephone number, and license number of the lease
- 2 facilitator;
- 3 (4) the name, work address, and telephone number of each employee of the vehicle
- 4 lease facilitator that handled the transaction;
- 5 (5) a complete description of the vehicle involved in the transaction, including the
- 6 VIN;
- 7 (6) the name, address, telephone number, and GDN of the dealer selling the
- 8 vehicle, as well as the franchised dealer's license number if the vehicle is a new motor vehicle;
- 9 (7) the amount of fee paid to the vehicle lease facilitator or a statement that no fee
- 10 was paid;
- 11 (8) a copy of the buyer's order and sales contract for the vehicle;
- 12 (9) a copy of the vehicle lease contract;
- 13 (10) a copy of all other contracts, agreements, or disclosures between the vehicle
- 14 lease facilitator and the consumer lessee; and
- 15 (11) a copy of the front and back of the manufacturer's statement of origin,
- 16 manufacturer's certificate of origin, or the title of the vehicle, as applicable.
- 17 (c) Content of records for sale of leased vehicle. A vehicle lessor's complete record for each
- 18 vehicle sold at the end of a lease to a lessee, a dealer, or at a wholesale motor vehicle auction must
- 19 contain:
- 20 (1) the date of the purchase;
- 21 (2) the date of the sale;
- 22 (3) the VIN;

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- 1 (4) the name and address of the person selling the vehicle to the vehicle lessor;
- 2 (5) the name and address of the person purchasing the vehicle from the vehicle lessor;
- 3 (6) except for a purchase or sale where the Tax Code does not require payment of motor
- 4 vehicle sales tax, a tax assessor-collector receipt marked paid;
- 5 (7) a copy of all documents, forms, and agreements applicable to a particular sale,
- 6 including a copy of:
 - 7 (A) the title application;
 - 8 (B) the work-up sheet;
 - 9 (C) the front and back of manufacturer's certificate of origin or manufacturer's
 - 10 statement of origin, unless the title is obtained through webDEALER as defined in §217.71 of this title
 - 11 (relating to Automated and Web-Based Vehicle Registration and Title Systems) ~~[the electronic title~~
 - 12 ~~system];~~
 - 13 (D) the front and back of the title, unless the title is obtained through
 - 14 webDEALER as defined in §217.71 of this title ~~[the electronic title system];~~
 - 15 (E) the factory invoice;
 - 16 (F) the sales contract;
 - 17 (G) the retail installment agreement;
 - 18 (H) the buyer's order;
 - 19 (I) the bill of sale;
 - 20 (J) any waiver;

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(K) any other agreement between the seller and purchaser; and

(L) the purchaser's photo identification if sold to a lessee;

(8) a copy of the original manufacturer's certificate of origin, original manufacturer's

statement of origin, or title for a motor vehicle offered for sale, or a properly stamped original

manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a title

transaction entered by a dealer into webDEALER as defined in §217.71 of this title [the electronic titling

system by a dealer];

(9) the monthly Motor Vehicle Seller Financed Sales Returns, if any; and

(10) if the vehicle sold is a motor home or a towable recreational vehicle subject to

inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at

the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

(d) Records of advertising. A vehicle lessor or vehicle lease facilitator shall maintain a copy

of all advertisements, brochures, scripts, or an electronically reproduced copy in whatever medium

appropriate, of promotional materials for a period of at least 18 months. Each copy is subject to

inspection upon request by the department at the business location during posted business hours.

(1) A vehicle lessor and a vehicle lease facilitator shall comply with all federal and

state advertising laws and regulations, including Subchapter F of this chapter (relating to

Advertising).

(2) A vehicle lessor's or vehicle lease facilitator's advertising or promotional

materials may not state or infer, either directly or indirectly, that the business involves the sale of

new motor vehicles.

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1 (e) Title assignments. Each certificate of title, manufacturer's certificate of origin, or other
2 evidence of ownership for a vehicle that has been acquired by a vehicle lessor for lease must be
3 properly assigned from the seller in the vehicle lessor's name.

4 (f) Letters of representation or appointment. A letter of representation or appointment
5 between a vehicle lessor and a vehicle lease facilitator must be executed by both parties and
6 maintained by each party.

7 (g) Electronic records. Any record required to be maintained by a vehicle lessor or vehicle
8 lease facilitator may be maintained in an electronic format, provided the electronic record can be
9 printed at the licensed location or sent electronically upon department request except as provided
10 by paragraph (c)(8) of this section.

Figure: 43 TAC §215.154(b)

<u>If a new license applicant is:</u>	<u>Maximum number of dealer's temporary license plates issued during the first license term is:</u>
<u>1. a franchised motor vehicle dealer</u>	<u>200</u>
<u>2. a franchised motorcycle dealer</u>	<u>50</u>
<u>3. an independent motor vehicle dealer</u>	<u>25</u>
<u>4. an independent motorcycle dealer</u>	<u>10</u>
<u>5. a franchised or independent travel trailer dealer</u>	<u>10</u>
<u>6. a trailer or semitrailer dealer</u>	<u>5</u>
<u>7. an independent mobility motor vehicle dealer</u>	<u>5</u>
<u>8. a wholesale motor vehicle dealer</u>	<u>10</u>

Figure: 43 TAC §215.154(d)

<u>If a vehicle dealer is:</u>	<u>Maximum number of additional dealer's temporary license plates issued with a demonstrated need through proof of sales is:</u>
<u>1. A dealer selling 26 to 50 during the previous 12-month period</u>	<u>5</u>
<u>2. A dealer selling 51 to 100 during the previous 12-month period</u>	<u>10</u>
<u>3. A dealer selling 101 to 150 during the previous 12-month period</u>	<u>15</u>
<u>4. A dealer selling 151 to 199 during the previous 12-month period</u>	<u>20</u>
<u>5. A dealer selling 200-299 during the previous 12-month period</u>	<u>25</u>
<u>6. A dealer selling more than 300 vehicles during the previous 12-month period</u>	<u>30</u>

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles and Registration Division Director
Agenda Item: 10
Subject: Chapter 217, Vehicle Titles and Registration
Amendments: Subchapters A, B, C, D, E, F, G, H, I, J and L
New: §217.31
Repeal: §217.34 and §217.87
(Relating to HB 718 and HB 3297 Legislative Implementation, and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the proposed amendments, new section and repeals in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The department is conducting a review of its rules under 43 Texas Administrative Code (TAC) Chapter 217 in compliance with Government Code, §2001.039. The proposed amendments, new section and repeals would implement House Bill (HB) 718 and HB 3297, 88th Legislature, Regular Session (2023), and clean up the language in Chapter 217.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments, new section and repeals.

BACKGROUND AND DISCUSSION

Rule Review

The department is conducting a review of its rules in Chapter 217 in compliance with Government Code, §2001.039. As part of the rule review, the department is proposing necessary amendments, a new section and repeals to update and streamline the rule text, bringing it into compliance with statute and with current department procedure.

As part of the department's rule review of Chapter 217, the department is proposing amendments, a new section and repeals to sections of Chapter 217 with the following goals in mind:

- to implement statutory changes and add conforming language to be consistent with statutes and other chapters in Title 43 of the Texas Administrative Code;
- to clarify the purpose of a rule by amending the title and language;
- to more specifically describe the department's methods and procedures;
- to delete language describing actions for which the department does not have rulemaking authority;
- to modify language to be consistent with current practice, including the use of records or electronic systems;
- to clarify existing requirements;
- to modernize language and improve readability through the use of consistent terminology;
- to clarify or delete unused, archaic, or inaccurate definitions, terms, and references to improve understanding and readability; and

- to repeal provisions that are redundant with statute.

Significant Changes Based on Rule Review

- A proposed amendment to §217.9 would conform the rule to Transportation Code, §501.053 by deleting language providing for a certification of lien satisfaction and clarifying that applicants must provide both a release of all liens and a surety bond;
- A proposed amendment to §217.5(a)(2) would clarify the types of ownership evidence accepted by the department for title applications for used cars; and
- A proposed amendment to §217.5(a)(1)(A) would add two new requirements for a manufacturer's certificate of origin, including the name of the manufacturer and the seating capacity, if the vehicle is a motor bus.

Advisory Committee Input

In February and March 2024, the department provided an early draft of proposed rules including changes related to the rule review of Chapter 217 and implementation of HB 718 and HB 3297, to three department advisory committees, the Vehicle Titles and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC). Committee members voted on formal motions and provided informal comments on other provisions. Additionally, stakeholders, including the Texas Automobile Dealers Association (TADA), the Texas Independent Automobile Dealers Association (TIADA), the Texas Recreational Vehicle Association (TRVA), and the Texas Motorcycle Dealers Association (TMDA), provided feedback and input on one or more rule proposals.

Legislative Implementation:

Amendments are also proposed to implement HB 718, which amended various sections in Transportation Code, Chapters 501, 502, 503, 504, 520, and 548 to remove provisions authorizing a vehicle dealer or converter to issue a temporary tag for a vehicle and replaced these tags with categories of license plates effective July 1, 2025. Accordingly, HB 718 requires a motor vehicle dealer to issue to a person who buys a vehicle from the dealer, a license plate or set of license plates. HB 718 requires the department to determine new distribution methods, systems, and procedures; if a motor vehicle is sold to a Texas resident, a Texas dealer will assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license plate, and the assigned license plate will stay with the vehicle if the vehicle is later sold to another Texas buyer.

Additionally, amendments are proposed to implement HB 3297, which amended various sections in Transportation Code, Chapters 502, 547, and 548. HB 3297 repealed Transportation Code provisions mandating vehicle safety inspections for non-commercial vehicles but maintained safety inspections for commercial vehicles and vehicle emissions inspections for vehicles in certain counties. HB 3297 is effective January 1, 2025.

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PROPOSAL OF REVISIONS TO**SUBCHAPTER A. MOTOR VEHICLE TITLES****43 TAC §§217.2-217.9, 217.11 AND 217.14-217.16****SUBCHAPTER B. MOTOR VEHICLE REGISTRATION****43 TAC §§217.22, 217.23, 217.25-217.29, 217.33, 217.36, 217.37, 217.40, 217.41, 217.43, 217.45,****217.46, AND 217.50-217.56****SUBCHAPTER C. REGISTRATION AND TITLE SYSTEMS****43 TAC §§217.71, 217.74, AND 217.75****SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES****43 TAC §§217.81-217.86, 217.88, AND 217.89****SUBCHAPTER E. TITLE LIENS AND CLAIMS****43 TAC §217.106****SUBCHAPTER F. MOTOR VEHICLE RECORDS****43 TAC §§217.122-217.125, 217.129, AND 217.131****SUBCHAPTER G. INSPECTIONS****43 TAC §217.143 AND §217.144****SUBCHAPTER H. DEPUTIES****43 TAC §§217.161, 217.166 AND 217.168**

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SUBCHAPTER I. PROCESS AND HANDLING FEES**§§217.181 - 217.185****SUBCHAPTER J. PERFORMANCE QUALITY RECOGNITION PROGRAM****§217.205****SUBCHAPTER L. ASSEMBLED VEHICLES****§217.404****NEW****§217.31****REPEAL OF****43 TAC §217.34 AND §217.87**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments, a new section and repeals to 43 Texas Administrative Code (TAC) Chapter 217, Subchapter A, Motor Vehicle Titles; §§217.2-217.9, 217.11, and 217.14-217.16; Subchapter B, Motor Vehicle Registration, §§217.22, 217.23, 217.25-217.29, 217.33, 217.36, 217.37, 217.40, 217.41, 217.43, 217.45, 217.46, 217.50-217.56; Subchapter C, Registration and Title Systems, §§217.71, 217.74, and 217.75; Subchapter D, Nonrepairable and Salvage Motor Vehicles, §§217.81-217.86, 217.88, and 217.89; Subchapter E, Title Liens and Claims, §217.106; Subchapter F, Motor Vehicle Records, §§217.122-217.125, 217.129, and 217.131; Subchapter G, Inspections §§217.143 and 217.144; Subchapter H, Deputies, §§217.161, 217.166 and 217.168; Subchapter I, Fees, §§217.181 - 217.185; Subchapter J, Performance Quality

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Recognition Program, §217.205; and Subchapter L, Assembled Vehicles, §217.404. The department proposed new §217.31. Repeals are proposed for §217.34 and §217.87.

The proposed amendments, new section and repeals are necessary to bring the rules into alignment with statute; to remove language that is redundant with statute; to clarify the purpose of a rule by amending the title and language; to clarify existing requirements; to modernize language and improve readability through the use of consistent terminology; to clarify or delete unused, archaic, or inaccurate definitions, terms, and references; and to more specifically describe the department's methods and procedures.

Amendments are also proposed to implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), which amended various sections in Transportation Code, Chapters 501, 502, 503, 504, 520, and 548 to remove provisions authorizing a vehicle dealer or converter to issue a temporary tag for a vehicle and replaced these tags with categories of license plates, effective July 1, 2025. Accordingly, HB 718 requires a motor vehicle dealer to issue to a person who buys a vehicle from the dealer a license plate or a set of license plates. HB 718 requires the department to determine new distribution methods, systems, and procedures; set certain fees; and adopt related rules by December 1, 2024. Beginning July 1, 2025, if a motor vehicle is sold to a Texas resident, a Texas dealer will assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license plate, and the assigned license plate will stay with the vehicle if the vehicle is later sold to another Texas buyer.

Additionally, amendments are proposed to implement HB 3297, 88th Legislature, Regular Session (2023), which amended various sections in Transportation Code, Chapters 502, 547, and 548. HB 3297 repealed Transportation Code provisions mandating vehicle safety inspections for noncommercial

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1 vehicles but maintained safety inspections for commercial vehicles and vehicle emissions inspections for
2 vehicles in certain counties. HB 3297 is effective January 1, 2025.

3 The department is also conducting a review of its rules in Chapter 217 in compliance with
4 Government Code, §2001.039. Notice of the department’s plan to review Chapter 217 is published in
5 this issue of the *Texas Register*. As a part of the rule review, the department is proposing necessary
6 amendments and repeals to update and streamline the rule text, bringing it into compliance with statute
7 and with current department procedure.

8 In 2019, the Sunset Commission recommended the board establish advisory committees and
9 adopt rules regarding standard advisory committee structure and operating criteria. The board adopted
10 rules in 2019 and advisory committees have since provided valuable input on rule proposals considered
11 by the board for proposal or adoption. In February and March 2024, the department provided an early
12 draft of rule changes implementing HB 718 and HB 3297 to three department advisory committees, the
13 Vehicle Titles and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation
14 Advisory Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC).
15 Committee members voted on formal motions and provided informal comments on other provisions.
16 Additionally, stakeholders including the Texas Automobile Dealers Association (TADA), the Texas
17 Independent Automobile Dealers Association (TIADA), the Texas Recreational Vehicle Association
18 (TRVA), and the Texas Motorcycle Dealers Association (TMDA) provided feedback and input on one or
19 more rule proposals. Due to the delayed effective dates of HB 718 and HB 3297, it is necessary to delay
20 the effective dates of the rules implementing those bills. As a result, the amendments to §§217.4,
21 217.27 and 217.89 are proposed to be effective January 1, 2025, and proposed amendments to §§217.8,
22 217.16, 217.40, 217.46, 217.52, 217.168, 217.182 and 217.185 are proposed to be effective July 1, 2025.

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EXPLANATION.

Subchapter A. Motor Vehicle Titles

Proposed amendments to §217.2 would delete the definitions for “all-terrain vehicle or ATV” “house moving dolly,” “implements of husbandry,” “obligor,” “off-highway vehicle,” “recreational off-highway vehicle or ROV,” “sand rail,” and “utility vehicle or UTV” because none of these terms are used in proposed amended Chapter 217. Another proposed amendment would add a new definition for “current photo identification” in new §217.2(4), using language that currently appears in §217.5(d)(4) to allow the department the flexibility to accept government-issued photo identification within 12 months of the expiration date, as well as state-issued personal identification certificates that do not have expiration dates. The remaining paragraphs in §217.2 are proposed to be renumbered accordingly. A proposed amendment to §217.2(25) would delete subparagraphs A, B, and C from the definition of “verifiable proof,” as those subparagraphs are unnecessary and duplicative of language in §217.7, relating to Replacement of Title.

A proposed amendment to the introductory sentence in §217.3 would add the words “or this subchapter” to clarify that the rules in 43 TAC Chapter 217, Subchapter A, relating to Motor Vehicle Titles, regulate applications for title by motor vehicle owners. A proposed amendment would delete §217.3(1)(B) to remove unnecessary language that is duplicative of the definition of “moped” in §217.2 and would remove the letter for subparagraph (A) because there would only be one subparagraph in §217.3(1) due to the proposed deletion of subparagraph (B). A proposed amendment would delete §217.3(2)(A) to conform the rule to the Texas Transportation Code, Chapter 501, which does not prohibit the titling of implements of husbandry. A proposed amendment to §217.3(2)(C) would replace “farm tractors” with “tractors” to clarify that while farm tractors may be exempt from registration, tractors

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1 used to mow rights of way or to move commodities are not. Another proposed amendment would
2 delete §217.3(2)(D) to remove unnecessary language that is duplicative of language in the
3 Transportation Code. The remaining subsections of §217.3(2) are proposed to be renumbered
4 accordingly. A proposed amendment to §217.3(4) would delete the portion of the paragraph reciting the
5 weight requirements for mandatory titling of trailers, as well as the portion of the paragraph stating that
6 trailers under 4,000 pounds may be permissively titled, to remove unnecessary language that is
7 duplicative of language in the Transportation Code.

8 A proposed amendment to §217.4(d)(4) would delete language requiring completion of a vehicle
9 inspection under Transportation Code, Chapter 548 for all title applications, and substitute language
10 specifying that for vehicles last registered in another state, applicants must verify the vehicle
11 identification number (VIN) by a process described on a department self-certification form if the vehicle
12 is not subject to Transportation Code, Chapter 548. The proposed changes would implement HB 3297,
13 which removed the vehicle safety inspection as a prerequisite for registration and titling while still
14 allowing the department to deter fraud by verifying the VINs of out-of-state vehicles. The proposed
15 amendment also clarifies that if an applicant is registering or titling a vehicle in a county subject to
16 emissions testing, the emissions testing requirements must be satisfied. A proposed amendment to
17 §217.4(d)(5) would delete paragraphs (A) and (B) and re-organize the rule accordingly. The proposed
18 deletion of paragraphs (A) and (B) would remove language that is unnecessary because it is duplicative
19 of language in the Transportation Code. These amendments to §217.4 are proposed for a future effective
20 date of January 1, 2025, in accordance with the effective date of HB 3297.

21 A proposed amendment to §217.5(a)(1)(A) would add new requirements for a manufacturer's
22 certificate of origin (MCO). Proposed new §217.5(a)(1)(A)(i) would require that a manufacturer's name

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1 be listed on the MCO, to eliminate confusion as to the name of the manufacturer when shortened
2 versions or abbreviations of a manufacturer’s name are printed on an MCO. Proposed new
3 §217.5(a)(1)(A)(vi) would require listing seating capacity (number of passengers) for motor bus MCOs, to
4 help the department to quickly determine based on the seating capacity whether a vehicle should be
5 registered or titled as a bus. The remainder of §217.5(a)(1)(A) would be renumbered accordingly.

6 Section 217.5(a)(2) sets requirements for the evidence of motor vehicle ownership that must
7 accompany an application for title on a used motor vehicle. The proposed amendment to §217.5(a)(2),
8 would delete vague language relating to “other evidence of ownership,” because the term is confusing
9 and does not offer clear guidance to the public as to the type of ownership evidence that is acceptable
10 to the department. Proposed new paragraphs §217.5(a)(2)(A)-(E) would clarify the application
11 requirements by listing the specific types of evidence of ownership that must be submitted as part of a
12 title application, reflecting current department procedure.

13 A proposed amendment to §217.5(a)(4)(C)(ii) would modernize the rule by deleting a reference
14 to “an original United States Customs stamp” that is not required under relevant statutes governing
15 importation of motor vehicles. A proposed amendment to §217.4(a)(4)(C)(v) would insert a hyphen into
16 the phrase “non United States” to correct a grammatical error.

17 A proposed amendment to §217.5(b)(4) would change the case of the term “Statement of Fact”
18 from upper to lower case to correct a syntax error. A proposed amendment to §217.5(d)(1) would
19 remove “and expiration date” and replace “document” with “current photo identification” to employ the
20 proposed new defined term. An additional proposed amendment to §217.5(d)(1) would delete
21 “concealed handgun license or,” as this term is not used in the Texas Government Code. Another
22 proposed amendment would delete the definition of “current” from §217.5(d)(4) because it is proposed

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1 to be moved to new §217.2(4). The remaining subsections of §217.5(d) would be renumbered
2 accordingly. The proposed amendment to §217.5(d)(7) would remove an inaccurate reference to
3 Occupations Code, Chapter 2301 as the source for issuing a general distinguishing number (GDN).

4 A proposed amendment to §217.6 would add a new subsection (d) clarifying the requirements
5 for the department to place a hold on processing a title application under Transportation Code,
6 §501.051(d). Proposed new §217.6(d)(1) clarifies the requirements for evidence of a legal action
7 regarding ownership of a lien interest in a motor vehicle by specifying that the evidence must show a
8 legal action that was filed in a district, county, statutory probate, or bankruptcy court. Proposed new
9 §217.6(d)(1) would allow the parties to maintain the status quo in a legal dispute over a motor vehicle by
10 placing a hold on the transfer of the title until the dispute is resolved, without the necessity of obtaining
11 a temporary injunction against the department. This would enhance procedural efficiency for the
12 department and save resources for both the department and the parties involved in the legal dispute.

13 Proposed new §217.6(d)(2) would clarify that evidence of a legal action filed in a municipal or
14 justice of the peace court is not sufficient evidence for a title processing hold unless the legal action is
15 related to Code of Criminal Procedure, Chapter 47 or Government Code, §27.031. This proposed
16 amendment would make the rule consistent with Transportation Code, §501.0521, which states that a
17 justice of the peace or municipal court may not issue an order related to a motor vehicle title except in
18 limited circumstances.

19 Proposed new §217.6(d)(3) would clarify that to qualify for a title processing hold, the legal
20 action regarding ownership of or a lien interest in a motor vehicle must be active on a court's docket,
21 and that evidence of a legal action that has been resolved through a final nonappealable judgment will
22 not support placing of a title processing hold. Proposed new §217.6(d)(5) would define "final

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1 nonappealable judgment” as one for which 30 days have passed from the date of judgment without
2 appeal, to eliminate ambiguity as to what constitutes a non-appealable judgment for the purposes of
3 releasing a title processing hold. When there is a final nonappealable judgment, proposed new
4 §217.6(d)(3) would require evidence of post-judgment legal action before the department could place a
5 hold on processing a title. These proposed amendments would make the department’s procedures
6 consistent with Transportation Code, §501.051(d), which states that a hold is terminated when a case is
7 resolved by a final judgment.

8 Proposed new §217.6(d)(4) would require the department to place a ten-day temporary hold
9 when a party submits the vehicle’s VIN and an explanation of why the hold is requested. This proposed
10 amendment would reflect the current department practice of providing a temporary 10-day processing
11 hold to allow a party to time to file a lawsuit and to present evidence of the legal action to the
12 department. The proposed amendment would acknowledge that title or lienholders who are
13 challenging legal bonded title applications or engaged in other types of disputes related to their title or
14 lien interests, need time to prepare a legal action. Proposed new §217.6(d)(4) would require a party to
15 submit a VIN for the vehicle at issue because title processing holds are placed in the department’s record
16 system by VIN. Proposed new §217.6(d)(4) would also require a party to attest that the temporary hold
17 is being requested in order to commence a legal action disputing a title or lien interest in a motor vehicle
18 and not for purposes of delay, to ensure that the temporary hold is in furtherance of Transportation
19 Code, §501.051(d).

20 Proposed amendments to §217.7 would implement the proposed new defined term “current
21 photo identification” in §217.2(4) by adding it §217.7(b)(1) in place of “document,” adding it to
22 §217.7(b)(3)(A) - (C) and deleting the definition of “current” from §217.7(b)(4). The remaining

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1 subsections of §217.7(b) are proposed to be renumbered accordingly. These proposed amendments
2 would improve readability of the rule and ensure consistent use of terminology throughout the
3 subchapter. A proposed amendment to §217.7(b)(1)(F) would delete the phrase “concealed handgun
4 license” because Government Code, Chapter 411 does not use the term “concealed handgun license”
5 and this type of license is no longer required by law.

6 The proposed amendments to §217.8 would implement HB 718, which amended Transportation
7 Code, §501.147 to mandate that dealers holding a GDN submit notifications to the department of sales
8 or transfers of motor vehicles to the dealer. A proposed amendment to §217.8(a) would remove dealers
9 that hold a GDN from the rule on voluntary notifications to the department since notification is now
10 mandatory rather than voluntary under Transportation Code, §501.147, as amended by HB 718.
11 Proposed new §217.8(b) would require dealers with a GDN to submit notifications to the department of
12 sales or transfers of motor vehicles to the dealer, including all information required under Transportation
13 Code, §501.147(b), as amended by HB 718. Proposed new §217.8(b) would also clarify that dealers with
14 a GDN can submit the written notification to the department through a variety of methods, including
15 electronically through the department’s website portal, as is required by Transportation Code, §501.147,
16 as amended by HB 718. The other subsections of §217.8 are proposed to be renumbered accordingly to
17 accommodate the addition of proposed new §217.8(b). A proposed amendment to current §217.8(b)
18 would clarify that dealers that hold a GDN are identified as transferors for purposes of the department
19 updating its records documenting the vehicle transfer. These amendments to §217.8 are proposed for a
20 future effective date of July 1, 2025, in accordance with the effective date of HB 718.

21 Proposed amendments to §217.9(a)(1) would delete the phrase “and the surety bonding
22 company ensures lien satisfaction or” and insert new language specifying that an applicant, rather than a

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1 surety bond company, must provide both a release of all liens and a bond. The proposed amendment
2 would conform the rule with Transportation Code, §501.053(a)(3), which requires an applicant to
3 produce a release of all liens with a bond and does not authorize a surety bond company to ensure lien
4 satisfaction in lieu of a release of all liens from the relevant lienholders. A proposed amendment to
5 §217.9(e)(7) would delete language related to certification of lien satisfaction by the surety bond
6 company and a notice of determination letter. This proposed amendment would make the paragraph
7 consistent with the proposed amendment to §217.9(a)(1) and conform the rule to Transportation Code,
8 §501.053(a)(3), which does not provide for certification of lien satisfaction by a surety bond company,
9 but instead requires a release of all liens and a surety bond for an applicant to qualify for bonded title.

10 Proposed amendments to §217.11(a) would delete unnecessary and duplicative language that
11 simply repeats requirements from Transportation Code §501.051(b), and would substitute citations to
12 Transportation Code §501.051(b). The proposed amendments would create new paragraph (b) from
13 former paragraph (a)(5), delete language from former paragraph (a)(5) referring to language in
14 paragraph (a)(3)(B) that is proposed for deletion, and add language to the proposed new paragraph (b)
15 clarifying and restating the current requirement that an affidavit for rescission must be accompanied by
16 an odometer disclosure statement if the vehicle was ever in the possession of the title applicant. The
17 proposed amendments would also delete current §217.11(b) because it refers to language in paragraph
18 (a)(3)(B) that is proposed for deletion. The proposed amendments would thus remove unnecessary
19 language and improve readability.

20 A proposed amendment to §217.14 would delete the phrase “registered with the following
21 distinguishing license plates” and replace it with the “eligible for machinery license plates and permit
22 license plate, in accordance with Transportation Code, §502.146.” The proposed deletion would clarify

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1 that the exemption from titling for vehicles eligible for machinery license and permit plates is not limited
2 vehicles that have been registered and applies to all vehicles eligible for machinery license plates and
3 permit license plates. An additional amendment would delete unnecessary language that is duplicative
4 of statute.

5 A proposed amendment to §217.15(c) would implement HB 3297 by replacing a reference to a
6 “state inspection” fee with a broader reference to any fee “under Transportation Code, Chapter 548.”
7 The proposed amendment would align the rule with HB 3297 which amended Transportation Code,
8 Chapter 548 to eliminate the requirement for a state safety inspection. These amendments to §217.15
9 are proposed for a future effective date of January 1, 2025, in accordance with the effective date of HB
10 3297.

11 A proposed amendment to §217.16(f)(4) would implement HB 718 by replacing “buyer’s
12 temporary tag fee” with “fee associated with the issuance of a license plate or set of plates.” The
13 proposed amendment would align the rule with HB 718 which amended Transportation Code Chapter
14 503 to eliminate buyer’s temporary tags. The amendments to §217.16 are proposed for a future effective
15 date of July 1, 2025, in accordance with the effective date of HB 718.

16
17 Subchapter B. Motor Vehicle Registration.

18 Proposed amendments to §217.22 would add a new definition of “current photo identification”
19 in new §217.22(11), using language that currently appears in §217.26(c) to allow the department the
20 flexibility to accept government-issued photo identification within 12 months of the expiration date, as
21 well as state-issued personal identification certificates that do not have expiration dates. Other proposed
22 amendments to §217.22 would delete the definition “legally blind” in §217.22(24) because it is not used

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1 in the subchapter, and would delete the definition of “vehicle inspection sticker” in §217.22(47) to align
2 with changes to the law to no longer require separate vehicle inspection stickers. The remaining
3 subsections of §217.22 would be renumbered accordingly. A proposed amendment to §217.22(27)
4 would add a citation to Transportation Code, Chapter 503 for completeness, clarity, and ease of
5 reference. A proposed amendment to §217.22(38) would remove the phrase “under SA” to remove
6 unnecessary and confusing wording.

7 Proposed amendments to §217.23(b)(1) would add a cross reference to §217.5, relating to
8 Evidence of Motor Vehicle Ownership, for clarity and ease of reference, and would remove an
9 unnecessary statutory reference.

10 Proposed amendments to §217.25 would add a reference to Transportation Code, §502.145 to
11 clarify that the statute creates an exception to the rule: Transportation Code, §502.145 allows a
12 nonresident owner of a privately owned passenger car that is registered in the state or country in which
13 the person resides and that is not operated for compensation to not register in Texas as long as the car’s
14 licenses in the owner’s state of residence are valid.

15 Proposed amendments to §217.26(a) would implement the proposed new defined term “current
16 photo identification” in §217.22(11) by adding it §217.26(a) in place of “document,” adding it to
17 §§217.26(b)(2)(B), 217.26(b)(3), and 217.26(b)(4)(B) in place of “government issued,” deleting the
18 definition of “current” from §217.26(c), and relettering the remaining subsections of §217.26
19 accordingly. A proposed amendment to §217.26(a)(6) would delete “concealed handgun license” from
20 the list of acceptable forms of identification as this type of license is no longer required by law.

21 Proposed amendments to §217.27(a)(1) would add the defined term “vehicle registration
22 insignia” for clarity and consistency and delete unused or archaic terms and references. Proposed
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1 amendments to §217.27(b) would move the carve-out for a vehicle described by Transportation Code,
2 §621.2061 to place the rear license plate so that it is clearly visible, readable, and legible, from
3 paragraph (b)(1), which addresses vehicles that display two plates, to paragraph (b)(2), which addresses
4 vehicles that only display one plate. This amendment would acknowledge that vehicles described in
5 Transportation Code, §621.2061 are carrying a load that obscures the license plate.

6 Proposed amendments to §217.27(c)(2)(A) implement HB 3297, which amended Transportation
7 Code, §502.0024 to specify which vehicles may obtain a registration insignia for a period consisting of 12,
8 24, 36, 48 or 60 consecutive months on payment of all fees for each full year of registration. The
9 proposed amendments to §217.27(c)(2)(A) would further implement HB 3297 by deleting outdated text
10 that referenced vehicle inspections and sections of the Transportation Code that HB 3297 eliminated.
11 Due to the proposed amendments implementing HB 3297, the amendments to §217.27 are proposed for
12 a future effective date of January 1, 2025, in accordance with the effective date of HB 3297.

13 Proposed amendments to §217.27(d)(1)(2), (2)(A), (3), (e), (f), and (h) substitute the term
14 “license plate number” for “alphanumeric pattern” to implement HB 718, which requires that the
15 department issue license plates rather than temporary tags. A proposed amendment to §217.27(d)(1)
16 would substitute the term “general issue” for the word “regular” to implement HB 718 with consistent
17 terminology that distinguishes among types of license plates that the department will now issue.

18 The repeal of §217.28(e)(1) is proposed because the language is redundant with statute. The
19 remaining sections are proposed to be renumbered accordingly. Proposed amendments would add new
20 §217.28(e)(6) to clarify that the operation of a vehicle with an expired registration that has been stored
21 or otherwise not in operation that is driven only to an inspection station for the purpose of obtaining an
22 inspection if required for registration, will not affect the determination of whether the registrant has a

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1 valid or invalid reason for being delinquent. This proposed amendment will remove a deterrent to
2 inspection and further clarify when a vehicle will be assessed delinquency penalties.

3 Proposed amendments to §217.29 would repeal §217.29(d) and §217.29(f) as these subsections
4 are outdated and apply only to vehicle registrations expiring prior to January 1, 2017. The remaining
5 subsections are proposed to be relettered accordingly. Proposed amendments to relettered §217.29(e)
6 would remove outdated language about vehicle registrations around January 1, 2017. Proposed
7 amendments to relettered §217.29(f) would modernize the rule by removing more outdated language
8 about registration renewals in 2017, and by updating the wording to require the department and the
9 department's third-party centralized vendor to promptly facilitate and mail vehicle registration insignias
10 to applicants who submit registration renewals via the Internet.

11 Proposed new §217.31 would be a standalone rule regarding the federal heavy vehicle use tax
12 (HVUT) requirements, which are imposed by 26 U.S.C. §4481, *et seq.* and 26 C.F.R. Part 41. Although the
13 Internal Revenue Service (IRS) collects the HVUT, the department requires compliance with the HVUT
14 requirements prior to issuing vehicle registration for applicable vehicles, to prevent the state's loss of
15 federal-aid highway funds under 23 U.S.C. §141(c) and 23 U.S.C. §104(b)(1). The department also
16 complies with 23 C.F.R. Part 669, which are Federal Highway Administration (FHWA) regulations
17 regarding the enforcement of the HVUT requirements via the vehicle registration process for a highway
18 motor vehicle as defined by the federal law on the HVUT.

19 Proposed new §217.31 would also incorporate by reference the IRS regulation - 26 C.F.R.
20 §41.6001-2 - regarding the circumstances under which a state must require proof of payment of the
21 HVUT and the required manner in which such proof of payment must be received by a state as a
22 condition of issuing a registration for a highway motor vehicle as defined by the federal law regarding the

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1 HVUT. Section 41.6001-2(c) states that proof of payment of the HVUT consists of a receipted Schedule 1
2 (Form 2290 “Heavy Vehicle Use Tax Return”) that is returned by the IRS, by mail or electronically. Section
3 41.6001-2(c) also authorizes an acceptable substitute for a receipted Schedule 1. The IRS provides
4 guidance on its website regarding Form 2290 for the collection of the HVUT. The IRS website for Form
5 2290 is located at the following address: <https://www.irs.gov/forms-pubs/about-form-2290>.

6 Although the department complies with the HVUT requirements for all applicable vehicle
7 registrations, multiple rules in Chapter 217 reference the HVUT requirements. New §217.31 would help
8 vehicle registration applicants find the applicable HVUT requirements because new §217.31 would be
9 titled “Heavy Vehicle Use Tax.” Also, federal law imposes the requirements for the payment of the HVUT,
10 as well as the circumstances under which a state must require proof of payment of the HVUT and the
11 required manner in which such proof of payment must be received by a state.

12 Proposed amendments to §217.33 would implement HB 718 by adding the word “license”
13 before “plate” in several places in subparagraphs (a), (b), and (d) to improve readability through the use
14 of consistent terminology.

15 The repeal of §217.34 is proposed to remove language that is redundant with statute.

16 Amendments to §§217.36(c)(1), 217.36(c)(4), and 217.36(c)(5) are proposed to modernize
17 language and match current practices by removing references to submitting information to the
18 department on magnetic tape and replacing them with references to submitting information through the
19 secure transfer portal.

20 Proposed amendments to §217.37 would clarify that the department and the county will only
21 charge fees provided by statute or rule. The proposed amendments would repeal §217.37(b) because it

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1 is a restatement of the \$2 fee for a duplicate registration receipt required in Transportation Code,
2 §502.058(a).

3 Proposed amendments to §217.40 would implement HB 718 by creating new plate types and
4 ensuring consistency in the terminology used to refer to the new plates in rule. In accordance with the
5 effective date of HB 718, the amendments to §217.40 are proposed for a future effective date of July 1,
6 2025. Proposed amendments to §217.40(a) implement HB 718 by updating terminology and adding
7 “special registration license plates” in addition to “special registration permits.”

8 Proposed amendments to §217.40(b)(1) would add a statutory reference to Transportation
9 Code, §502.434 and delete unnecessary language in §217.40(b)(1)(A)-(D) that is redundant with the
10 statute to streamline the rule text and to improve readability and ease of reference. The remaining
11 subsections in §217.40(b)(1) would be relettered accordingly. Proposed amendments to §217.40(b)(2)
12 would add a reference to Transportation Code, §502.093 and delete unnecessary language in
13 subparagraph (A) for ease of reference. A proposed amendment would delete §217.40(b)(2)(B) because
14 it is redundant with statute, and the remaining subsections of §217.40(b)(2) would be relettered
15 accordingly. Proposed amendments to create new §217.40(b)(2)(C) would implement HB 718 by
16 specifying that the department will issue a license plate for an annual permit under Transportation Code,
17 §502.093, and would also provide a definition for the term “foreign commercial motor vehicle.”
18 Proposed amendments would delete §217.40(b)(2)(C)(ii) because it is redundant with statute. Proposed
19 amendments to §217.40(b)(3) would clarify that 72-hour permits and 144-hour permits are governed in
20 accordance with Transportation Code, §502.094 and would delete existing language in subparagraphs
21 (3)(A-D), and (4)(A-D) that is redundant with the statutory requirements, to streamline the rules and
22 improve readability and consistency with other subsections.

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1 Proposed new §217.40(c) would implement HB 718 by providing for the issuance of various
2 categories of special registration license plates and would incorporate language that is currently
3 §217.40(b)(5)-(6). A proposed amendment to renumbered §217.40(c)(1) would implement HB 718 by
4 substituting “license plates” for “permits,” and would remove unnecessary language that duplicates the
5 requirements of Transportation Code, §502.095. The remaining subsections of §217.40(c) would be
6 relettered and renumbered accordingly. Proposed new §217.40(c)(1)(C) would require a one-trip license
7 plate to be displayed as required by §217.27(b), relating to Vehicle Registration Insignia, for clarity, ease
8 of reference, and consistency with other subsections.

9 Proposed amendments to current §217.40(b)(6), proposed to be renumbered §217.40(c)(2),
10 would substitute “license plates” for “temporary registration permits” to implement HB 718, and remove
11 language that is redundant of Transportation Code §502.095. A proposed amendment to proposed
12 relettered §217.40(c)(2)(A) would substitute “license plate” for “temporary permit” and “30-day license
13 plate” for “permit” to implement HB 718. Another proposed amendment to §217.40(b)(6), proposed to
14 be relettered as §217.40(c)(2)(A), would align the rule with statute by striking motorcycles from the list
15 of the types of vehicles for which a 30-day license plate is available because Transportation Code
16 §502.095 does not allow issuance of 30-day license plates to motorcycles. The remaining subsections
17 are proposed to be relettered accordingly. Proposed new §217.40(c)(2)(B) would clarify that a 30-day
18 license plate must be displayed as required by §217.27(b), relating to Vehicle Registration Insignia, for
19 clarity, ease of reference, and consistency with other subsections.

20 A proposed amendment to current §217.40(c), which is proposed to be relettered as
21 §217.40(d)(1), would implement HB 718 by substituting the word “special” for “temporary” and adding
22 “or special registration license plate” for consistency with other subsections. Proposed amendments to

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§217.40(d)(3)(A) would delete unnecessary, redundant language. Proposed amendments to current §217.40(c)(4)(B), which is proposed to be relettered as §217.40(d)(4)(B), would delete temporary agricultural permits from being obtained through the county tax assessor-collectors' offices. This amendment would implement HB 718 and align the rule with statute because HB 718 repealed Transportation Code, §502.092. Proposed amendments to proposed relettered §217.40(d)(4)(C) would implement HB 718 by substituting "license plates" for "permits" and "temporary registration permits".

Proposed amendments to current §217.40(d), which is proposed to be relettered as §217.40(e), would implement HB 718 by adding "special registration" and "or special registration license plate" where "permit" appears throughout the subsection for consistency in the description of the new plate. The proposed amendments to current §217.40(d) would also delete unnecessary language that is redundant with statute. Proposed amendments to current §217.40(e), which is proposed to be relettered to §217.40(f), would implement HB 718 by replacing "temporary" with "special registration" and adding "or special registration license plates" wherever "permit" appears throughout the subsection, for consistency in the description of the new plate.

Proposed amendments to §217.41(b)(2)(A) would replace "regular motor vehicle license plates" with "general issue license plates" to implement HB 718, modernize language and improve readability through the use of consistent terminology. Proposed amendments to §217.41(b)(3) would update applicable statutory references governing the issuance of windshield disabled parking placards.

Proposed amendments to §217.43 would add the word "license" in multiple places to improve readability through consistent terminology.

Proposed amendments to §217.45(b)(2)(B) would remove language that is redundant with statute. Proposed amendments to §217.45(b)(4) would add the word "license" to modify "plate" in

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several places to implement HB 718 with consistent terminology. Proposed amendments to §217.45(c)(2)(A)(iii) would implement HB 718 by replacing “alpha numeric pattern” with “license plate number” to modernize language and improve readability with consistent terminology. Proposed amendments to §§217.45(c), (d), (e), (f), (h), and (i) would implement HB 718 with consistent terminology by adding “license” to modify “plate” in multiple places.

A proposed amendment to §217.46(a) would clarify that a motor vehicle is required to register as a commercial vehicle if it meets the definition under Transportation Code, §502.001(7) and would delete unnecessary language that repeats the statutory requirements. A proposed amendment to §217.46(b)(3)(A) would delete the words “and full trailers” because Transportation Code, §502.255 only authorizes a truck-tractor or commercial motor vehicle with a combination license plate to be used in combination with a semitrailer that has a gross weight of more than 6,000 pounds. Although Transportation Code, §502.255(e) says that for registration purposes, a semitrailer that has been converted to a trailer by means of an auxiliary axle assembly retains its status as a semitrailer, this exception under §502.255(e) is already addressed in §217.46(b)(3)(B). Another proposed amendment to §217.46(b)(3)(A) would also clarify that a truck or truck-tractor displaying a combination license plate issued under Transportation Code, §502.255 may only pull a semitrailer issued a license plate from another state to the extent authorized under a registration reciprocity agreement under Transportation Code, §502.091 regarding registration reciprocity agreements. Transportation Code, §502.255 regarding combination license plates does not authorize a truck or truck-tractor with a combination license plate to pull a semitrailer with a license plate issued by another state; however, Transportation Code, §502.091 provides such authority if there is a registration reciprocity agreement that authorizes it.

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1 Proposed amendments to §217.46(b)(3)(A)(i) and (ii) would modify the language because

2 Transportation Code, §502.255(a) requires the truck or truck tractor in the combination to have a gross

3 weight of “more than 10,000 pounds,” which means a truck or truck-tractor that has a gross weight of

4 10,000 pounds or less does not qualify for registration under Transportation Code, §502.255. Proposed

5 amendments to §217.46(b)(3)(A)(ix) would replace “temporary” with “special registration”, replace

6 “permits” with “special registration license plates,” and replace “permits” with “license plates” to

7 improve readability through consistent terminology. A proposed amendment to §217.46(b)(3)(B) would

8 delete the word “full” from the term “full trailers” because the language summarizes the authority under

9 Transportation Code, §502.255(e) for a semitrailer that has been converted to a trailer by means of an

10 auxiliary axle assembly to retain its status as a semitrailer. Transportation Code, §502.001 defines the

11 word “trailer,” but does not define the term “full trailer.” Therefore, the proposed amendment to delete

12 the word “full” from the term “full trailers” would provide clarity. A proposed amendment to

13 §217.46(b)(3)(D)(iii) would add the word “license” to modify “plates,” to improve readability and clarity

14 through consistent terminology. A proposed amendment would delete §217.46(b)(6) because in transit

15 license plates under Transportation Code, §503.035 are addressed under 43 TAC §215.143. The

16 remaining paragraphs of §217.46(b) are proposed to be renumbered accordingly.

17 A proposed amendment to renumbered §217.46(b)(5)(A) would replace the word

18 “required” with the word “authorized” because a token trailer license plate is available for semitrailers

19 that qualify for a token trailer license plate under the law. A proposed amendment to renumbered

20 §217.46(b)(5)(B) would delete language regarding an exemption under Transportation Code, §502.094

21 because Transportation Code, §502.001(40) and §502.255 do not provide an exemption. Transportation

22 Code, §502.001(40) defines a token trailer and states that a token trailer is only authorized to be

23 operated in combination with a truck or truck-tractor that has been issued an apportioned license plate,

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1 a combination license plate or a forestry vehicle license plate. Transportation Code, §502.001(40) does
2 not list a truck or truck-tractor registered with a special registration permit under Transportation Code,
3 §502.094, so a special registration permit under Transportation Code, §502.094 may not be used to
4 increase the combined gross weight of a truck or truck-tractor to pull a token trailer, even if the truck or
5 truck-tractor is registered for a lower combined gross weight under one of the types of registration
6 referenced in Transportation Code, §502.001(40). If the truck or truck-tractor is only authorized to
7 operate at a higher combined gross weight (combined gross weight of the truck or truck-tractor and the
8 token trailer) because of the authority under Transportation Code, §502.094 for a 72-/144-hour permit,
9 then the truck or truck-tractor is operating under the registration authority under Transportation Code,
10 §502.094, rather than the registration authority of a registration type referenced in Transportation Code,
11 §502.001(40). However, a vehicle combination may be eligible under Transportation Code, Chapters 621
12 through 623 to operate at a higher gross weight than a registered gross weight of 80,000 pounds
13 provided the vehicle combination is operated in compliance with such laws, but provisions in
14 Transportation Code, Chapters 621 through 623 might require such vehicle combination to operate at
15 less than 80,000 pounds gross weight even if the combination is registered for 80,000 pounds gross
16 weight. Vehicle registration is a different issue than maximum weight authorized under Transportation
17 Code, Chapters 621 through 623. Also, Transportation Code, §623.011 is not the only statute in
18 Transportation Code, Chapter 623 that might authorize the vehicle combination to exceed 80,000
19 pounds gross weight. For these reasons, a proposed amendment to renumbered §217.46(b)(5)(B) would
20 replace the reference to Transportation Code, §623.011 with a reference to Transportation Code,
21 Chapters 621 through 623.

22 Proposed amendments to renumbered §217.46(b)(5)(D) would change the catchline from “Full
23 trailers” to “Trailer” and would delete the word “full” from the term “full trailer” because Transportation
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Code, §502.255 only authorizes a semitrailer to be eligible for a token trailer license plate, and Transportation Code, §502.001 defines the word “trailer,” but does not define the term “full trailer.” Current §217.46(b)(3)(B) already includes the exception under Transportation Code, §502.255(e), which says that for registration purposes, a semitrailer converted to a trailer by means of an auxiliary axle assembly retains its status as a semitrailer. A proposed amendment to renumbered §217.46(b)(5)(D) would also replace the word “will” with the word “shall” before the word “not” because Government Code, §311.016 defines the word “shall” to impose a duty. Because Transportation Code, §502.255 does not authorize the department to issue a token trailer license plate for a trailer, this proposed amendment to renumbered §217.46(b)(5)(D) clarifies that the department is prohibited from issuing a token trailer license plate for a trailer. Government Code, Chapter 311 applies to each rule adopted under a code, such as the rules under Chapter 217.

A proposed amendment to §217.46(c)(1) would clarify that an applicant shall apply to the appropriate county tax assessor-collector or the department, as applicable, for commercial license plates. A proposed amendment to §217.46(c)(3)(B)(ii) would clarify the reference to the laws regarding overweight vehicles. A proposed amendment to §217.46(c)(4) would provide an option to establish ownership of a vehicle by securing a bond if no VIN or serial number can be identified, to give vehicle owners flexibility with more avenues to establish ownership. Proposed amendments to §217.46(c)(7)(D) would implement HB 718 and increase clarity through consistent terminology by replacing “temporary operating” permits with “special registration” permits and by replacing “additional weight” with “special registration license plates.”

Proposed amendments to §217.46(c)(5)(C) would clarify the sentence and remove an outdated reference to an international stamp under Chapter 218 of Title 43. Transportation Code, §502.046 says

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1 that evidence of financial responsibility as required by Transportation Code, §601.051, other than for a
2 trailer or semitrailer, shall be submitted with the application for registration under Transportation Code,
3 §502.046. If the vehicle is registered in compliance with Chapter 218, this is evidence that Transportation
4 Code, §601.051 does not apply because Transportation Code, §601.007(c) says that Transportation Code,
5 Chapter 601 (other than §601.054) does not apply to a motor vehicle that is subject to Transportation
6 Code, Chapter 643. If Transportation Code, Chapter 643 requires a motor carrier to register its vehicle
7 under Chapter 643, the motor carrier must obtain such registration under 43 TAC Chapter 218 and
8 Transportation Code, Chapter 643. The reference to registration under Chapter 218 and Transportation
9 Code, Chapter 643 is a reference to operating authority, rather than vehicle registration as provided
10 under Transportation Code, Chapter 502.

11 Proposed amendments to §217.46(c) would delete paragraphs (6) and (7) because the
12 department is proposing new §217.31, which would provide the HVUT requirements. Federal law
13 imposes the requirements for the payment of the HVUT, the circumstances under which a state must
14 require proof of payment of the HVUT and the required manner in which such proof of payment must be
15 received by a state. Proposed new §217.31 cites to the applicable federal law regarding the HVUT and
16 incorporates the applicable IRS regulation by reference.

17 Proposed amendments to §217.46(d)(1) would delete language regarding fixed five-year vehicle
18 registration terms for rental trailers and token trailers because the language is not supported by statute.
19 Transportation Code 502.0024(a), as amended by HB 3297, states, “Payment for all applicable fees...for
20 the entire registration period is due at the time of registration.” Also, Transportation Code, §502.0024
21 authorizes the applicant to choose a registration term up to five years. Further, HB 2357, 82nd Legislature,
22 Regular Session (2011) deleted language regarding a five-year registration period for a token trailer. In

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1 addition, the department does not require trailers that are registered under Transportation Code,
2 §502.0024 to have a March 31st expiration date, unless the registration term begins on April 1st.

3 A proposed amendment to §217.46(e)(1) would add the word “license” to modify “plates” for
4 improved readability and clarity through consistent terminology. In accordance with the effective date
5 of HB 718, the amendments to §217.46 are proposed for a future effective date of July 1, 2025.

6 A proposed amendment to §217.50 would add the word “license” to modify “plate” for
7 improved readability and clarity through consistent terminology. Another proposed amendment to
8 §217.50 would delete the definition of highway construction project to remove unused, archaic
9 language.

10 Proposed amendments to §217.51 would add the word “license” to modify “plate” for improved
11 readability and clarity through consistent terminology.

12 Proposed amendments to §217.52 would add the word “license” to modify “plate” in multiple
13 places to implement HB 718, and for improved readability and clarity through consistent terminology.

14 In addition, proposed amendments to §217.52(e)(3) would add the word “special” and the term
15 “specialty license plate” in to implement HB 718 and clarify with consistent terminology. Proposed
16 amendments to §217.52(h)(7) would remove references to “alphanumeric patterns” and instead use
17 “department-approved alpha numeric license plate numbers” to implement HB 718 with consistent
18 terminology. Amendments are also proposed for §217.52(h)(7) to replace the word “pattern” with
19 “license plate number” and to add the word “license” to modify “plate” to implement HB 718 with
20 consistent terminology. Additionally, proposed amendments to §217.52(h)(9) would add the word

21 “license” to modify “plates” in several places to use consistent terminology for clarity. Amendments are
22 proposed to §217.52(k) to add “specialty” to modify “license plate” for clarity with consistent use of

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terminology, and to replace “will need to be remanufactured” with “may be remanufactured” for clarity and to provide flexibility. Proposed amendments to §217.52(k)(5) add “to law enforcement” to clarify where license plate numbers and license plates must be reported stolen. Proposed amendments to §217.52(l)(1) create consistent use of the term “specialty license plates” throughout the section to implement HB 718 and to align with the terminology used in other provisions of this chapter. A proposed amendment to §217.52(l)(1)(B) deletes the word “particular” as unnecessary language. Proposed amendments to §217.52(l)(2) would update terminology by adding “specialty license plate” number and “license plate” to replace “pattern” and “alphanumeric pattern” to implement HB 718 and to be consistent in the use of terminology throughout the chapter. Proposed amendments to §217.52(m) would add the word “license” to modify “plates” in multiple places to implement HB 718 and to create consistency in terminology for clarity. Proposed amendments to §217.52(n)(1)(A) would clarify, implement HB 718, and create consistent use of terminology by replacing “pattern is an auction pattern” with “license plate number was purchased through auction.” In accordance with the effective date of HB 718, the amendments to §217.52 are proposed for a future effective date of July 1, 2025.

Proposed amendments to the §217.53 section title would substitute the word “disposition” for “removal” and add “or transfer” to implement HB 718 by broadening the heading language to incorporate allowing license plates to remain with the vehicle when it is sold or transferred, while the registration insignia is removed and disposed of. Proposed amendments to §217.53(a) would implement Transportation Code, §502.491 and §504.901, as amended by HB 718, clarifying that upon the sale or transfer of a motor vehicle to a dealer that holds a GDN, general issue license plates shall be removed and retained for issuance to a subsequent purchaser or transferor of that motor vehicle and the registration insignia shall be removed and disposed of by the dealer. Proposed amendments to §217.53(b) would implement Transportation Code, §502.491(b) and §504.901(b), as amended by HB

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Exhibit A

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718, by clarifying that upon the sale or transfer of a motor vehicle in which neither party is a dealer, the registration insignia and the general issue license plates remain with the motor vehicle. Proposed new §217.53(c) would implement HB 718 and mitigate the risk of license plate fraud by providing that a license plate other than a general issue license plate shall be removed by the owner of a motor vehicle that is sold or transferred, and that removed license plates may be transferred if eligible; otherwise, must be disposed of in a manner that renders the license plate unusable or that ensures the license plates will not be available for fraudulent use on a motor vehicle. The proposed amendments would delete current §217.53(c) to remove language that is redundant with statute. Proposed amendments would create new §217.53(d) to implement HB 718 and to mitigate the risk of license plate fraud by requiring that a retail purchaser who chooses to obtain replacement general issue license plates dispose of the replaced license plates in a manner that renders the license plates unusable. In accordance with the effective date of HB 718, the amendments to §217.53 are proposed for a future effective date of July 1, 2025.

Proposed amendments to §217.54(c)(2)(F) and §217.54(j) would modify the language to implement HB 3297 by replacing language regarding the state’s portion of the inspection fee with language regarding any inspection fee that is required to be collected at the time of registration under Transportation Code, §548.509 for the first year of registration under Transportation Code, §502.0023 and on an annual basis thereafter for the remainder of the registration term.

A proposed amendment to §217.55(a) would use consistent terminology for clarity by adding the word “license” to modify “plate” in several places. Proposed amendments to §217.55(b)(5) would update the language and correct a cross-reference to clarify that an affidavit for alias exempt registration must be accompanied not by a regular title application, but instead by the specific, separate application

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1 required by the department to create the alias record of vehicle registration and title as outlined in
2 §217.13, relating to Alias Certificate of Title. Proposed amendments to §217.55(e)(3) and §217.55(e)(6)
3 would modify the language to implement HB 3297 by replacing language regarding the state’s portion of
4 the inspection fee with language regarding any inspection fee that is required to be collected at the time
5 of registration under Transportation Code, §548.509 for the first year of registration under
6 Transportation Code, §502.0025 and on an annual basis thereafter for the remainder of the registration
7 term.

8 Proposed amendments to §217.56(b)(5) would update terminology by replacing “rejection
9 letters” with “notices of determination” to better describe the department’s processes. A proposed
10 amendment to §217.56(b)(6) would delete the word “permit” in accordance with the implementation of
11 HB 718. A proposed amendment to §217.56(c)(2)(B) would incorporate by reference the January 1,
12 2024, version of the International Registration Plan (IRP). Texas is bound by IRP, which is a vehicle
13 registration reciprocity agreement between the 48 contiguous states, the District of Columbia, and the
14 Canadian provinces. Section 217.56 must incorporate the latest edition of IRP because it contains
15 language regarding the nature and requirements of vehicle registration under IRP. Texas is a member of
16 IRP, as authorized by Transportation Code, §502.091 and 49 U.S.C. §31704, and must comply with the
17 current edition of IRP. The jurisdictions that are members of IRP amended the January 1, 2022, version of
18 IRP to create the January 1, 2024, version of the IRP.

19 A proposed amendment to §217.56(c)(2)(B) would also provide the online address where one
20 can obtain a copy of the January 1, 2024, version of the IRP, as well as the January 1, 2016, version of the
21 IRP Audit Procedures Manual and prior versions of both of these IRP documents. Because the
22 department adopted documents by reference into an administrative rule, 1 TAC §91.40(e) requires the

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1 department to maintain and distribute a copy of the documents to interested parties. In addition,
2 proposed amendments to §217.56(c)(2)(B) would move the rule text regarding a request to the
3 department for a copy of the documents and would delete rule text regarding the review of the IRP
4 documents in the department’s Motor Carrier Division, which would allow the department to comply
5 with 1 TAC §91.40(e) in the most efficient manner.

6 A proposed amendment to §217.56(c)(2)(M)(v) would replace “TxIRP” with “TxFLEET” because
7 the department plans to rebrand the TxIRP system as the TxFLEET system in late August of this year. The
8 department will refer to the system as the TxFLEET system throughout this preamble, except when
9 summarizing a proposed amendment that would replace “TxIRP” with “TxFLEET.”

10
11 Subchapter C. Registration and Title Systems

12 Proposed amendments to §217.71(a)(3) would modernize language and improve readability by
13 deleting unnecessary or archaic language.

14 Proposed amendments to §217.74 would implement Transportation Code, §520.0055, created
15 by HB 718, which requires all motor vehicle dealers to use the webDEALER system to submit title and
16 registration applications for purchasers after July 1, 2025. A proposed amendment to the title of §217.74
17 would revise the section title to “webDEALER Access, Use, and Training” to accurately reflect the scope
18 of the section. Proposed amendments to §217.74(c) would implement HB 718 by making it required,
19 rather than discretionary, for all motor vehicle dealers who hold a GDN to get access to webDEALER, and
20 by requiring that all active holders must obtain access to webDEALER prior to July 1, 2025. To ensure
21 that all dealers are able to meet the deadline of July 1, 2025, proposed amendments to §217.74(c)

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1 would allow the department to provide dealers access to webDEALER in the county where the dealer is
2 located without waiting for a county tax-accessor to process the dealer’s application and provide access.
3 Proposed amendments to §217.74(e) would add an “entity” to the webDEALER users that may have their
4 authorization to use webDEALER revoked, rescinded, or cancelled to allow the department to cancel the
5 access of tax accessor-collectors and their deputies or employees who abuse their access to webDEALER
6 to perpetuate fraud or other wrongdoing. Proposed new §217.74(g) would require that all existing
7 webDEALER users who process title and registration transactions through webDEALER complete training
8 by April 30, 2025, and that all new webDEALER users created on or after April 30, 2025, must complete
9 webDEALER training before being given webDEALER permissions. New proposed §217.74(g)(1) provides
10 that the required webDEALER training will include, at a minimum, training regarding transactions
11 performed in webDEALER and proper use of the system. The proposed amendments to new
12 §217.74(g)(2) provide for an exemption from webDEALER training for holders who have had access to
13 webDEALER for more than six months and who have submitted more than 100 transactions within the
14 system as of October 1, 2024. The proposed amendments to new §217.74(g)(3) provide that the failure
15 of holders and users to complete the required webDEALER training shall result in denial of access to
16 webDEALER. These proposed amendments to §217.74 would implement HB 718 by ensuring that
17 webDEALER users are appropriately trained and given access to the webDEALER system before the July
18 1, 2025, effective date for mandatory webDEALER use by all dealers.

19 Proposed amendments would delete §217.75(c)(5), which references training required by
20 August 31, 2020, because it is outdated. The remaining subsections in §217.75 would be renumbered
21 accordingly. Proposed amendments to renumbered §217.75(c)(5) would remove “after August 31, 2020”
22 because it is outdated and unnecessary.

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Subchapter D. Nonrepairable and Salvage Motor Vehicles.

Proposed amendments throughout the entire Subchapter D recommend the elimination of the hyphen for the term “non-repairable” to align the structure of that same term as used in Transportation Code, Chapter 501 for consistency. Additional proposed amendments throughout the subchapter would add the phrase “nonrepairable or salvage record of title” to each mention of nonrepairable or salvage vehicle title to account for the department’s statutory authority under Transportation Code, Chapter 501 to issue electronic titles for nonrepairable and salvage motor vehicles and the department’s current practice of issuing electronic versions of nonrepairable and salvage vehicle titles in lieu of paper titles at the request of applicants.

Proposed amendments to §217.81 would clarify wording by replacing “certificates of” with “titles” and adding “motor” to describe nonrepairable, salvage and rebuilt salvage motor vehicles. The proposed changes would provide consistency in the terms used throughout §217.81 to describe the purpose and scope of the subchapter.

Proposed amendments to §217.82 would define terms with the definitions of those same terms provided in Transportation Code, §501.002 and §501.091 for purposes of consistency: “casual sale,” as defined in Transportation Code, §501.091(2); “certificate of title” as defined by Transportation Code, §501.002(1-a); “damage” as defined by Transportation Code, §501.091(3); “insurance company” as defined by Transportation Code, §501.091(5); “metal recycler” as defined by Transportation Code §501.091(7); “nonrepairable vehicle title” as defined by §501.091(10) in §217.82(14); “out-of-state buyer” as defined by Transportation Code, §501.091(11); “salvage vehicle dealer” as defined by Transportation Code, §501.091(17); and “salvage vehicle title” as defined by Transportation Code, §501.091(16). Proposed amendments to §217.82 would create a new §217.82(15) and §217.82(23) to

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1 add the defined terms “nonrepairable record of title” and “salvage record of title”, respectively. These
2 terms are used throughout the subchapter and the proposed definitions align with their use and
3 meaning in Transportation Code, Chapter 501. Current §217.82(15) through §217.82(21) would be
4 renumbered accordingly based on the addition of proposed new §217.82(15). A proposed amendment
5 to §217.82(18) would delete “certificate of” and “regular certificate of” from the defined term “Rebuilt
6 salvage certificate of title” to account for the department’s current practice of issuing electronic or paper
7 titles and is consistent with the standalone term “title” that is defined in Transportation Code, Chapter
8 501 to encompass both electronic and paper versions of a motor vehicle title. A proposed amendment to
9 §217.82(19) would move “is” under §217.82(19)(A) to §217.82(19)(A)(i) and delete “damaged and” from
10 §217.82(19)(A)(ii) to conform the definition of “salvage motor vehicle” to the definition of the same term
11 provided in Transportation Code, §501.091(15) as the statutory definition does not specify that a salvage
12 motor vehicle coming into the state on an out of state title to evidence damage.

13 The proposed amendment to §217.83(a)(2) would make a minor change by substituting “any”
14 for “alternate” to account for all methods developed and commonly used by insurance companies to
15 assess the condition of a motor vehicle to determine if the motor vehicle should be classified as a
16 nonrepairable motor vehicle. The proposed amendment to §217.83(b)(1) would delete “certificate of”
17 as the term “certificate of title” is limited to paper titles, but the department issues both paper and
18 electronic versions of titles that are more accurately captured with the standalone term of “title”. The
19 proposed repeal of §217.83(c)(1) would eliminate text specifying a Texas title requirement for a motor
20 vehicle retained by an owner that becomes classified as a nonrepairable or salvage motor vehicle as this
21 requirement conflicts with Transportation Code, §501.1002 where no such requirement is specified for
22 an owner-retained motor vehicle and eliminates an introductory language that is inconsistent with the
23 subsection. The proposed amendment to §217.83(c)(2) would clarify the method required for insurance

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1 companies to submit owner-retained motor vehicle notice forms to the department by specifying that it
2 be submitted to the department through the department’s electronic system known as webDEALER. The
3 department’s infrastructure and operations have been modernized and this proposed amendment
4 provides guidance to insurance companies on the proper filing method for such forms. The proposed
5 repeal of §217.83(c)(5) would eliminate text that is duplicative of the text in §217.83(c)(3) and
6 §217.83(c)(4) that prohibits the transfer of owner-retained motor vehicles that become classified as
7 nonrepairable or salvage motor vehicles without owners first securing the respective titles for the motor
8 vehicles. Proposed amendments to §§217.83(c)(2), 217.83(c)(3), 217.83(c)(4), and 217.83(c)(6) would
9 be renumbered based on the proposed repeal of §§217.83(c)(1) and 217.83(c)(5).

10 The proposed amendment to §217.84(b)(5) would expand the description of damage to a motor
11 vehicle in an application for a nonrepairable or salvage vehicle title by requiring the applicant to identify
12 the major component parts that need to be repaired or replaced on the vehicle. The proposed
13 amendment would deter fraudulent activity by providing the department the means to compare the
14 information provided in the proposed updated form to an application submitted to the department
15 requesting a rebuilt salvage certificate of title for the same vehicle. The proposed amendment to
16 §217.84(b)(8) would delete “certificate of” as part of the description of the application form to align with
17 the defined terms for nonrepairable and salvage title specified in Transportation Code, §501.091 and
18 §217.82 of this subchapter that do not include the term “certificate of”. The proposed amendments to
19 §217.84(d)(1)(A) and (B) would delete “certificate of” from “Texas Certificate of Title” to rephrase the
20 term as “Texas Title”. The deletion of “certificate of” would align with the department’s current practice
21 of issuing both paper and electronic versions of titles that is more accurately captured with the
22 standalone term “title,” which is defined in Transportation Code, Chapter 501 to encompass electronic
23 and paper titles. The proposed amendments to §217.84(d)(1)(E) and (F) would add the phrase “or

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1 record of title” to account for the electronic versions of a title for a nonrepairable or salvage motor
2 vehicle. The proposed amendment to §217.84(d)(3) would delete the words “vehicle title” from “salvage
3 vehicle title” to create a new phrase of “salvage or nonrepairable vehicle title,” which is used throughout
4 the subchapter for ease of reading. The proposed amendment to §217.84(d)(4) would delete the text
5 and replace it with a reference to Transportation Code, §501.0935, as the deleted text is duplicative of
6 the text in statute and is therefore unnecessary. The proposed amendment to §217.84(f)(3)(B) would
7 delete “certificate of” from the term “regular certificate of title” to be consistent with term “regular
8 title,” as specified in Transportation Code, §501.9112(b)(A).

9 The proposed amendment to §217.85(b) would delete “certificate of” as the term “certificate of
10 title” is limited to paper titles, but the department issues both paper and electronic versions of titles that
11 is more accurately captured with the standalone term of “title”.

12 The proposed amendments to §217.86 would create a new §217.86(d) that would require a
13 receipt from the department evidencing the surrender of ownership documents for a vehicle transferred
14 to a metal recycler as specified in §217.86(c) and a department-prescribed form detailing the transfer.
15 The proposed amendment would ensure vehicles delivered to metal recyclers follow the requirements
16 set out in §217.86(a)-(c) as a prerequisite to their dismantling, scrapping or destruction, as well as to
17 ensure proper documentation of the transfer and surrender of the receipt for purposes of reporting such
18 information to the department by the metal recycler. The proposed amendments to §§217.86(d),
19 217.86(e) and 217.86(f) would re-letter the provisions to §§217.86(e), 217.86(f) and 217.86(g) based on
20 the addition of proposed new §217.86(d). Also, a proposed amendment to current §217.86(f) would
21 clarify that the 60-day period for reporting to the department the delivery of a vehicle for dismantling,
22 scrapping or destruction begins upon the delivery of the vehicle to the metal recycler to be consistent
23 with the deadline set out in Transportation Code, §501.107.

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1 The proposed repeal of §217.87 would eliminate text that is duplicative to Transportation Code,
2 §501.09111 and is therefore unnecessary.

3 The proposed amendment to §217.88(a) would add the phrase “Sale, transfer or release with” to
4 the title of the subsection to clarify the scope of it. The proposed amendments to §217.88(b) would add
5 the phase “Sale, transfer or release without” to the title of the subsection to clarify the scope of it and
6 would delete the remaining text for the subsection and replace it with a reference to Transportation
7 Code, §501.095(a) as the deleted text is duplicative to the text in statute and is therefore unnecessary.

8 The proposed amendment to §217.88(d) would incorporate a reference to Transportation Code,
9 §501.091(2)(A-C) to exempt those persons not subject to the numerical limit for casual sales. This
10 proposed amendment would acknowledge these persons or entities are not subject to the limitations of
11 the rule provided the sales are consistent with the requirements specified in the statute. The proposed
12 amendment to §217.88(e)(1)(D) would delete the existing description for a photo identification and add
13 a reference to the list of current photo identifications provided in §217.7(b). The proposed amendment
14 provides consistency throughout Chapter 217 as to what forms of current photo identification are
15 acceptable to the department for purposes of the titling and/or registration of motor vehicles. The
16 proposed amendment to §217.88(g)(1) would add a three-year retention requirement for export-only
17 sales records to align with the records retention requirement specified in Transportation Code,

18 §501.099(g). The proposed amendment to §217.88(g)(2)(C) would delete the existing description for a
19 photo identification and add a reference to the list of photo identifications provided in §217.88(f)(1)(B).
20 The proposed amendment would provide consistency as to what photo identifications are acceptable to
21 the department for purposes of export-only sales of motor vehicles. The proposed amendments to
22 §217.88(g)(2)(E) would delete certain data collection items from the export-only sale list and renumber
23 the list accordingly, to align with the requirements provided in Transportation Code, §501.099(g)(2).

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Proposed amendments throughout §217.89 would delete the words “certificate of” from the phrase “rebuilt salvage certificate of title” to read “rebuilt salvage title”. These proposed amendments would account for the department’s current practice of issuing electronic or paper titles and is consistent with the standalone term “title” that is defined in Transportation Code, Chapter 501 that encompasses electronic and paper versions of a motor vehicle title. The proposed amendments to §§217.89(a), 217.89(d), 217.89(f), and 217.89(g) would delete “certificate of” from the phrase “certificate of title” as the term “certificate of title” is limited to paper titles, while the department issues both paper and electronic versions of titles, which are more accurately captured with the standalone term of “title”. The proposed repeal of §217.89(d)(3), which requires the submission of a motor vehicle safety inspection, is necessary to comply with amendments to Transportation Code, Chapter 548 as amended by HB 3297, which eliminated the mandatory motor vehicle safety inspections in the state. Proposed amendments to §217.89(d)(4) through §217.89(d)(7) would be renumbered accordingly based on the repeal of §217.89(d)(3). An additional proposed amendment to current §217.89(d)(5) would qualify the requirement for submitting proof of financial responsibility in those instances where the vehicle would be registered at the time of application. The proposed amendment would clarify that such proof is not required where the application seeks only to retitle the vehicle without registration. An additional proposed amendment to current §217.89(d)(6) would delete the requirement for attaining a motor vehicle inspection report for vehicles last titled or registered in another state or country. The proposed amendment would also clarify the requirement for motor vehicles last titled or registered in another country to secure a VIN inspection and require those vehicles last titled or registered in another state to submit a form as referenced by §217.4(d)(4) that would self-certify the VIN. The proposed amendments to §217.89(d)(5) are necessary to comply with HB 3297, which eliminated the mandatory motor vehicle safety inspections in the state. The amendments also ensure that motor vehicles being brought into the

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state from another state or country are in alignment with the statutory requirements set out for VIN inspections under Transportation Code, §501.030 and §501.032. The proposed amendment to §217.89(e)(1) would add the phrase “or record title” to account for the electronic version of a title for a salvage motor vehicle. The proposed amendment to §217.89(e)(2) would substitute “does” for “may” as it pertains to what is considered evidence ownership for a rebuilt salvage motor vehicle. This proposed amendment would conform to the requirements set out in Transportation Code, Chapters 501 and 683 that prohibit the items listed in this subsection as qualifying as evidence of ownership for a rebuilt salvage motor vehicle. The proposed amendment to §217.89(g) would delete “on its face” as being unnecessary language. In accordance with the effective date of HB 3297, the amendments to §217.89 are proposed for a future effective date of January 1, 2025.

Subchapter E. Title Liens and Claims

A proposed amendment to §217.106 would add language providing a citation to Transportation Code, §501.115, which governs the time limits for a lienholder to provide a discharge of lien after receiving final payment. The proposed amendment to §217.106 would add clarity, ease of reference, and improved guidance to the public.

Subchapter F. Motor Vehicle Records

Proposed amendments to §217.122(b)(2) would add a citation to Transportation Code, §730.003(5) to define “person” for clarity and consistency between the rules and statutes.

A proposed amendment to §217.123(b)(5) would delete a concealed handgun license as a method of current identification for a requestor of motor vehicle records as a concealed handgun license is no longer required by law. Proposed amendments to §217.123(c)(3) would align this section

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1 with statute by requiring a law enforcement requestor seeking personal information from agency
2 records to identify its intended use or the agency's incident or case number for which the personal
3 information is needed. Proposed amendments would create new §217.123(e)(1)(D) and (E) to require a
4 requestor of the department's motor vehicle records to provide in its application for a service
5 agreement copies of agreements used by the requestor to release motor vehicle record information to
6 third parties, and any additional material provided to third party requestors detailing the process in
7 which they obtain motor vehicle record information and describing their limitations as how this
8 information may be used, to ensure that requestors are in compliance with the limitations on the use of
9 personal information under Transportation Code, Chapter 730. The remaining subsections of
10 §217.123(e)(1) are proposed to be relettered accordingly. Proposed new §217.123(e)(2) clarifies that
11 the department will not enter into a service agreement to release motor vehicle record information if it
12 determines any of the information provided in an application is incomplete, inaccurate, or does not
13 meet statutory requirement, to protect the confidentiality of motor vehicle records from misuse or
14 inappropriate disclosure. Proposed new §217.123(f)(1)(D) and (E) would require requestors of bulk
15 records to provide in an application for a bulk contract copies of agreements used by the requestor to
16 release motor vehicle record information to third parties, and any additional material provided to third
17 party requestors detailing the process through which they obtain motor vehicle record information and
18 describing their limitations as to how this information may be used, to ensure that requestors are in
19 compliance with the limitations on the use of personal information under Transportation Code, Chapter
20 730. The remaining subsections of §217.123(f)(1) are proposed to be numbered accordingly. Proposed
21 new §217.123(f)(2) would provide that the department will not enter into a bulk contract to release
22 motor vehicle record information if the department determines any of the information provided by a
23 requestor is incomplete, inaccurate, or does not meet statutory requirements, to protect the

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1 confidentiality of motor vehicle records from misuse or inappropriate disclosure. The remaining
2 subsections of §217.123(f) are proposed to be renumbered accordingly.

3 Proposed amendments to §217.124(e) would add “federal governmental entities” as being
4 exempt from the payment of fees except for the fees listed in §217.124(d)(1), (6), or (8), to expedite and
5 streamline the delivery of documents to federal government entities. Proposed amendments to
6 §217.124(f) would add an “a” before “reciprocity,” delete the “s” in agreements, replace “other” with
7 “another” before “governmental,” and replace “entities” with “entity” to improve readability and to use
8 consistent terminology.

9 A proposed amendment to §217.125(b)(2) would add the word “proof” where it was
10 inadvertently left out of the rule to make the sentence comprehensible. Another proposed amendment
11 to §217.125(b)(2) would clarify that a requestor who is not yet involved in litigation must be in
12 anticipation of litigation that would necessitate the release of the documents requested, to limit the
13 unnecessary release of confidential motor vehicle records and the resulting potential for misuse of
14 personal information. Proposed amendments to §217.125(b)(3), to further limit the inappropriate
15 release of confidential motor vehicle records, would replace the requirement that a requestor prove
16 they are “in a researching occupation” with a more specific requirement that the requestor is
17 “employed by an entity in the business of conducting research related to the requested information,”
18 and would give the department discretion to determine whether the employment is valid and the
19 business research sufficiently related to the requested information.

20 A proposed amendment to §217.129(a) would add a citation to Transportation Code §730.005
21 and §730.006 for clarity and ease of reference. A proposed amendment to §217.129(c) would add “has
22 previously been terminated” to align with the title of §217.130, relating to Approval for Persons Whose
23 Access to Motor Vehicle Records has Previously Been Terminated.

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1 A proposed amendment to §217.131 would delete current §217.131(a) and combine the
2 language “previously received personal information from the department” into current §217.131(b) to
3 streamline the rule and improve readability. The remaining subsections of §217.131 are proposed to be
4 relettered accordingly.

5
6 Subchapter G. Inspections.

7 The proposed amendment to §217.143(c) would add a reference to Transportation Code,
8 §731.102 to the inspection requirements for an assembled vehicle. This proposed amendment would
9 clarify the minimum requirements set forth in statute that must be met to evaluate the function and
10 structural integrity of an assembled vehicle. The proposed amendment to §217.143(g) would substitute
11 “any applicable” for “an” as it pertains to an inspection or reinspection of an assembled vehicle under
12 Transportation Code, Chapter 548. The proposed amendment is necessary to comply with amendments
13 to Transportation Code, Chapter 548 by HB 3297, which eliminated the mandatory motor vehicle safety
14 inspections in the state.

15 Proposed amendments to §217.144 would create new §217.144(b) and move the existing text in
16 §217.144 under §217.144(a). These amendments would restructure §217.144 for ease of reading to
17 separate text addressing the training for inspectors from text addressing the outcome of identification
18 number inspections. Proposed new §217.144(b) would prohibit the department from titling or
19 registering a motor vehicle where the inspector is unable to ascertain the motor vehicle’s make or year
20 of manufacture and would further prohibit a motor vehicle being classified as an assembled, homemade,
21 or shop vehicle where the inspection is unable to determine the vehicle’s make or year of manufacture.

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1 The proposed amendment clarifies the department’s existing interpretation of Transportation Code,
2 Chapter 501 and the department’s existing practices and procedures for identification number
3 inspections performed on motor vehicles that are subject to such inspections under Transportation
4 Code, §501.032. The proposed amendments align those interpretations and practices to provide
5 guidance to the public on the requirements and consequences associated with a motor vehicle’s identity.

6
7 Subchapter H. Deputies.

8 A proposed amendment to §217.161 would remove unnecessary transition language regarding a
9 deputy appointed under Transportation Code, §520.0071, on or before December 31, 2016. House Bill
10 (HB) 2202 and HB 2741, 83rd Legislature, Regular Session, 2013, added Transportation Code, §520.0071
11 and repealed Transportation Code, §§520.008, 520.009, 520.0091 and 520.0092, effective September 1,
12 2013. Both HB 2202 and HB 2741 stated that a deputy appointed under Transportation Code, §520.0091
13 on or before August 31, 2013, may continue to perform the services authorized under Transportation
14 Code, §§520.008, 520.009, 520.0091 and 520.0092 until the effective date of rules adopted by the board
15 regarding the types of deputies authorized to perform titling and registration duties under
16 Transportation Code, §520.0071 as added by HB 2202 and HB 2741. The board adopted rules under
17 Transportation Code, §520.0071, effective March 12, 2015; however, §217.161 authorized a deputy
18 appointed under Transportation Code, §520.0071 on or before December 31, 2016, additional time to
19 comply with the rules. All deputies were required to comply with the new and amended rules regarding
20 deputies, beginning on January 1, 2017. A proposed amendment to §217.161 would also remove the
21 unnecessary reference to January 1, 2017.

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1 A proposed amendment to §217.166(h) would allow a county tax assessor-collector to set a
2 maximum number of webDEALER transactions for a dealer deputy based on the deputy's bond amount,
3 to limit the risk of fraud or theft by a dealer deputy in excess of the amount of the bond.

4 A proposed amendment to §217.168(b)(1) would add the word "county" before the term "tax
5 assessor-collector" to make the terminology consistent throughout Chapter 217. A proposed
6 amendment to §217.168(b)(1) would also create a new subparagraph (A) for the second sentence in
7 §217.168(b)(1) due to the proposed addition of new §217.168(b)(1)(B), which would clarify that title
8 transaction fees collected by full service deputies authorized by a county tax assessor-collector can be
9 assessed on webDEALER title transactions where the full service deputies have been approved by a
10 county tax assessor-collector to approve title transactions through webDEALER. The proposed
11 amendment is necessary to address and account for the influx of title transactions due to the new
12 requirement of Transportation Code, §520.0055, as amended by HB 718, that dealers holding a GDN use
13 webDEALER for filing title transactions.

14 A proposed amendment to §217.168(d) would replace terminology related to one-trip permits
15 and 30 day permits under Transportation Code, §502.095 with terminology describing one-trip license
16 plates and 30-day license plates, to implement the license plate requirements of HB 718. In accordance
17 with the effective date of HB 718, the amendments to §217.168 are proposed for a future effective date
18 of July 1, 2025. A proposed amendment to §217.168(d) would also replace the word "temporary" with
19 the term "special registration" for consistency with the terminology in §217.40(b) regarding the category
20 of "special registration permits" under Transportation Code, §502.094, which are called 72-hour permits
21 and 144-hour permits. In addition, proposed amendments to §217.168(d) would reduce the amount of
22 the processing and handling fee that a full service deputy may retain for special registration permits and

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1 special registration license plates under Transportation Code, §502.094 and §502.095 from \$4.75 to
2 \$4.25. These proposed amendments to §217.168(d) would provide that \$0.50 of the processing and
3 handling fee would be remitted to the department by citing to the formula established by §217.185(b),
4 which the department is also proposing to amend in this proposal. This proposed amendment to
5 §217.168(d) is necessary for the department to comply with Transportation Code, §502.356, which
6 requires the board by rule to adopt a fee (automation fee) of not less than \$0.50 and not more than
7 \$1.00 that shall be collected in addition to registration fees and deposited into a subaccount in the Texas
8 Department of Motor Vehicles fund. Section 502.356 specifies how the department may use the
9 automation fee to provide for or enhance the automation of and the necessary infrastructure for certain
10 services and procedures. The board established the automation fee at \$0.50 under §217.72(c).
11 Transportation Code, §502.1911(b) requires the board by rule to include the automation fee that is
12 established under Transportation Code, §502.356 in the processing and handling fee for registration
13 transactions. Therefore, \$0.50 of each processing and handling fee must be remitted to the department.

14
15 Subchapter I. Fees.

16 A proposed amendment to Subchapter I would update the title of the subchapter by adding the
17 words “Processing and Handling” to read “Processing and Handling Fees,” to more accurately describe
18 the content and scope of the subchapter. A proposed amendment to §217.181 would replace the word
19 “fee” with the word “fees” because Subchapter I prescribes the department’s processing and handling
20 fees authorized by Transportation Code, §502.1911. Section 217.183 includes two processing and
21 handling fees, which are more fully described in the summary of proposed amendments to §217.183.

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1 Proposed amendments to §217.181 would also amend other words to ensure that there is subject-verb
2 agreement between the word “fees” and the applicable verbs.

3 Proposed amendments to §217.182(1) would add the term “special registration license plate”
4 and the words “special registration” to modify the word “permit” to clarify that each constitutes a
5 “registration transaction,” and would implement HB 718, which requires the department to issue license
6 plates rather than paper permits, with consistent use of terminology across the chapter. In accordance
7 with the effective date of HB 718, the amendments to §217.182 are proposed for a future effective date
8 of July 1, 2025.

9 Proposed amendments to §217.183 would clarify that the department charges two different
10 processing and handling fees under Transportation Code, §502.1911: 1) a flat fee of \$4.75 for a
11 registration transaction that is processed outside of the department’s TxFLEET system; and 2) \$4.75 plus
12 the applicable service charge for each registration transaction processed through the TxFLEET system.
13 Transportation Code, §502.1911(b)(2) requires the board by rule to set the applicable processing and
14 handling fee in an amount that is sufficient to cover the expenses associated with collecting the
15 registration fees. The applicable service charge for a registration transaction processed through the
16 TxFLEET system is the fee that the Texas Department of Information Resources (DIR) sets under
17 Government Code, §2054.2591, which states that a state agency may charge such fee for a transaction
18 that uses the state electronic Internet portal project. The department uses the state electronic Internet
19 portal project for the payment engine for the TxFLEET system as required by Government Code,
20 §2054.113. The department must pass the DIR fee to the registration applicant to comply with
21 Transportation Code, §502.1911(b)(2).

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Although the department included the DIR fee in the processing and handling fee of \$4.75 for a registration transaction that is processed outside of the TxFLEET system, the department did not include the DIR fee in the \$4.75 charge that is a portion of the processing and handling fee for a registration transaction that is processed through the TxFLEET system. For a registration transaction that is processed through the TxFLEET system, the processing and handling fee consists of the \$4.75 charge plus the DIR fee, which is generally represented by the following mathematical formula: 2.25 percent plus \$0.25 for each credit card or debit card transaction processed. However, \$0.25 is added to the amount of the underlying fee prior to multiplying that amount by 2.25 percent, and an additional \$0.25 is added to that calculation to compute the DIR fee. For example, if the underlying fee is \$100.00 (including the \$4.75 charge), the DIR fee would be \$2.51, which would result in a total cost of \$102.51 for the registration transaction.

The registration fees for the vehicle registration transactions that are processed through the TxFLEET system are typically more expensive than vehicle registration transactions that are processed outside of the TxFLEET system. For example, Transportation Code, §502.0023 authorizes the extended registration of commercial fleet vehicles for up to an eight-year term for which the applicant must pay all registration fees, as well as all other applicable fees, for the selected term at the time of registration. In addition, a commercial fleet could include vehicles with a gross weight that exceeds 6,000 pounds. Transportation Code, §502.252 states that the fee for a registration year for registration of a vehicle with a gross weight of 6,000 pounds or less is \$50.75, unless otherwise provided by Transportation Code, Chapter 502. Transportation Code, §502.253 provides a fee schedule for a registration year for registration of a vehicle with a gross weight of more than 6,000 pounds, unless otherwise provided by Transportation Code, Chapter 502. The fee schedule in Transportation Code, §502.253 provides a fee for

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seven different ranges of weight classifications based on pounds, starting with a fee of \$54.00 for a vehicle that falls within the weight classification of 6,001 pounds through 10,000 pounds and ending with a fee of \$840.00 for a vehicle that falls within the weight classification of 70,001 through 80,000 pounds. If an applicant wanted to register 12 fleet vehicles for a five-year term under Transportation Code, §502.0023, the DIR fee would greatly exceed \$4.75.

Proposed amendments to §217.183 would also separate the language by adding subsections (a) through (c) to provide clarity. Proposed new §217.183(a) would contain the current language regarding the processing and handling fee that is \$4.75 for a registration transaction that is not processed through the TxFLEET system. Proposed new §217.183(a) would also clarify that the language is subject to the language in new subsections (b) and (c). Proposed new §217.183(a) would also modify the rule text to state that certain registration transactions are exempted by §217.184. Proposed new §217.183(b) would replace the existing language with clarified language to describe the processing and handling fee that applies to a registration transaction that is processed through the TxFLEET system. Proposed new §217.183(b) would also clarify that it is subject to the language in new subsection (c) and the exemptions under §217.184. Proposed new §217.183(c) would separate existing rule text that explains that the department shall only collect the processing and handling fee on the registration transaction if the transaction includes both registration and issuance of a license plate or specialty plate.

Proposed amendments to §217.184 would replace the word “fee” with the word “fees” because Subchapter I prescribes the department’s processing and handling fees authorized by Transportation Code, §502.1911. Section 217.183 includes two processing and handling fees, which are more fully described in the summary of proposed amendments to §217.183.

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1 A proposed amendment to the title of §217.185 would change the word “Fee” to “Fees” and a
2 proposed amendment to §217.185(a) would change the word “amount” to “amounts” because the
3 department has two different processing and handling fees under §217.183. Proposed amendments to
4 §217.185(a)(1) would also combine language in §217.185(a)(1) and §217.185(a)(2) for consistency and
5 ease of understanding without changing the meaning. A proposed amendment to current §217.185(a)(2)
6 would delete the paragraph to remove redundancy, and renumber the remaining paragraphs
7 accordingly. A proposed amendment to renumbered §217.185(a)(2) would replace “TxIRP” with
8 “TxFLEET” because the department plans to rebrand the TxIRP system as the TxFLEET system in late
9 August of this year.

10 A proposed amendment to renumbered §217.185(a)(3) would replace a reference to the
11 department’s online registration portal with a reference to Texas by Texas (TxT) or the department’s
12 Internet Vehicle Title and Registration Service (IVTRS) because the department currently provides the \$1
13 discount if the registration transaction was processed through either one of these systems.

14 A proposed amendment to §217.185(b) would delete the reference to Transportation Code,
15 §502.0932 because HB 718 repeals §502.092, effective July 1, 2025. A proposed amendment to
16 §217.185(b) would also clarify the rule by specifying the allocation of the \$4.75 processing and handling
17 fee collected by entities that process applications for special registrations under Transportation Code,
18 §§502.093 - 502.095. Proposed amendments to §217.185(b) would further provide that the \$0.50
19 remainder of the processing and handling fee would be remitted to the department. This proposed
20 amendment is necessary for the department to comply with Transportation Code, §502.356, which
21 requires the board by rule to adopt an automation fee of not less than \$0.50 and not more than \$1.00
22 that shall be collected in addition to registration fees and deposited into a subaccount in the Texas

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1 Department of Motor Vehicles fund. Section 502.356 specifies how the department may use the
2 automation fee to provide for or enhance the automation of and the necessary infrastructure for certain
3 services and procedures. The board established the automation fee at \$0.50 under §217.72(c).
4 Transportation Code, §502.1911(b) requires the board by rule to include the automation fee that is
5 established under Transportation Code, §502.356 in the processing and handling fee for registration
6 transactions. Therefore, \$0.50 of each processing and handling fee must be remitted to the department.
7 Other amendments to §217.185(b) would replace the word “temporary” with the words “special
8 registration” to describe the referenced permit, and would add the words “special registration license
9 plate” to implement HB 718 and to ensure consistent use of terminology across the chapter. In
10 accordance with the effective date of HB 718, the amendments to §217.185 are proposed for a future
11 effective date of July 1, 2025.

12
13 Subchapter J. Performance Quality Recognition Program.

14 The proposed amendment to §217.205(e) would replace the current deadline of 90 calendar
15 days for the department’s decision to award or deny a service recognition in response to an application
16 from a county tax assessor-collector’s office by specifying a reoccurring annual deadline of December 31.
17 The proposed amendment would streamline the department’s process and allow the department more
18 flexibility to address all submitted applications in a timely and efficient manner without sacrificing the
19 quality of the review based on the current deadline structure.

20
21 Subchapter L. Assembled Vehicles

06/27/2024

Exhibit A

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1 A proposed amendment to §217.404 (a) deletes the phrase “prior to applying for title” because
2 this phrase is unnecessary and to clarify that an application for title for an assembled vehicle is part of
3 the process for an applicant applying for title. A proposed amendment to §217.404 (b) would add the
4 phrase “under Transportation code, Chapter 731” to clarify that applications for assembled vehicles are
5 required to comply with that chapter.

6 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
7 has determined that for each year of the first five years the proposed amendments, new section and
8 repeal will be in effect, there will be no significant fiscal impact to state or local governments as a result
9 of the enforcement or administration of the proposal. The proposed amendment to §217.185 to comply
10 with Transportation Code, §502.356, which requires county tax assessor-collectors to remit \$.50 per
11 transaction under Transportation Code, §§502.093-502.095 to the department, will cause tax assessor-
12 collectors state-wide to remit to the department a collective state-wide total of approximately \$259,151
13 per year for approximately 518,302 transactions per year for the first five years the rule is in effect.

14 Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined that there will
15 be no significant impact on local employment or the local economy as a result of the proposal. **PUBLIC**

16 **BENEFIT AND COST NOTE.** Ms. Quintero has also determined that for each year of the first five years
17 the proposed amended sections, new rule and repeals are in effect, the anticipated public benefit as a
18 result of enforcing or administering the amendments and repeals will be the simplification, clarification,
19 and streamlining of agency rules, a reduction in the opportunity for license plate fraud, and a reduction
20 in the opportunity for misuse of the confidential personal information captured in motor vehicle records.

21 Anticipated Cost to Comply with the Proposal. Ms. Quintero anticipates that there will be no
22 costs to comply with the proposed amendments, new rule and repeals.

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ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by Government Code, §2006.002, the department has determined that the proposed amendments, new rule and repeals will not have an adverse economic impact on small businesses, micro-businesses, and rural communities because there are no anticipated economic costs for persons required to comply with the proposed amendments and repeals. While the proposed amendment to §217.185 to comply with Transportation Code, §502.356 will require county tax assessor-collectors to remit \$.50 per transaction under Transportation Code, §§502.093-502.095 to the department, it will not impact rural communities because county governments are not within the definition of “rural communities” under Government Code, §2006.001(1-a). Additionally, even assuming that all full-service deputies assisting county tax assessor-collectors in collecting fees are either small businesses or micro-businesses under Government Code, §2006, the impact of remitting \$.50 per qualifying transaction to the department will be de minimis, since the collective state-wide total fiscal impact from the amendment to §217.185 of approximately \$259,151 per year will be spread over the state’s 254 counties, only some of which use full-service deputies. Therefore, not all transactions go through the deputies, minimizing the impact of the amendment on the full-service deputies. Since the amendment to §217.185 will not create a significant adverse economic impact on the full-service deputies’ small or micro-businesses, the department is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

TAKINGS IMPACT ASSESSMENT. The department has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

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GOVERNMENT GROWTH IMPACT STATEMENT. The department has determined that each year of the first five years the proposed amendments, new rule and repeals are in effect, no government program would be created or eliminated; no employee positions would be created or eliminated; there would be no change in the amount of fees paid to the agency; the number of individuals subject to the rule's applicability would not change; and the rule would have no significant impact on the state's economy. With the exception of the proposed amendments to §217.5(a)(1)(A) to add two new requirements for a manufacturer's certificate of origin, the proposed revisions do not expand or limit regulations; however, the proposed revisions repeal regulations - specifically, §217.34 and §217.87. Proposed new §217.31 regarding HVUT clarifies current law and moves the HVUT requirements into a standalone rule to ensure compliance with the HVUT requirements.

REQUEST FOR PUBLIC COMMENT. If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

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SUBCHAPTER A. MOTOR VEHICLE TITLES**43 TAC §§217.2-9, 217.11, AND 217.14-16**

STATUTORY AUTHORITY. The department proposes amendments to Chapter 217 under Transportation Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act; Transportation Code, §501.023, which authorizes the department to prescribe the process and procedures for applying for a motor vehicle title; Transportation Code, §501.0235, which authorizes the department to adopt rules requiring current personal identification from applicants requesting a motor vehicle title; Transportation Code, §501.0236, as amended by HB 718, which authorizes the department to adopt rules governing the issuance of a motor vehicle titles and permits to purchasers of a motor vehicle where a motor vehicle dealer goes out of business; Transportation Code, §501.025, which authorizes the department to specify the requirements for a manufacturer’s certificate of origin for issuance of a motor vehicle title; Transportation Code, §501.029, which authorizes the department to adopt rules to identify documents that are acceptable as proof of ownership of a motor vehicle for registration purposes only; Transportation Code, §501.030, which authorizes the department to adopt rules governing identification number inspections for motor vehicles brought into the state; Transportation Code, §501.0315, which authorizes the department to adopt rules governing the designation of a beneficiary by a motor vehicle owner; §501.0321; Transportation Code §501.0322, which provides the department with authority to adopt rules to establish an alternative identification number inspection; Transportation Code, §501.051(d), which gives the department authority to place a hold on processing a title application for a motor vehicle if the department receives a request for a hold accompanied by evidence of a legal action regarding ownership of or a lien interest in the motor vehicle until a final, nonappealable judgment is entered in the action or the party requesting

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the hold requests that the hold be removed; Transportation Code, §501.147, as amended by HB 718, which authorizes the department to adopt rules governing vehicle the submission of transfer notifications to the department; and Transportation Code, §1002.001, which authorizes the department to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§501.023, 501.0235, 501.025, 501.029, 501.030, §501.0315, §501.0321, §501.0322, 501.051, 501.053, 501.147, and 1002.001.

Text.

§217.2. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Alias--The name of a vehicle owner reflected on a title, when the name on the title is different from the name of the legal owner of the vehicle.

(2) Alias title--A title document issued by the department for a vehicle that is used by an exempt law enforcement agency in covert criminal investigations.

~~[(3) All-terrain vehicle or ATV--A motor vehicle as defined by Transportation Code, §551A.001, and designed primarily for recreational use. The term does not include a "utility vehicle" as defined by Transportation Code, §551A.001, or a self-propelled, motor-driven vehicle designed or marketed by the manufacturer primarily for non-recreational uses.]~~

(3)~~[(4)]~~ Bond release letter--Written notification from the United States Department of Transportation authorizing United States Customs to release the bond posted for a

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1 motor vehicle imported into the United States to ensure compliance with federal motor vehicle
2 safety standards.

3 (4) Current photo identification-- a government-issued photo identification that is
4 currently valid or is within 12 months of the expiration date, or a state-issued personal identification
5 certificate issued to a qualifying person if the identification states that it has no expiration.

6 (5) Date of sale--The date of the transfer of possession of a specific vehicle from a
7 seller to a purchaser.

8 (6) Division director--The director of the department's Vehicle Titles and
9 Registration Division.

10 (7) Executive administrator--The director of a federal agency, the director of a
11 Texas state agency, the sheriff of a Texas county, or the chief of police of a Texas city who by law
12 possesses the authority to conduct covert criminal investigations.

13 (8) Exempt agency--A governmental body exempt by law from paying title or
14 registration fees for motor vehicles.

15 (9) Federal motor vehicle safety standards--Motor vehicle safety requirements
16 promulgated by the United States Department of Transportation, National Highway Traffic Safety
17 Administration, set forth in Title 49, Code of Federal Regulations.

18 ~~[(10)] House moving dolly--An apparatus consisting of metal beams and axles used~~
19 ~~to move houses. House moving dollies, by nature of their construction and use, actually form large~~
20 ~~semitrailer.]~~

21 ~~[(11)] Implements of husbandry--Farm implements, machinery, and tools used in~~
22 ~~tilling the soil, including self-propelled machinery specifically designed or especially adapted for~~
23 ~~applying plant food materials or agricultural chemicals. This term does not include an implement~~

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1 ~~unless it is designed or adapted for the sole purpose of transporting farm materials or chemicals.~~

2 ~~This term does not include any passenger car or truck. This term does include a towed vehicle that~~
3 ~~transports to the field and spreads fertilizer or agricultural chemicals; or a motor vehicle designed~~
4 ~~and adapted to deliver feed to livestock.]~~

5 (10) ~~[(12)]~~ Manufacturer's certificate of origin--A form prescribed by the
6 department showing the original transfer of a new motor vehicle from the manufacturer to the
7 original purchaser, whether importer, distributor, dealer, or owner and when presented with an
8 application for title showing on appropriate forms prescribed by the department, each subsequent
9 transfer between distributor and dealer, dealer and dealer, and dealer and owner.

10 (11) ~~[(13)]~~ Moped--A motor vehicle as defined by Transportation Code, §541.201.

11 (12) ~~[(14)]~~ Motor vehicle importation form--A declaration form prescribed by the
12 United States Department of Transportation and certified by United States Customs that relates to
13 any motor vehicle being brought into the United States and the motor vehicle's compliance with
14 federal motor vehicle safety standards.

15 (13) ~~[(15)]~~ Non-United States standard motor vehicle--A motor vehicle not
16 manufactured in compliance with federal motor vehicle safety standards.

17 ~~[(16) Obligor--An individual who is required to make payments under the terms of a~~
18 ~~support order for a child.]~~

19 ~~[(17)] Off-highway vehicle--A motor vehicle as defined by Transportation Code,~~
20 ~~§551A.001.]~~

21 (14) ~~[(18)]~~ Person--An individual, firm, corporation, company, partnership, or other
22 entity.

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~~[(19)] Recreational off-highway vehicle or ROV--A motor vehicle as defined by Transportation Code, §551A.001, and designed primarily for recreational use. The term does not include a "utility vehicle" as defined by Transportation Code, §551A.001, or a self-propelled, motor-driven vehicle designed or marketed by the manufacturer primarily for non-recreational uses.]~~

(15)~~[(20)]~~ Safety certification label--A label placed on a motor vehicle by a manufacturer certifying that the motor vehicle complies with all federal motor vehicle safety standards.

~~[(21)] Sand rail--A motor vehicle as defined by Transportation Code, §551A.001.]~~

(16)~~[(22)]~~ Statement of fact--A written declaration that supports an application for a title, that is executed by an involved party to a transaction involving a motor vehicle, and that clarifies an error made on a title or other negotiable evidence of ownership. An involved party is the seller, or an agent of the seller involved in the motor vehicle transaction. When a written declaration is necessary to correct an odometer disclosure error, the signatures of both the seller and buyer when the error occurred are required.

(17)~~[(23)]~~ Title application--A form prescribed by the division director that reflects the information required by the department to create a motor vehicle title record.

~~[(24)] Utility vehicle or UTV--A motor vehicle as defined by Transportation Code, §551A.001, and designed primarily for utility use. The term does not include a "golf cart" as defined by Transportation Code, §551.401, or a self-propelled, motor-driven vehicle designed or marketed by the manufacturer primarily for non-utility uses.]~~

(18)~~[(25)]~~ Verifiable proof--Additional documentation required of a vehicle owner, lienholder, or agent executing an application for a certified copy of a title.

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1 ~~[(A) Individual applicant. If the applicant is an individual, verifiable proof~~
2 ~~consists of a copy of a current photo identification issued by this state or by the United States or~~
3 ~~foreign passport.]~~

4 ~~[(B) Business applicant. If the applicant is a business, verifiable proof~~
5 ~~consists of an original or copy of a letter of signature authority on letterhead, a business card, or~~
6 ~~employee identification and a copy of current photo identification issued by this state or by the~~
7 ~~United States or foreign passport.]~~

8 ~~[(C) Power of attorney. If the applicant is a person in whose favor a power~~
9 ~~of attorney has been executed by the owner or lienholder, verifiable proof consists of the~~
10 ~~documentation required under subparagraph (A) or (B) of this paragraph both for the owner or~~
11 ~~lienholder and for the person in whose favor the power of attorney is executed.]~~

12
13 §217.3. Motor Vehicle Titles.

14 Unless otherwise exempted by law or this chapter, the owner of any motor vehicle that is
15 required to be titled, including any motor vehicle required to be registered in accordance with
16 Transportation Code Chapter 502, shall apply for a Texas title in accordance with Transportation
17 Code Chapter 501 or 731, or this subchapter.

18 (1) Motorcycles, autocycles, and mopeds.

19 ~~[(A)]~~ The title requirements for a motorcycle, autocycle, and moped are the
20 same requirements prescribed for any motor vehicle.

21 ~~[(B) A vehicle that meets the criteria for a moped under Transportation~~
22 ~~Code §541.201(8).]~~

23 (2) Farm vehicles.

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1 ~~[(A)The term "motor vehicle" does not apply to implements of husbandry,~~
2 ~~which may not be titled.]~~

3 (A)~~[(B)]~~ Farm tractors owned by agencies exempt from registration fees in
4 accordance with Transportation Code §502.453, are required to be titled and registered with
5 "Exempt" license plates issued in accordance with Transportation Code §502.451.

6 (B)~~[(C)]~~ [Farm]Tractors ~~[tractors]~~ used as road tractors to mow rights of way
7 or used to move commodities over the highway for hire are required to be registered and titled.

8 ~~[(D) Owners of farm trailers and farm semitrailers with a gross weight of~~
9 ~~34,000 pounds or less may apply for a Texas title. Owners of farm trailers and farm semitrailers~~
10 ~~with a gross weight in excess of 34,000 pounds shall apply for a Texas title. If a farm trailer or farm~~
11 ~~semitrailer with a gross weight of 34,000 pounds or less has been titled previously, any subsequent~~
12 ~~owner shall apply for a Texas title for the farm trailer or farm semitrailer.]~~

13 (3) Neighborhood electric vehicles. The title requirements of a neighborhood
14 electric vehicle (NEV) are the same requirements prescribed for any motor vehicle.

15 (4) Trailers, semitrailers, and house trailers.~~[Owners of trailers and semitrailers~~
16 ~~shall apply for a Texas title for any trailer or semitrailer with a gross weight in excess of 4,000~~
17 ~~pounds. Owners of trailers and semitrailers with a gross weight of 4,000 pounds or less may apply~~
18 ~~for a Texas title.]~~ If a trailer or semitrailer with a gross weight of 4,000 pounds or less has been
19 titled previously, any subsequent owner shall apply for a Texas title for the trailer or semitrailer.

20 Travel ~~[House]~~ trailer-type vehicles must meet the criteria outlined in subparagraph (C) of this
21 paragraph to be titled:

22 (A) The rated carrying capacity will not be less than one-third of its empty
23 weight.

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(B) Mobile office trailers, mobile oil field laboratories, and mobile oil field bunkhouses are not designed as dwellings, but are classified as commercial semitrailers and must be registered and titled as commercial semitrailers if operated on the public streets and highways.

(C) House trailer-type vehicles and camper trailers must meet the following criteria in order to be titled.

(i) A house trailer-type vehicle that is less than eight feet six inches in width or less than 45 feet in length is classified as a travel trailer and shall be registered and titled.

(ii) A camper trailer shall be titled as a house trailer and shall be registered with travel trailer license plates.

(iii) A recreational park model type trailer that is primarily designed as temporary living quarters for recreational, camping or seasonal use, is built on a single chassis, and is 400 square feet or less when measured at the largest horizontal projection when in the set up mode shall be titled as a house trailer and may be issued travel trailer license plates.

(5) Assembled vehicles. The title requirements for assembled vehicles are prescribed in Subchapter L of this title (relating to Assembled Vehicles).

(6) Not Eligible for Title. The following are not eligible for a Texas title regardless of the vehicle's previous title or registration in this or any other jurisdiction:

(A) vehicles that are missing or are stripped of their motor, frame, or body, to the extent that the vehicle loses its original identity or makes the vehicle unsafe for on-road operation as determined by the department;

(B) vehicles designed by the manufacturer for on-track racing only;

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(C) vehicles designed or determined by the department to be for off-highway use only, unless specifically defined as a "motor vehicle" in Transportation Code Chapter 501; or

(D) vehicles assembled, built, constructed, rebuilt, or reconstructed in any manner with:

(i) a body or frame from a vehicle which is a "nonrepairable motor vehicle" as that term is defined in Transportation Code §501.091(9); or

(ii) a motor or engine from a vehicle which is flood damaged, water damaged, or any other term which may reasonably establish the vehicle from which the motor or engine was obtained is a loss due to a water related event.

§217.4. Initial Application for Title.

(a) Time for application. A person must apply for the title not later than the 30th day after the date of assignment, except:

(1) in a seller-financed sale, the title must be applied for not later than the 45th day after the date the motor vehicle is delivered to the purchaser;

(2) a member of the armed forces or a member of a reserve component of the United States, a member of the Texas National Guard or of the National Guard of another state serving on active duty, must apply not later than the 60th day after the date of assignment of ownership; or

(3) as otherwise provided by Transportation Code, Chapter 501.

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1 (b) Place of application. Except as otherwise provided by Transportation Code, Chapters

2 501 and 502, and by §217.84(a) of this title (relating to Application for Nonrepairable or Salvage

3 Vehicle Title), when motor vehicle ownership is transferred, a title application must be filed with:

4 (1) the county tax assessor-collector in the county in which the applicant resides or
5 in the county in which the motor vehicle was purchased or encumbered; or

6 (2) a county tax assessor-collector of a county who is willing to accept the
7 application.

8 (c) Information to be included on application. An applicant for an initial title must file an
9 application on a form prescribed by the department. The form will at a minimum require the:

10 (1) motor vehicle description including, but not limited to, the motor vehicle:

11 (A) year;

12 (B) make;

13 (C) identification number;

14 (D) body style; and

15 (E) empty weight;

16 (2) license plate number, if the motor vehicle is subject to registration under
17 Transportation Code, Chapter 502;

18 (3) odometer reading and brand, or the word "exempt" if the motor vehicle is
19 exempt from federal and state odometer disclosure requirements;

20 (4) previous owner's legal name and municipality and state, if available;

21 (5) legal name as stated on the identification presented and complete address of
22 the applicant;

23 (6) name and mailing address of any lienholder and the date of lien, if applicable;

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(7) signature of the seller of the motor vehicle or the seller's authorized agent and the date the title application was signed; and

(8) signature of the applicant or the applicant's authorized agent and the date the title application was signed.

(d) Accompanying documentation. The title application must be supported by, at a minimum, the following documents:

(1) evidence of vehicle ownership, as described in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership);

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if applicable;

(3) proof of financial responsibility in the applicant's name, as required by Transportation Code, §502.046, unless otherwise exempted by law;

(4) for a vehicle last registered or titled in another state, [inspection report if required by Transportation Code, Chapter 548, and Transportation Code, §501.030,] verification of the vehicle identification number by a process prescribed on a form by the department for the applicant to self-certify the vehicle identification number if the vehicle is not subject to Transportation Code, Chapter 548 [and if the vehicle is being titled and registered, or registered only];

(5) a release of any liens, provided that if any liens are not released, they will be carried forward on the new title application;~~[with the following limitations:]~~

~~[(A) A lien recorded on out-of-state evidence as described in §217.5 cannot be carried forward to a Texas title when there is a transfer of ownership, unless a release of lien or authorization from the lienholder is attached; and]~~

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1 ~~[(B) A lien recorded on out-of-state evidence as described in §217.5 is not~~
2 ~~required to be released when there is no transfer of ownership from an out-of-state title and the~~
3 ~~same lienholder is being recorded on the Texas application as is recorded on the out-of-state title;]~~
4 and

5 (6) any documents required by §217.9 of this title (relating to Bonded Titles).

6
7 §217.5. Evidence of Motor Vehicle Ownership.

8 (a) Evidence of motor vehicle ownership properly assigned to the applicant must
9 accompany the title application. Evidence must include, but is not limited to, the following
10 documents.

11 (1) New motor vehicles. A manufacturer's certificate of origin assigned by the
12 manufacturer or the manufacturer's representative or distributor to the original purchaser is
13 required for a new motor vehicle that is sold or offered for sale.

14 (A) The manufacturer's certificate of origin must be in the form prescribed
15 by the department and must contain, at a minimum, the following information:

16 (i) manufacturer's name on the face of the manufacturer's
17 certificate of origin;

18 (ii)[(+)] motor vehicle description including, but not limited to, the
19 motor vehicle year, make, model, identification number, and body style;

20 (iii)[(++)] the empty or shipping weight;

21 (iv)[(+++)] the gross vehicle weight when the manufacturer's
22 certificate of origin is invoiced to a licensed Texas motor vehicle dealer and is issued for
23 commercial motor vehicles as that term is defined in Transportation Code, Chapter 502;

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(v) ~~(iv)~~ a statement identifying a motor vehicle designed by the manufacturer for off-highway use only; ~~and~~

(vi) if the vehicle is a motor bus, the manufacturer must show the seating capacity (number of passengers) of the motor bus on the manufacturer's certificate; and

(vii) ~~(v)~~ if the vehicle is a "neighborhood electric vehicle," a statement that the vehicle meets Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500) for low-speed vehicles.

(B) When a motor vehicle manufactured in another country is sold directly to a person other than a manufacturer's representative or distributor, the manufacturer's certificate of origin must be assigned to the purchaser by the seller.

(2) Used motor vehicles. Applicants applying for title to a used motor vehicle must relinquish as evidence of ownership one of the following documents:

(A) A title issued by the department;

(B) a title issued by another state if the motor vehicle was last titled in another state;

(C) documents evidencing a transfer of motor vehicle ownership by operation of law as listed in Transportation Code §501.074;

(D) a registration receipt if the applicant is coming from a state that no longer titles vehicles after a certain period of time; or

(E) a bill of sale when the applicant presents:

i. an out-of-state or out-of-country registration receipt that does not provide a transfer of ownership section;

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1 ii. an out of state title when all dealer reassignment sections
2 have been completed and the issuing state does not utilize supplemental dealer reassignment
3 forms; or

4 iii. a non-titled vehicle.

5 ~~[A title issued by the department, a title issued by another state if the motor vehicle was last~~
6 ~~registered and titled in another state, or other evidence of ownership must be relinquished in~~
7 ~~support of the title application for any used motor vehicle. A registration receipt is required from a~~
8 ~~vehicle owner coming from a state that no longer titles vehicles after a certain period of time.]~~

9 (3) Evidence of Ownership for Purpose of Identification Number Assignment or
10 Reassignment. An applicant for assignment or reassignment of an identification number under
11 Transportation Code §501.033 who is unable to produce evidence of ownership under this section,
12 may file a bond with the department in accordance with Transportation Code §501.053 and §217.9
13 of this title (relating to Bonded Titles). The bond will serve as evidence of ownership for purposes
14 of §501.033(b).

15 (4) Motor vehicles brought into the United States. An application for title for a
16 motor vehicle last registered or titled in a foreign country must be supported by documents
17 including, but not limited to, the following:

18 (A) the motor vehicle registration certificate or other verification issued by
19 a foreign country reflecting the name of the applicant as the motor vehicle owner, or reflecting
20 that legal evidence of ownership has been legally assigned to the applicant;

21 (B) the identification number inspection required under Transportation
22 Code §501.032(a)(2), except as provided in §501.032(b); and

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(C) for motor vehicles that are less than 25 years old, proof of compliance with United States Department of Transportation (USDOT) regulations including, but not limited to, the following documents:

(i) the original bond release letter with all attachments advising that the motor vehicle meets federal motor vehicle safety requirements or a letter issued by the USDOT, National Highway Traffic Safety Administration, verifying the issuance of the original bond release letter;

(ii) a legible copy of the motor vehicle importation form validated with a ~~[an original United States Customs stamp, date, and]~~ signature as filed with the USDOT confirming the exemption from the bond release letter required in clause (i) of this subparagraph, or a copy thereof certified by United States Customs;

(iii) a verification of motor vehicle inspection by United States Customs certified on its letterhead and signed by its agent verifying that the motor vehicle complies with USDOT regulations;

(iv) a written confirmation that a physical inspection of the safety certification label has been made by the department and that the motor vehicle meets United States motor vehicle safety standards;

(v) the original bond release letter, verification thereof, or written confirmation from the previous state verifying that a bond release letter issued by the USDOT was relinquished to that jurisdiction, if the non-United ~~[non-United]~~ States standard motor vehicle was last titled or registered in another state for one year or less; or

(vi) verification from the vehicle manufacturer on its letterhead stationery.

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(b) Alterations to documentation. An alteration to a registration receipt, title, manufacturer's certificate, or other evidence of ownership constitutes a valid reason for the rejection of any transaction to which altered evidence is attached.

(1) Altered lien information on any surrendered evidence of ownership requires a release from the original lienholder or a statement from the proper authority of the state in which the lien originated. The statement must verify the correct lien information.

(2) A strikeover that leaves any doubt about the legibility of any digit in any document will not be accepted.

(3) A corrected manufacturer's certificate of origin will be required if the manufacturer's certificate of origin contains an:

- (A) incomplete or altered vehicle identification number;
- (B) alteration or strikeover of the vehicle's model year;
- (C) alteration or strikeover to the body style, or omitted body style on the manufacturer's certificate of origin; or
- (D) alteration or strikeover to the weight.

(4) A statement[Statement] of fact[Fact] may be requested to explain errors, corrections, or conditions from which doubt does or could arise concerning the legality of any instrument. A statement[Statement] of fact[Fact] will be required in all cases:

- (A) in which the date of sale on an assignment has been erased or altered in any manner; or
- (B) of alteration or erasure on a Dealer's Reassignment of Title.

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(c) Rights of survivorship. A signed "rights of survivorship" agreement may be executed by a natural person acting in an individual capacity in accordance with Transportation Code, §501.031.

(d) Identification required.

(1) An application for title is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number~~[and expiration date]~~. The current photo identification ~~[document]~~ must be a:

(A) driver's license or state identification certificate issued by a state or territory of the United States;

(B) United States or foreign passport;

(C) United States military identification card;

(D) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement;

(E) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document; or

(F)~~[concealed handgun license or]~~ license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H.

(2) If the motor vehicle is titled in:

(A) more than one name, then the identification of one owner must be presented;

(B) the name of a leasing company, then:

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1 (i) proof of the Federal Employer Identification Number/Employee

2 Identification Number (FEIN/EIN) of the leasing company must be submitted, written on the

3 application, and can be entered into the department's titling system. The number must correspond

4 to the name of the leasing company in which the vehicle is being titled; and

5 (ii) the leasing company may submit:

6 (I) a government issued photo identification, required under

7 paragraph (1) of this subsection, of the lessee listed as the registrant; or

8 (II) a government issued photo identification, required under

9 paragraph (1) of this subsection, of the employee or authorized agent who signed the application

10 for the leasing company, and the employee's or authorized agent's employee identification, letter

11 of authorization written on the lessor's letterhead, or a printed business card. The printed business

12 card, employee identification, or letter of authorization written on the lessor's letterhead must

13 contain the name of the lessor, and the employee's or authorized agent's name must match the

14 name on the government issued photo identification;

15 (C) the name of a trust, then a government issued photo identification,

16 required under paragraph (1) of this subsection, of a trustee must be presented; or

17 (D) the name of a business, government entity, or organization, then:

18 (i) proof of the Federal Employer Identification Number/Employee

19 Identification Number (FEIN/EIN) of the business, government entity, or organization must be

20 submitted, written on the application, and can be entered into the department's titling system.

21 The number must correspond to the name of the business, government entity, or organization in

22 which the vehicle is being titled;

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1 (ii) the employee or authorized agent must present a government
2 issued photo identification, required under paragraph (1) of this subsection; and

3 (iii) the employee's or authorized agent's employee identification;
4 letter of authorization written on the business', government entity's, or organization's letterhead;
5 or a printed business card. The printed business card, employee identification, or letter of
6 authorization written on the business', government entity's, or organization's letterhead must
7 contain the name of the business, governmental entity, or organization, and the employee's or
8 authorized agent's name must match the name on the government issued photo identification.

9 (3) In addition to the requirements of paragraphs (1) and (2) of this subsection, if a
10 power of attorney is being used to apply for a title, then the applicant must show:

11 (A) identification, required under paragraph (1) of this subsection, matching
12 the person named as power of attorney; or

13 (B) identification, required under paragraph (1) of this subsection, and
14 employee identification or a printed business card or authorization written on the letterhead of
15 the entity named as power of attorney that matches the identification of the employee if the
16 power of attorney names an entity.

17 ~~[(4) Within this subchapter, "current" is defined as not to exceed 12 months after~~
18 ~~the expiration date, except that a state-issued personal identification certificate issued to a~~
19 ~~qualifying person is considered current if the identification states that it has no expiration.]~~

20 (4)~~[(5)]~~ Within this subsection, an identification document such as a printed
21 business card, letter of authorization, or power of attorney, may be an original or a photocopy.

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1 (5) [(6)] A person who holds a general distinguishing number issued under
2 Transportation Code, Chapter 503 [~~or Occupations Code, Chapter 2301~~] is exempt from submitting
3 to the county tax assessor-collector, but must retain:

4 (A) the owner's identification, as required under paragraph (1) of this
5 subsection; and

6 (B) authorization to sign, as required under paragraph (2) of this subsection.

7 (6) [(7)] A person who holds a general distinguishing number issued under
8 Transportation Code, Chapter 503 [~~or Occupations Code, Chapter 2301~~], is not required to submit
9 photo identification or authorization for an employee or agent signing a title assignment with a
10 secure power of attorney.

11
12 §217.6. Title Issuance.

13 (a) Issuance. The department or its designated agent will issue a receipt and process the
14 application for title on receipt of:

15 (1) a completed application for title;

16 (2) required accompanying documentation;

17 (3) the statutory fee for a title application, unless exempt under:

18 (A) Transportation Code, §501.138; or

19 (B) Government Code, §437.217 and copies of official military orders are
20 presented as evidence of the applicant's active duty status and deployment orders to a hostile fire
21 zone; and

22 (4) any other applicable fees.

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1 (b) Titles. The department will issue and mail or deliver a title to the applicant or, in the
2 event that there is a lien disclosed in the application, to the first lienholder unless the title is an
3 electronic record of title.

4 (c) Receipt. The receipt issued at the time of application for title may be used only as
5 evidence of title and may not be used to transfer any interest or ownership in a motor vehicle or to
6 establish a new lien.

7 (d) Temporary hold. The department shall place a hold on processing a title application for
8 a motor vehicle if the department receives a request for a hold accompanied by evidence of a legal
9 action regarding ownership of or a lien interest in the motor vehicle. The hold shall continue until a
10 final, nonappealable judgment is entered in the action or the party requesting the hold requests
11 that the hold be removed.

12 (1) Evidence of a legal action regarding ownership of or a lien interest in a motor
13 vehicle means evidence showing a legal action regarding ownership of or a lien interest in a motor
14 vehicle filed in a district, county, statutory probate court, or bankruptcy court.

15 (2) Legal actions filed in justice of the peace or municipal courts do not qualify as
16 evidence for purposes of this section unless the case is related to Chapter 47, Code of Criminal
17 Procedure, or Section 27.031, Government Code.

18 (3) Legal actions regarding ownership of or a lien interest in a motor vehicle must
19 be active on a court's docket. If the evidence presented in support of a request for a hold is a legal
20 action that has been resolved through a final nonappealable judgment, additional evidence of
21 post-judgment legal actions must be presented to place a hold on processing a title.

22 (4) The department shall place a ten-day temporary hold on processing a title if a
23 party seeking to obtain a 10-day temporary hold presents the VIN of the vehicle for which the hold

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1 is sought, and attests that the hold is being requested in order to commence a legal action
2 disputing a title or lien interest in a motor vehicle and not for purposes of delay.

3 (5) For the purposes of this subsection, a final nonappealable judgment is a
4 judgment for which 30 days have passed from the day the judgment was entered without a notice
5 of appeal being filed.

6
7 §217.7. Replacement of Title.

8 (a) Lost or destroyed title. If a title is lost or destroyed, the department will issue a certified
9 copy of the title to the owner, the lienholder, or a verified agent of the owner or lienholder in
10 accordance with Transportation Code, Chapter 501, on proper application and payment of the
11 appropriate fee to the department.

12 (b) Identification required.

13 (1) An owner or lienholder may not apply for a certified copy of title unless the
14 applicant presents a current photo identification of the owner or lienholder containing a unique
15 identification number and expiration date. The current photo identification [~~document~~] must be a:

16 (A) driver's license or state identification certificate issued by a state or
17 territory of the United States;

18 (B) United States or foreign passport;

19 (C) United States military identification card;

20 (D) North Atlantic Treaty Organization identification or identification issued
21 under a Status of Forces Agreement;

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1 (E) United States Department of Homeland Security, United States

2 Citizenship and Immigration Services, or United States Department of State identification

3 document; or

4 (F)[~~concealed handgun license or~~] license to carry a handgun issued by the

5 Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H.

6 (2) If the motor vehicle is titled in:

7 (A) more than one name, then the identification for each owner must be

8 presented;

9 (B) the name of a leasing company, then the lessor's employee or

10 authorized agent who signed the application for the leasing company must present:

11 (i) a government issued photo identification, required under

12 paragraph (1) of this subsection; and

13 (ii) employee identification, letter of authorization written on the

14 lessor's letterhead, or a printed business card. The printed business card, employee identification,

15 or letter of authorization written on the lessor's letterhead must contain the name of the lessor,

16 and the employee's or authorized agent's name must match the name on the government issued

17 photo identification;

18 (C) the name of a trust, then a government issued photo identification,

19 required under paragraph (1) of this subsection, of a trustee must be presented; or

20 (D) the name of a business, government entity, or organization, then:

21 (i) the employee or authorized agent must present a government

22 issued photo identification, required under paragraph (1) of this subsection; and

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(ii) the employee's or authorized agent's employee identification; letter of authorization written on the business', government entity's, or organization's letterhead; or a printed business card. The printed business card, employee identification, or letter of authorization written on the business', government entity's, or organization's letterhead must contain the name of the business, governmental entity, or organization, and the employee's or authorized agent's name must match the name on the government issued photo identification.

(3) In addition to the requirements of paragraphs (1) and (2) of this subsection, if a power of attorney is being used to apply for a certified copy of title, then the applicant must show:

(A) current photo identification, required under paragraph (1) of this subsection, matching the person named as power of attorney;

(B) current photo identification, required under paragraph (1) of this subsection, and employee identification or a printed business card or authorization written on the letterhead of the entity named as power of attorney that matches the identification of the employee if the power of attorney names an entity; or

(C) current photo identification, required under paragraph (1) of this subsection, of the owner or lienholder.

~~[(4) Within this subchapter, "current" is defined as within 12 months after the expiration date, except that a state-issued personal identification certificate issued to a qualifying person is considered current if the identification states that it has no expiration.]~~

~~(4)~~[(5)] Within this subsection, an identification document, such as a printed business card, letter of authorization, or power of attorney, may be an original or a photocopy.

(c) Issuance. An application for a certified copy must be properly executed and supported by appropriate verifiable proof of the vehicle owner, lienholder, or agent regardless of whether

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1 the application is submitted in person or by mail. A certified copy will not be issued until after the
2 14th day that the original title was issued.

3 (d) Denial. If issuance of a certified copy is denied, the applicant may resubmit the request
4 with the required verifiable proof or may pursue the privileges available in accordance with
5 Transportation Code, §501.052 and §501.053.

6 (e) Additional copies. An additional certified copy will not be issued until 30 days after
7 issuance of the previous certified copy.

8 (f) Fees. The fee for obtaining a certified copy of a title is \$2 if the application is submitted
9 to the department by mail and \$5.45 if the application is submitted in person for expedited
10 processing at one of the department's regional offices.

11
12 §217.8. Second-Hand Vehicle Transfers.

13 (a) Voluntary notification. A transferor, other than a dealer who holds a general
14 distinguishing number, of a motor vehicle may voluntarily make written notification to the
15 department of the sale of the vehicle, in accordance with Transportation Code, §501.147. The
16 written notification may be submitted to the department by mail, in person at one of the
17 department's regional offices, or electronically through the department's Internet website.

18 (b) Required notification. A dealer who holds a general distinguishing number is required to
19 submit a written vehicle transfer notification to the department including the information required
20 under Transportation Code, §501.147(b) upon the sale or transfer of a motor vehicle to the dealer.
21 The written notification may be submitted to the department by mail, in person at one of the
22 department's regional offices, or electronically through the department's Internet website.

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1 ~~(c)~~~~(b)~~ Records. On receipt of written notice of transfer from the transferor of a motor
2 vehicle or dealer who holds a general distinguishing number, the department will mark its records
3 to indicate the date of transfer and will maintain a record of the information provided on the
4 written notice of transfer.

5 ~~(d)~~~~(e)~~ Title issuance. A title will not be issued in the name of a transferee until the
6 transferee files an application for the title as described in this subchapter.

7
8 §217.9. Bonded Titles

9 (a) Who may file. A person who has an interest in a motor vehicle to which the department
10 has refused to issue a title or has suspended or revoked a title may request issuance of a title from
11 the department on a prescribed form if the vehicle is in the possession of the applicant; and

12 (1) there is a record that indicates a lien that is less than ten years old and the
13 applicant provides a ~~[surety bonding company ensures lien satisfaction or]~~ release of all liens and a
14 bond ~~[lien]~~;

15 (2) there is a record that indicates there is not a lien or the lien is ten or more years
16 old; or

17 (3) the department has no previous motor vehicle record.

18 (b) Administrative fee. The applicant must pay the department a \$15 administrative fee in
19 addition to any other required fees.

20 (c) Value. The amount of the bond must be equal to one and one-half times the value of
21 the vehicle as determined under Tax Code §152.0412 regarding Standard Presumptive Value (SPV).
22 If the SPV is not available, then a national reference guide will be used. If the value cannot be
23 determined by the department through either source, then the person may obtain an appraisal. If

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1 a motor vehicle is 25 years or older, a person may obtain an appraisal to determine the value
2 instead of using a national reference guide.

3 (1) The appraisal must be on a form specified by the department from a Texas
4 licensed motor vehicle dealer for the categories of motor vehicles that the dealer is licensed to sell
5 or a Texas licensed insurance adjuster who may appraise any type of motor vehicle.

6 (2) The appraisal must be dated and be submitted to the department within 30 days
7 of the appraisal.

8 (3) If the motor vehicle is 25 years or older and the appraised value of the vehicle is
9 less than \$4,000, the bond amount will be established from a value of \$4,000.

10 (4) If the motor vehicle is a trailer or semitrailer, the person may, as an alternative
11 to an appraisal, have the bond amount established from a value of:

12 (A) \$4,000, if under 20 feet in length, or

13 (B) \$7,000, if 20 or more feet in length.

14 (d) Vehicle identification number inspection. If the department has no motor vehicle record
15 for the vehicle, the vehicle identification number must be verified by an inspection under
16 Transportation Code §501.0321.

17 (e) Required documentation. An applicant may apply for a bonded title if the applicant
18 submits:

19 (1) any evidence of ownership;

20 (2) the original bond within 30 days of issuance;

21 (3) the notice of determination within one year of issuance and the receipt for \$15
22 paid to the department;

23 (4) the documentation determining the value of the vehicle;

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(5) proof of the vehicle identification number inspection, as described in subsection (d) of this section, if the department has no motor vehicle record for the vehicle;

(6) a weight certificate if the weight cannot otherwise be determined;

(7) ~~[a certification of lien satisfaction by the surety bonding company, or]~~ a release of lien, if the ~~[notice of determination letter states that there may be a]~~ lien is less than ten years old; and

(8) any other required documentation and fees.

(f) Report of Judgment. The bond must require that the surety report payment of any judgment to the department within 30 days.

§217.11. Rescission, Cancellation or Revocation by Affidavit.

(a) Under Transportation Code §501.051(b), the ~~[The]~~ department may rescind, cancel, or revoke an existing title or application for a title if a notarized or county stamped affidavit is completed and presented to the department within 90 days of initial sale containing all of the information required by Transportation Code §501.051(b)(1)-(4).~~[~~

~~[(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;]~~

~~[(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;]~~

~~[(3) a statement that the vehicle was:]~~

~~[(A) never in possession of the title applicant; or]~~

~~[(B) in the possession of the title applicant;]~~

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1 ~~[(4) the signatures of the dealer, the applicant, and any lienholder as principal to~~
2 ~~the document; and]~~

3 ~~(b)[(5)] An affidavit must be accompanied by an odometer disclosure statement~~
4 ~~executed by the purchaser of the motor vehicle and acknowledged by the dealer if the vehicle was~~
5 ~~ever in the possession of the title applicant. [by the dealer if a statement is made pursuant to~~
6 ~~paragraph (3)(B) of this subsection to be used for the purpose of determining usage subsequent to~~
7 ~~sale.]~~

8 ~~[(b) A rescission, cancellation, or revocation containing the statement authorized under~~
9 ~~subsection (a)(3)(B) of this section does not negate the fact that the vehicle has been subject to a~~
10 ~~previous retail sale.]~~

11
12 217.14. Exemptions from Title.

13 Vehicles eligible for machinery license plates and permit license plates in accordance with
14 Transportation Code, §502.146 ~~[registered with the following distinguishing license plates]~~ may
15 not be titled under Transportation Code, Chapter 501.[:]

16 ~~[(1) vehicles eligible for machinery license plates and permit license plates in~~
17 ~~accordance with Transportation Code, §502.146; and]~~

18 ~~[(2) vehicles eligible for farm trailer license plates in accordance with~~
19 ~~Transportation Code, §502.433, unless the owner chooses to title a farm semitrailer with a gross~~
20 ~~weight of more than 4,000 pounds that is registered in accordance with §502.146, as provided by~~
21 ~~Transportation Code, §501.036.]~~

22
23 §217.15. Title Issuance to Government Agency for Travel Trailer.

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(a) A government agency may apply to the department for a title to a travel trailer purchased by or transferred to the government agency if the travel trailer is being used as temporary housing in response to a natural disaster or other declared emergency.

(b) A government agency applying for a title under subsection (a) of this section must comply with §217.4(a), (c), and (d) of this title (relating to Initial Application for Title).

(c) The department will issue a title to a government agency under this section without payment of a fee if the government agency is not applying for registration at the same time. If the government agency is also applying for registration, the government agency must pay any applicable ~~[state inspection]~~ fee under Transportation Code, Chapter 548 to the department at the time of application.

§217.16. Application for Title When Dealer Goes Out of Business.

(a) A person who purchased a vehicle from a dealer who is required to apply for a title on the purchaser's behalf under Transportation Code, §501.0234 may apply for title as prescribed by this section if the dealer has gone out of business and did not apply for title.

(b) For purposes of this section, a dealer has gone out of business if:

(1) the dealer's license has been closed or has expired; or

(2) operations have ceased at the licensed location as determined by the department.

(c) For purposes of this section, a person must obtain a letter on department letterhead stating a dealer has gone out of business. A person may request the letter by contacting the department, including a Regional Service Center, or a county tax assessor-collector's office.

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(d) An application under subsection (a) of this section must meet the requirements of §217.4 of this title (relating to Initial Application for Title) except the applicant:

(1) must provide the sales contract, retail installment agreement, or buyer's order in lieu of evidence of vehicle ownership as described in §217.5(a) of this title (relating to Evidence of Motor Vehicle Ownership);

(2) must provide the letter described by subsection (c) of this section; and

(3) is not required to provide a release of lien if the only recorded lienholder is the dealer that has gone out of business.

(e) If a title application under this section does not include a properly completed odometer disclosure statement, as required by Transportation Code, §501.072, the odometer brand will be recorded as "NOT ACTUAL MILEAGE."

(f) The department will waive the payment of the following fees if the applicant can provide evidence showing the fee was paid to the dealer:

(1) a title application fee under Transportation Code, §501.138;

(2) delinquent transfer penalty under Transportation Code, §501.146;

(3) all fees under Transportation Code, Chapter 502; and

(4) the fee associated with the issuance of a license plate or set of license plates [buyer's temporary tag fee] under Transportation Code, §503.063.

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.22, 217.23, 217.25-29, 217.31, 217.33, 217.34, 217.36, 217.37, 217.40, 217.41, 217.43, 217.45, 217.46, AND 217.50-56

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STATUTORY AUTHORITY. In addition to the rulemaking authority provided in Section 34 of HB 718, the department proposes amendments to Chapter 217 under Transportation Code §502.0021, which gives the department authority to adopt rules to administer Transportation Code Chapter 502, Registration of Vehicles; Transportation Code §502.0024, as amended by HB 3297, which requires the department develop and implement a system of registration to allow an owner of a vehicle to register the vehicle for an extended period of not more than five years; Transportation Code §502.040, which authorizes the department to prescribe the process and procedures for applying for a motor vehicle registration; Transportation Code §502.059, which authorizes the department to adopt rules providing for an automated registration process; Transportation Code §502.095, as amended by HB 718, which gives the department authority to issue one-trip and 30-day license plates; Transportation Code §502.1911, which authorizes the board to adopt rules to set registration processing and handing fees; Transportation Code §502.451(c), which authorizes the department to adopt rules to provide for the issuance of specially designated license plates for vehicles exempt by law, and Transportation Code §502.451(f), which authorizes the department to adopt rules to provide for the issuance of regularly designed license plates not bearing the word “exempt” for a vehicle that is exempt by law. Transportation Code §504.0011, which gives the department authority to implement and administer Transportation Code, Chapter 504, License Plates; Transportation Code §504.010, which authorizes the department to adopt rules governing the placement of license plates on motor vehicles; Transportation Code §520.003, which authorizes the department to adopt rules to administer Transportation Code §520, Miscellaneous Provisions; Transportation Code §520.004, which authorizes the department to adopt rules to establish standards for uniformity and service quality for counties conducting registration and titling services; Transportation Code §520.0055, as created by HB 718, gives the department authority to mandate motor vehicle dealers use a department designated electronic system to submit title and registration

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1 applications to county tax assessor-collectors for motor vehicle transactions; and Transportation Code

2 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement

3 the powers and the duties of the department, as well as the statutes referenced throughout the this

4 preamble.

5 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code

6 §§502.0021, 502.0024, 502.040, 502.059, 502.095, 502.1911, 502.451(c), 502.451(f), 504.0011, 540.010,

7 520.003, 520.004, 520.0055, and 1002.

8
9 Text.

10 §217.22. Definitions.

11 The following words and terms, when used in this subchapter, shall have the following
12 meanings, unless the context clearly indicates otherwise.

13 (1) Affidavit for alias exempt registration--A form prescribed by the director that
14 must be executed by an exempt law enforcement agency to request the issuance of exempt
15 registration in the name of an alias.

16 (2) Agent--A duly authorized representative possessing legal capacity to act for an
17 individual or legal entity.

18 (3) Alias--The name of a vehicle registrant reflected on the registration, different
19 than the name of the legal owner of the vehicle.

20 (4) Alias exempt registration--Registration issued under an alias to a specific vehicle
21 to be used in covert criminal investigations by a law enforcement agency.

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(5) Axle load--The total load transmitted to the road by all wheels whose centers may be included between two parallel transverse vertical planes 40 inches apart, extending across the full width of the vehicle.

(6) Border commercial zone--A commercial zone established under Title 49, C.F.R., Part 372 that is contiguous to the border with Mexico.

(7) Bus--A motor vehicle used to transport persons and designed to accommodate more than 10 passengers, including the operator; or a motor vehicle, other than a taxicab, designed and used to transport persons for compensation.

(8) Carrying capacity--The maximum safe load that a commercial vehicle may carry, as determined by the manufacturer.

(9) Character--A numeric or alpha symbol displayed on a license plate.

(10) County or city civil defense agency--An agency authorized by a commissioner's court order or by a city ordinance to provide protective measures and emergency relief activities in the event of hostile attack, sabotage, or natural disaster.

(11) Current photo identification-- a government-issued photo identification that is currently valid or is within 12 months of the expiration date, or a state-issued personal identification certificate issued to a qualifying person if the identification states that it has no expiration.

(12)[(11)] Digital license plate--As defined in Transportation Code, §504.151.

(13)[(12)] Digital license plate owner--A digital license plate owner is a person who purchases or leases a digital license plate from a department-approved digital license plate provider.

(14)[(13)] Director--The director of the Vehicle Titles and Registration Division, Texas Department of Motor Vehicles.

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1 ~~(15)~~~~[(14)]~~ Division--Vehicle Titles and Registration Division.

2 ~~(16)~~~~[(15)]~~ Executive administrator--The director of a federal agency, the director of
3 a Texas state agency, the sheriff of a Texas county, or the chief of police of a Texas city that by law
4 possesses the authority to conduct covert criminal investigations.

5 ~~(17)~~~~[(16)]~~ Exempt agency--A governmental body exempted by statute from paying
6 registration fees when registering motor vehicles.

7 ~~(18)~~~~[(17)]~~ Exempt license plates--Specially designated license plates issued to
8 certain vehicles owned or controlled by exempt agencies.

9 ~~(19)~~~~[(18)]~~ Exhibition vehicle--

10 (A) An assembled complete passenger car, truck, or motorcycle that:

11 (i) is a collector's item;

12 (ii) is used exclusively for exhibitions, club activities, parades, and
13 other functions of public interest;

14 (iii) does not carry advertising; and

15 (iv) has a frame, body, and motor that is at least 25-years old; or

16 (B) A former military vehicle as defined in Transportation Code, §504.502.

17 ~~(20)~~~~[(19)]~~ Fire-fighting equipment--Equipment mounted on fire-fighting vehicles
18 used in the process of fighting fires, including, but not limited to, ladders and hoses.

19 ~~(21)~~~~[(20)]~~ Foreign commercial motor vehicle--A commercial motor vehicle, as
20 defined by 49 C.F.R. §390.5, that is owned by a person or entity that is domiciled in or a citizen of a
21 country other than the United States.

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1 ~~(22)~~~~((21))~~ GPS-- A global positioning system tracking device that can be used to
2 determine the location of a digital license plate through data collection by means of a receiver in a
3 digital license plate.

4 ~~(23)~~~~((22))~~ Highway construction project--That section of the highway between the
5 warning signs giving notice of a construction area.

6 ~~(24)~~~~((23))~~ International symbol of access--The symbol adopted by Rehabilitation
7 International in 1969 at its Eleventh World Congress of Rehabilitation of the Disabled.

8 ~~[(24) Legally blind--Having not more than 20/200 visual acuity in the better eye
9 with correcting lenses, or visual acuity greater than 20/200 but with a limitation in the field of
10 vision such that the widest diameter of the visual field subtends an angle no greater than 20
11 degrees.]~~

12 (25) Legend--A name, motto, slogan, or registration expiration notification that is
13 centered horizontally at the bottom of the license plate.

14 (26) Make--The trade name of the vehicle manufacturer.

15 (27) Metal license plate--A non-digital license plate issued by the department under
16 Transportation Code Chapter 502, 503, or Chapter 504.

17 (28) Nonprofit organization--An unincorporated association or society or a
18 corporation that is incorporated or holds a certificate of authority under the Business
19 Organizations Code.

20 (29) Nominating State Agency--A state agency authorized to accept and distribute
21 funds from the sale of a specialty plate as designated by the nonprofit organization (sponsoring
22 entity).

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(30) Optional digital license plate information--Any information authorized to be displayed on a digital license plate in addition to required digital license plate information when the vehicle is in park, including:

(A) an emergency alert or other public safety alert issued by a governmental entity, including an alert authorized under Subchapter L, M, or P of Government Code Chapter 411;

(B) vehicle manufacturer safety recall notices;

(C) advertising; or

(D) a parking permit.

(31) Park--As defined in Transportation Code, §541.401.

(32) Political subdivision--A county, municipality, local board, or other body of this state having authority to provide a public service.

(33) Primary region of interest--The field on a metal or digital license plate with alphanumeric characters representing the plate number. The primary region of interest encompasses a field of 5.75 inches in width by 1.75 inches in height on metal license plates manufactured for motorcycles, mopeds, golf carts, or off-highway vehicles. The primary region of interest encompasses a field of 8.375 inches in width by 2.5625 inches in height on metal license plates manufactured for all other vehicles.

(34) Registration period--A designated period during which registration is valid. A registration period begins on the first day of a calendar month and ends on the last day of a calendar month.

(35) Required digital license plate information--The minimum information required to be displayed on a digital license plate: the registration expiration month and year (unless the vehicle is a token trailer as defined by Transportation Code, §502.001), the alphanumeric

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1 characters representing the plate number, the word "Texas," the registration expiration
2 notification if the registration for the vehicle has expired; and the legend (if applicable).

3 (36) Secondary region of interest--The field on a metal or digital license plate with
4 the word "Texas" centered horizontally at the top of the plate. The secondary region of interest
5 encompasses a field of 2.5 inches in width by 0.5625 inches in height on metal license plates
6 manufactured for motorcycles, mopeds, golf carts, or off-highway vehicles. The secondary region
7 of interest encompasses a field of 6 inches in width by 1.9375 inches in height on metal license
8 plates manufactured for all other vehicles.

9 (37) Service agreement--A contractual agreement that allows individuals or
10 businesses to access the department's vehicle registration records.

11 (38) Specialty license plate--A special design license plate issued by the department
12 [~~under SA~~].

13 (39) Specialty license plate fee--Statutorily or department required fee payable on
14 submission of an application for a specialty license plate, symbol, tab, or other device, and
15 collected in addition to statutory motor vehicle registration fees.

16 (40) Sponsoring entity--An institution, college, university, sports team, or any other
17 non-profit individual or group that desires to support a particular specialty license plate by
18 coordinating the collection and submission of the prescribed applications and associated license
19 plate fees or deposits for that particular license plate.

20 (41) Street or suburban bus--A vehicle, other than a passenger car, used to
21 transport persons for compensation exclusively within the limits of a municipality or a suburban
22 addition to a municipality.

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(42) Tandem axle group--Two or more axles spaced 40 inches or more apart from center to center having at least one common point of weight suspension.

(43) Unconventional vehicle--A vehicle built entirely as machinery from the ground up, that is permanently designed to perform a specific function, and is not designed to transport property.

(44) Vehicle classification--The grouping of vehicles in categories for the purpose of registration, based on design, carrying capacity, or use.

(45) Vehicle description--Information regarding a specific vehicle, including, but not limited to, the vehicle make, model year, body style, and vehicle identification number.

(46) Vehicle identification number--A number assigned by the manufacturer of a motor vehicle or the department that describes the motor vehicle for purposes of identification.

~~[(47) Vehicle inspection sticker--A sticker issued by the Texas Department of Public Safety signifying that a vehicle has passed all applicable safety and emissions tests.]~~

(47)~~[(48)]~~ Vehicle registration insignia--A license plate, symbol, tab, or other device issued by the department evidencing that all applicable fees have been paid for the current registration period and allowing the vehicle to be operated on the public highways.

(48)~~[(49)]~~ Vehicle registration record--Information contained in the department's files that reflects, but is not limited to, the make, vehicle identification number, model year, body style, license number, and the name of the registered owner.

(49)~~[(50)]~~ Volunteer fire department--An association that is organized for the purpose of answering fire alarms, extinguishing fires, and providing emergency medical services.

§217.23. Initial Application for Vehicle Registration.

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(a) An applicant for initial vehicle registration must file an application on a form prescribed by the department. The form will at a minimum require:

- (1) the signature of the owner;
- (2) the motor vehicle description, including, but not limited to, the motor vehicle's year, make, model, vehicle identification number, body style, carrying capacity for commercial motor vehicles, and empty weight;
- (3) the license plate number;
- (4) the odometer reading, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements;
- (5) the name and complete address of the applicant; and
- (6) the name, mailing address, and date of any liens.

(b) The application must be accompanied by the following:

- (1) evidence of vehicle ownership as specified in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership) [~~Transportation Code, §501.030~~], unless the vehicle has been issued a nonrepairable or salvage vehicle title in accordance with Transportation Code, Chapter 501, Subchapter E;
- (2) registration fees prescribed by law;
- (3) any local fees or other fees prescribed by law and collected in conjunction with registering a vehicle;
- (4) evidence of financial responsibility required by Transportation Code, §502.046, unless otherwise exempted by law;
- (5) the processing and handling fee prescribed by §217.183 of this title (relating to Fee Amount); and

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(6) any other documents or fees required by law.

(c) An initial application for registration must be filed with the tax assessor-collector of the county in which the owner resides or any county tax assessor-collector who is willing to accept the application, except as provided in subsection (d) of this section.

(d) An application for registration, as a prerequisite to filing an application for title, may be filed with the county tax assessor-collector in the county in which:

(1) the owner resides;

(2) the motor vehicle is purchased or encumbered; or

(3) a county tax assessor-collector who is willing to accept the application.

§217.25. Out-of-State Vehicles.

A vehicle brought to Texas from out-of-state must be registered within 30 days of the date on which the owner establishes residence or secures gainful employment, except as provided by Transportation Code, §502.090 and Transportation Code, §502.145. Accompanying a completed application, an applicant must provide:

(1) an application for title as required by Transportation Code, Chapter 501, if the vehicle to be registered has not been previously titled in this state; and

(2) any other documents or fees required by law.

§217.26. Identification Required.

(a) An application for initial registration is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number and expiration date. The current photo identification ~~[document]~~ must be a:

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(1) driver's license or state identification certificate issued by a state or territory of the United States;

(2) United States or foreign passport;

(3) United States military identification card;

(4) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement;

(5) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document; or

(6) ~~[concealed handgun license or]~~ license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H.

(b) If the motor vehicle is titled in:

(1) more than one name, then the identification of one owner must be presented;

(2) the name of a leasing company, then:

(A) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the leasing company must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the leasing company in which the vehicle is being titled; and

(B) the leasing company may submit:

(i) a current ~~[government-issued]~~ photo identification, required under this section, of the lessee listed as the registrant; or

(ii) a current ~~[government-issued]~~ photo identification, required under this section, of the employee or authorized agent who signed the application for the leasing company, and the employee's or authorized agent's employee identification, letter of

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1 authorization written on the lessor's letterhead, or a printed business card. The printed business
2 card, employee identification, or letter of authorization written on the lessor's letterhead must
3 contain the name of the lessor, and the employee's or authorized agent's name must match the
4 name on the current ~~[government-issued]~~ photo identification;

5 (3) the name of a trust, then a current ~~[government-issued]~~ photo identification,
6 required under this section, of a trustee must be presented; or

7 (4) the name of a business, government entity, or organization, then:

8 (A) proof of the Federal Employer Identification Number/Employee
9 Identification Number (FEIN/EIN) of the business, government entity, or organization must be
10 submitted, written on the application, and can be entered into the department's titling system.

11 The number must correspond to the name of the business, government entity, or organization in
12 which the vehicle is being titled;

13 (B) the employee or authorized agent must present a current ~~[government~~
14 ~~issued]~~ photo identification, required under this section; and

15 (C) the employee's or authorized agent's employee identification; letter of
16 authorization written on the business', government entity's, or organization's letterhead; or a
17 printed business card. The printed business card, employee identification, or letter of
18 authorization written on the business', government entity's, or organization's letterhead must
19 contain the name of the business, governmental entity, or organization, and the employee's or
20 authorized agent's name must match the name on the current ~~[government-issued]~~ photo
21 identification.

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1 ~~[(c) Within this section, "current" is defined as not to exceed 12 months after the~~
2 ~~expiration date, except that a state-issued personal identification certificate issued to a qualifying~~
3 ~~person is considered current if the identification states that it has no expiration.]~~

4 (c)[(d)] Within this section, an identification document such as a printed business card,
5 letter of authorization, or power of attorney, may be an original or photocopy.

6 (d)[(e)] A person who holds a general distinguishing number issued under Transportation
7 Code, Chapter 503 ~~[or Occupations Code, Chapter 2301,]~~ is exempt from submitting to the county
8 tax assessor-collector, but must retain:

9 (1) the owner's identification, as required under this section; and

10 (2) authorization to sign, as required under this section.

11 (e)[(f)] A person who holds a general distinguishing number issued under Transportation
12 Code, Chapter 503 ~~[or Occupations Code, Chapter 2301,]~~ is not required to submit photo
13 identification or authorization for an employee or agent signing a title assignment with a secure
14 power of attorney.

15 (f)[(g)] This section does not apply to non-titled vehicles.

16
17 §217.27. Vehicle Registration Insignia.

18 (a) On receipt of a complete initial application for registration with the accompanying
19 documents and fees, the department will issue vehicle registration insignia to be displayed on or
20 kept in the vehicle for which the registration was issued for the current registration period.

21 (1) If the vehicle has a windshield, the vehicle registration insignia~~[the symbol, tab,~~
22 ~~or other device prescribed by and issued by the department]~~ shall be attached to the inside lower

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1 left corner of the vehicle's front windshield in a manner that will not obstruct the vision of the
2 driver, unless the vehicle is registered under Transportation Code, Chapter 504, Subchapter B-1.

3 (2) If the vehicle has no windshield, the symbol, tab, or other device prescribed by
4 and issued by the department shall be attached to the rear license plate unless the vehicle is
5 registered under Transportation Code, Chapter 504, Subchapter B-1, except that registration
6 receipts, retained inside the vehicle, may provide the record of registration for vehicles with
7 permanent trailer plates.

8 (3) If the vehicle is registered under Transportation Code, Chapter 504, Subchapter
9 B-1, the registration receipt, symbol, tab, or other device prescribed by and issued by the
10 department must be retained with the vehicle and may provide the record of registration for
11 vehicles with a digital license plate. The expiration month and year must appear digitally on the
12 electronic visual display of the rear digital license plate.

13 (4) If the vehicle is registered as a former military vehicle as prescribed by
14 Transportation Code, §504.502, the vehicle's registration number shall be displayed instead of
15 displaying a symbol, tab, or license plate.

16 (A) Former military vehicle registration numbers shall be displayed on a
17 prominent location on the vehicle in numbers and letters of at least two inches in height.

18 (B) To the extent possible, the location and design of the former military
19 vehicle registration number must conform to the vehicle's original military registration number.

20 (b) Unless otherwise prescribed by law, each vehicle registered under this subchapter:

21 (1) must display two license plates that are clearly visible, readable, and legible,
22 one at the exterior front and one at the exterior rear of the vehicle that are securely fastened at
23 the exterior front and rear of the vehicle in an upright horizontal position of not less than 12

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1 inches from the ground, measuring from the bottom[, ~~except that a vehicle described by~~
2 ~~Transportation Code, §621.2061 may place the rear plate so that it is clearly visible, readable, and~~
3 ~~legible~~]; or

4 (2) must display one plate that is securely fastened at or as close as practical to the
5 exterior rear of the vehicle in a position not less than 12 inches from the ground, measuring from
6 the bottom if the vehicle is a road tractor, motorcycle, trailer or semitrailer, except that a vehicle
7 described by Transportation Code, §621.2061 may place the rear plate so that it is clearly visible,
8 readable, and legible.

9 (c) Each vehicle registered under this subchapter must display license plates:

10 (1) assigned by the department for the period; or
11 (2) validated by a registration insignia issued by the department for a registration
12 period consisting of 12 consecutive months at the time of application for registration, except that:
13 (A) vehicles described by Transportation Code, §502.0024 [trailers,
14 ~~semitrailers, or pole trailers not subject to inspection under §548.052(3)]~~ may obtain a registration
15 insignia for a period consisting of 12, 24, 36, 48 or 60 consecutive months on payment of all fees
16 for each full year of registration; and

17 (B) vehicles may be registered for 24 consecutive months in accordance
18 with Transportation Code, §548.102 on payment of all fees for each year of registration, regardless
19 of the number of months remaining on the inspection at the time of registration, provided:

20 (i) the vehicle receives a two-year inspection under Transportation
21 Code, §548.102; and

22 (ii) the application for registration is made in the name of the
23 purchaser under Transportation Code, §501.0234.

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(d) The department may cancel any license plate issued with a personalized license plate number ~~[alphanumeric pattern]~~ if the department subsequently determines or discovers that the personalized license plate number ~~[alphanumeric pattern]~~ did not comply with this section when the license plate was issued, or if due to changing language usage, meaning, or interpretation, the personalized license plate number ~~[alphanumeric pattern]~~ no longer complies with this section. When reviewing a personalized license plate number ~~[alphanumeric pattern]~~, the department need not consider the applicant's subjective intent or declared meaning. The department will not issue any license plate containing a personalized license plate number ~~[alphanumeric pattern]~~ that meets one or more of the following criteria:

(1) The license plate number ~~[alphanumeric pattern]~~ conflicts with the department's current or proposed general issue ~~[regular]~~ license plate numbering system.

(2) The director or the director's designee finds that the personalized license plate number ~~[alphanumeric pattern]~~ may be considered objectionable. An objectionable license plate number ~~[alphanumeric pattern]~~ may include words, ~~[or]~~ phrases, or slang in any language; phonetic, numeric, or reverse spelling; acronyms; patterns viewed in mirror image; or code that only a small segment of the community may be able to readily decipher. An objectionable pattern may be viewed as:

(A) indecent (defined as including a direct reference or connotation to a sexual act, sexual body parts, excreta, or sexual bodily fluids or functions. Additionally, the license plate number ~~[alphanumeric pattern]~~ "69" is prohibited unless used with the full year (1969) or in combination with a reference to a vehicle;

(B) vulgar, directly or indirectly (defined as profane, swear, or curse words);

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(C) derogatory, directly or indirectly (defined as an expression that is demeaning to, belittles, or disparages any person, group, race, ethnicity, nationality, gender, or sexual orientation. "Derogatory" may also include a reference to an organization that advocates the expressions described in this subparagraph);

(D) a direct or indirect negative instruction or command directed at another individual related to the operation of a motor vehicle;

(E) a direct or indirect reference to gangs, illegal activities, implied threats of harm, or expressions that describe, advertise, advocate, promote, encourage, glorify, or condone violence, crime, or unlawful conduct;

(F) a direct or indirect reference to controlled substances or the physiological state produced by such substances, intoxicated states, or a direct or indirect reference that may express, describe, advertise, advocate, promote, encourage, or glorify such substances or states;

(G) a direct representation of law enforcement or other governmental entities, including any reference to a public office or position exclusive to government; or

(H) a pattern that could be misread by law enforcement.

(3) The license plate number ~~[alphanumeric pattern]~~ is currently on a license plate issued to another owner.

(e) Notwithstanding the provisions of this section, the department may issue license plates with personalized license plate numbers ~~[alphanumeric patterns]~~ that refer to:

(1) military branches, military rank, military units, military equipment, or status; or

(2) institutions of higher education, including military academies, whether funded privately, by the state, or by the federal government.

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(f) A decision to cancel or not to issue a license plate with a personalized license plate number [alphanumeric pattern] under subsection (d) of this section may be appealed to the executive director of the department or the executive director's designee within 20 days of notification of the cancellation or non-issuance. All appeals must be in writing, and the requesting party may include any written arguments, but shall not be entitled to a contested case hearing. The executive director or the executive director's designee will issue a decision no later than 30 days after the department receives the appeal, unless additional information is sought from the requestor, in which case the time for decision is tolled until the additional information is provided. The decision of the executive director or the executive director's designee is final and may not be appealed to the board. An appeal to the executive director or the executive director's designee is denied by operation of law 31 days from the receipt of the appeal, or if the requestor does not provide additional requested information within ten days of the request.

(g) The provisions of subsection (a) of this section do not apply to vehicles registered with annual license plates issued by the department.

(h) A person whose initial application has been denied will receive a refund if the denial is not appealed in accordance with subsection (f) of this section. If an existing license plate with a personalized license plate number [alphanumeric pattern] has been canceled, the person may choose a new personalized license plate number [alphanumeric pattern] that will be valid for the remainder of the term, or the remaining term of the canceled license plate will be forfeited.

§217.28. Vehicle Registration Renewal.

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1 (a) To renew vehicle registration, a vehicle owner must apply to the tax assessor-collector
2 of the county in which the owner resides or a county tax assessor-collector who is willing to accept
3 the application.

4 (b) The department will send a registration renewal notice, indicating the proper
5 registration fee and the month and year the registration expires, to each vehicle owner prior to the
6 expiration of the vehicle's registration.

7 (c) The registration renewal notice should be returned by the vehicle owner to the county
8 tax assessor-collector in the county in which the owner resides or a county tax assessor-collector
9 who is willing to accept the application, or to that tax assessor-collector's deputy, either in person
10 or by mail, unless the vehicle owner renews via the Internet. The renewal notice must be
11 accompanied by the following documents and fees:

12 (1) registration renewal fees prescribed by law;

13 (2) any local fees or other fees prescribed by law and collected in conjunction with
14 registration renewal; and

15 (3) evidence of financial responsibility required by Transportation Code, §502.046,
16 unless otherwise exempted by law.

17 (d) If a registration renewal notice is lost, destroyed, or not received by the vehicle owner,
18 the vehicle may be registered if the owner presents personal identification acceptable to the
19 county tax assessor-collector or via the Internet. Failure to receive the notice does not relieve the
20 owner of the responsibility to renew the vehicle's registration.

21 (e) Renewal of expired vehicle registrations.

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1 ~~[(1) In accordance with Transportation Code, §502.407, a vehicle with an expired~~
2 ~~registration may not be operated on the highways of the state after the fifth working day after the~~
3 ~~date a vehicle registration expires.]~~

4 (1)[(2)] If the owner has been arrested or cited for operating the vehicle without
5 valid registration then a 20% delinquency penalty is due when registration is renewed, the full
6 annual fee will be collected, and the vehicle registration expiration month will remain the same.

7 (2)[(3)] If the county tax assessor-collector or the department determines that a
8 registrant has a valid reason for being delinquent in registration, the vehicle owner will be
9 required to pay for 12 months' registration. Renewal will establish a new registration expiration
10 month that will end on the last day of the eleventh month following the month of registration
11 renewal.

12 (3)[(4)] If the county tax assessor-collector or the department determines that a
13 registrant does not have a valid reason for being delinquent in registration, the full annual fee will
14 be collected and the vehicle registration expiration month will remain the same.

15 (4)[(5)] Specialty license plates, symbols, tabs, or other devices may be prorated as
16 provided in §217.45(d)(2) of this title (relating to Specialty License Plates, Symbols, Tabs, and
17 Other Devices).

18 (5)[(6)] Evidence of a valid reason may include receipts, passport dates, and military
19 orders. Valid reasons may include:

- 20 (A) extensive repairs on the vehicle;
- 21 (B) the person was out of the country;
- 22 (C) the vehicle is used only for seasonal use;
- 23 (D) military orders;

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- 1 (E) storage of the vehicle;
- 2 (F) a medical condition such as an extended hospital stay; and
- 3 (G) any other reason submitted with evidence that the county tax assessor-
- 4 collector or the department determines is valid.

5 (6) The operation of a vehicle with an expired registration that has been stored or

6 otherwise not in operation that is driven only to an inspection station for the purpose of obtaining

7 an inspection, if applicable, required for registration, will not affect the determination of whether

8 the registrant has a valid or invalid reason for being delinquent.

- 9 (f) For purposes of Transportation Code §502.407(c), the county tax assessor-collector's
- 10 office of the county in which the owner resides is closed for a protracted period of time if the
- 11 county tax assessor-collector's office has notified the department that it is closed or will be closed
- 12 for more than one week.

13

14 §217.29. Vehicle Registration Renewal via Internet.

- 15 (a) Internet registration renewal program. The department will maintain a uniform Internet
- 16 registration renewal process. This process will provide for the renewal of vehicle registrations via
- 17 the Internet and will be in addition to vehicle registration procedures provided for in §217.28 of
- 18 this title (relating to Vehicle Registration Renewal). The Internet registration renewal program will
- 19 be facilitated by a third-party vendor.

- 20 (b) County participation in program. All county tax assessor-collectors shall process
- 21 registration renewals through an online system designated by the department.

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(c) Eligibility of individuals for participation. To be eligible to renew a vehicle's registration via the Internet, the vehicle owner must meet all criteria for registration renewal outlined in this subchapter and in Transportation Code, Chapter 502.

~~[(d) Fees. This subsection applies to vehicle registrations expiring prior to January 1, 2017 that are submitted for renewal prior to July 1, 2017. A vehicle owner who renews registration via the Internet must pay:]~~

~~[(1) registration fees prescribed by law;]~~

~~[(2) any local fees or other fees prescribed by law and collected in conjunction with registering a vehicle;]~~

~~[(3) a fee of \$1 for the processing of a registration renewal by mail in accordance with Transportation Code, §502.197(a); and]~~

~~[(4) a convenience fee of \$2 for the processing of an electronic registration renewal paid by a credit card payment in accordance with Transportation Code, §1001.009.]~~

(d)~~[(e)]~~ Information to be submitted by vehicle owner. A vehicle owner who renews registration via the Internet must submit or verify the following information:

(1) registrant information, including the vehicle owner's name and county of residence;

(2) vehicle information, including the license plate number of the vehicle to be registered;

(3) insurance information, including the name of the insurance company, the name of the insurance company's agent (if applicable), the telephone number of the insurance company or agent (local or toll free number serviced Monday through Friday 8:00 a.m. to 5:00 p.m.), the insurance policy number, and representation that the policy meets all applicable legal standards;

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1 (4) credit card information, including the type of credit card, the name appearing
2 on the credit card, the credit card number, and the expiration date; and

3 (5) other information prescribed by rule or statute.

4 ~~[(f) Duties of the county. For vehicle registrations that expire prior to January 1, 2017 that~~
5 ~~are submitted for renewal prior to July 1, 2017, a county tax assessor-collector shall:]~~

6 ~~[(1) accept electronic payment for vehicle registration renewal via the Internet;]~~

7 ~~[(2) execute an agreement with the department as provided by the director;]~~

8 ~~[(3) process qualified Internet registration renewal transactions as submitted by the~~
9 ~~third-party vendor;]~~

10 ~~[(4) communicate with the third-party vendor and applicants via email, regular~~
11 ~~mail, or other means, as specified by the director;]~~

12 ~~[(5) promptly mail renewal registration validation stickers and license plates to~~
13 ~~applicants;]~~

14 ~~[(6) ensure that all requirements for registration renewal are met, including all~~
15 ~~requirements set forth in this subchapter, and in Transportation Code, Chapter 502;]~~

16 ~~[(7) reject applications that do not meet all requirements set forth in this chapter,~~
17 ~~and in Transportation Code, Chapter 502; and]~~

18 ~~[(8) register each vehicle for a 12-month period.]~~

19 ~~(e)[(g)] Duties of the county. [For vehicle registrations that expire on or after January 1,~~
20 ~~2017, and registrations that expired prior to January 1, 2017 that are submitted for renewal on or~~
21 ~~after July 1, 2017,] A[a] county tax assessor-collector shall:~~

22 (1) accept electronic payment for vehicle registration renewal via the Internet;

23 (2) execute an agreement with the department as provided by the director;

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(3) process qualified Internet registration renewal transactions as submitted by the third-party vendor;

(4) communicate with the third-party vendor and applicants via email, regular mail, or other means, as specified by the director;

(5) reject applications that do not meet all requirements set forth in this chapter, and in Transportation Code, Chapter 502; and

(6) register each vehicle for a 12-month period.

~~(f)(h)~~ Duties of the department. For vehicle registration renewals ~~[registrations]~~ that are submitted via the Internet, the department and its centralized third-party vendor shall promptly facilitate and mail vehicle registration insignias to applicants ~~[expire on or after January 1, 2017, and registrations that expired prior to January 1, 2017 that are submitted for renewal on or after July 1, 2017, the department shall promptly mail renewal registration validation stickers and license plates to applicants].~~

§217.31. Heavy Vehicle Use Tax.

(a) As applicable, an applicant must provide proof of payment of the heavy vehicle use tax imposed by 26 U.S.C. §4481, et seq. and 26 C.F.R. Part 41 with an application under this chapter as required by 26 C.F.R. §41.6001-2.

(b) The department adopts by reference 26 C.F.R. §41.6001-2.

§217.33. Commercial Farm Motor Vehicles, Farm Trailers, and Farm Semitrailers.

(a) An applicant must provide a properly completed application for farm license plates. Except as provided by subsection (d) of this section, the application must be accompanied by proof

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1 of the applicant's Texas Agriculture or Timber Exemption Registration Number issued by the Texas
2 Comptroller of Public Accounts. Proof of the registration number must be:

3 (1) legible;

4 (2) current; and

5 (3) in the name of the person or dba in which the vehicle is or will be registered,
6 pursuant to Transportation Code, §502.146 and §502.433.

7 (b) A registration renewal of farm license plates must be accompanied by proof of the
8 applicant's Texas Agriculture or Timber Exemption Registration Number issued by the Texas
9 Comptroller of Public Accounts.

10 (c) In accordance with Transportation Code, §502.146 and §502.433, an applicant's Texas
11 Agriculture or Timber Exemption Registration Number may be verified through the online system
12 established by the Comptroller.

13 (d) A farmers' cooperative society incorporated under Agriculture Code, Chapter 51, or a
14 marketing association organized under Agriculture Code, Chapter 52 applying for or renewing the
15 registration of farm license plates under this section is not required to submit proof of the
16 applicant's Texas Agriculture or Timber Exemption Registration issued by the Texas Comptroller of
17 Public Accounts.

18
19 §217.36. Refusal to Register by Local Government and Record Notation.

20 (a) Enforcement of traffic warrant. A municipality may enter into a contract with the
21 department under Government Code, Chapter 791, to indicate in the state's motor vehicle records
22 that the owner of the vehicle is a person for whom a warrant of arrest is outstanding for failure to
23 appear or who has failed to pay a fine on a complaint involving a violation of a traffic law. In

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1 accordance with Transportation Code, §702.003, a county tax assessor-collector may refuse to
2 register a motor vehicle if such a failure is indicated in the motor vehicle record for that motor
3 vehicle. A municipality is responsible for obtaining the agreement of the county in which the
4 municipality is located to refuse to register motor vehicles for failure to pay civil penalties imposed
5 by the municipality.

6 (b) Refusal to register vehicle in certain counties. A county may enter into a contract with
7 the department under Government Code, Chapter 791 to indicate in the state's motor vehicle
8 records that the owner of the vehicle has failed to pay a fine, fee, or tax that is past due. In
9 accordance with Transportation Code, §502.010, a county tax assessor-collector may refuse to
10 register a motor vehicle if such a failure is indicated in the motor vehicle record for that motor
11 vehicle.

12 (c) Record notation. A contract between the department and a county, municipality, or
13 local authority entered into under Transportation Code §502.010 or Transportation Code §702.003
14 will contain the terms set out in this subsection.

15 (1) To place or remove a registration denial flag on a vehicle record, the contracting
16 entity must submit data electronically by secure file transfer protocol ~~[a magnetic tape]~~ or other
17 acceptable submission medium as determined by the department in a format prescribed by the
18 department.

19 (2) The information submitted by the contracting entity will include, at a minimum,
20 the vehicle identification number and the license plate number of the affected vehicle.

21 (3) If the contracting entity data submission contains bad or corrupted data, the
22 submission medium will be returned to the contracting entity with no further action by the
23 department.

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(4) The secure file transfer protocol ~~[magnetic tape]~~ or other submission medium must be submitted to the department from a single source within the contracting entity.

(5) The submission of a secure file transfer protocol ~~[magnetic tape]~~ or other submission medium to the department by a contracting entity constitutes a certification by that entity that it has complied with all applicable laws.

§217.37. Fees.

~~[(a)]~~ The department and the county will charge required fees, and only those fees provided by statute or rule.

~~[(b) A \$2 fee for a duplicate registration receipt will be charged if a receipt is printed for the customer.]~~

§217.40. Special Registrations.

(a) Purpose and scope. Transportation Code, Chapter 502, Subchapters C and I, charge the department with the responsibility of issuing special registration permits and special registration license plates, which shall be recognized as legal registration for the movement of motor vehicles not authorized to travel on Texas public highways for lack of registration or for lack of reciprocity with the state or country in which the vehicles are registered. For the department to efficiently and effectively perform these duties, this section prescribes the policies and procedures for the application and the issuance of special ~~[temporary]~~ registration permits and special registration license plates.

(b) Permit categories. The department will issue the following categories of special registration permits.

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(1) Additional weight permits in accordance with Transportation Code, §502.434.

~~[The owner of a truck, truck tractor, trailer, or semitrailer may purchase temporary additional weight permits for the purpose of transporting the owner's own seasonal agricultural products to market or other points for sale or processing in accordance with Transportation Code, §502.434. In addition, such vehicles may be used for the transportation without charge of seasonal laborers from their place of residence, and materials, tools, equipment, and supplies from the place of purchase or storage, to a farm or ranch exclusively for use on such farm or ranch.]~~

~~[(A) Additional weight permits are valid for a limited period of less than one year.]~~

~~[(B) An additional weight permit will not be issued for a period of less than one month or extended beyond the expiration of a license plate issued under Transportation Code, Chapter 502.]~~

~~[(C) The statutory fee for an additional weight permit is based on a percentage of the difference between the owner's annual registration fee and the annual fee for the desired gross vehicle weight computed as follows:]~~

~~[(i) one month (or 30 consecutive days) 10%;]~~

~~[(ii) one quarter (three consecutive months) 30%;]~~

~~[(iii) two quarters (six consecutive months) 60%; or]~~

~~[(iv) three quarters (nine consecutive months) 90%.]~~

~~[(D) Additional weight permits are issued for calendar quarters with the first quarter to begin on April 1st of each year.]~~

(A)~~[(E)]~~ A permit will not be issued unless the registration fee for hauling the additional weight has been paid prior to the actual hauling.

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1 ~~(B)~~~~(F)~~ An applicant must provide proof of the applicant's Texas Agriculture
2 or Timber Exemption Registration Number issued by the Texas Comptroller of Public Accounts.

3 Proof of the registration number must be:

4 (i) legible;
5 (ii) current;
6 (iii) in the name of the person or dba in which the vehicle is or will
7 be registered; and

8 (iv) verifiable through the online system established by the
9 Comptroller.

10 (2) Annual permits in accordance with Transportation Code, §502.093.

11 (A) ~~[Transportation Code, §502.093 authorizes the department to issue~~
12 ~~annual permits to provide for the movement of foreign commercial vehicles that are not~~
13 ~~authorized to travel on Texas highways for lack of registration or for lack of reciprocity with the~~
14 ~~state or country in which the vehicles are registered.]~~ The department will issue annual permits:

15 (i) for a 12-month period designated by the department which
16 begins on the first day of a calendar month and expires on the last day of the last calendar month
17 in that annual registration period; and

18 (ii) to each vehicle or combination of vehicles for the registration
19 fee prescribed by weight classification in Transportation Code, §502.253 and §502.255.

20 ~~[(B) The department will not issue annual permits for the importation of~~
21 ~~citrus fruit into Texas from a foreign country except for foreign export or processing for foreign~~
22 ~~export.]~~

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1 ~~(B)~~~~(C)~~ The following exemptions apply to vehicles displaying annual
2 permits.

3 (i) Currently registered foreign semitrailers having a gross weight in
4 excess of 6,000 pounds used or to be used in combination with commercial motor vehicles or truck
5 tractors having a gross vehicle weight in excess of 10,000 pounds are exempted from the
6 requirements to pay the token fee and display the associated distinguishing license plate provided
7 for in Transportation Code, §502.255. An annual permit is required for the power unit only. For
8 vehicles registered in combination, the combined gross weight may not be less than 18,000
9 pounds.

10 (C) Upon approval of an application, the department will issue one license
11 plate for a trailer, semitrailer, or foreign commercial motor vehicle as defined in Transportation
12 Code, §648.001(4). The license plate issued to a truck-tractor shall be installed on the front of the
13 truck-tractor. For other types of vehicles, the license plate issued shall displayed as required by
14 §217.27(b) of this title (relating to Vehicle Registration Insignia).

15 ~~[(ii) Vehicles registered with annual permits are not subject to the~~
16 ~~optional county registration fee under Transportation Code, §502.401; the optional county fee for~~
17 ~~transportation projects under Transportation Code, §502.402; or the optional registration fee for~~
18 ~~child safety under Transportation Code, §502.403.]~~

19 (3) 72-hour permits and 144-hour permits in accordance with Transportation Code,
20 §502.094.

21 ~~[(A) In accordance with Transportation Code, §502.094, the department will~~
22 ~~issue a permit valid for 72 hours or 144 hours for the movement of commercial motor vehicles,~~

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1 ~~trailers, semitrailers, and motor buses owned by residents of the United States, Mexico, or~~
2 ~~Canada.]~~

3 ~~[(B) A 72-hour permit or a 144-hour permit is valid for the period of time~~
4 ~~stated on the permit beginning with the effective day and time as shown on the permit registration~~
5 ~~receipt.]~~

6 ~~[(C) Vehicles displaying 72-hour permits or 144-hour permits are subject to~~
7 ~~vehicle safety inspection in accordance with Transportation Code, §548.051, except for:]~~

8 ~~[(i) vehicles currently registered in another state of the United~~
9 ~~States, Mexico, or Canada; and]~~

10 ~~[(ii) mobile drilling and servicing equipment used in the production~~
11 ~~of gas, crude petroleum, or oil, including, but not limited to, mobile cranes and hoisting~~
12 ~~equipment, mobile lift equipment, forklifts, and tugs.]~~

13 ~~[(D) The department will not issue a 72-hour permit or a 144-hour permit to~~
14 ~~a commercial motor vehicle, trailer, semitrailer, or motor bus apprehended for violation of Texas~~
15 ~~registration laws. Apprehended vehicles must be registered under Transportation Code, Chapter~~
16 ~~502.]~~

17 ~~[(4) Temporary agricultural permits.]~~

18 ~~[(A) Transportation Code, §502.092 authorizes the department to issue a~~
19 ~~30-day temporary nonresident registration permit to a nonresident for any truck, truck tractor,~~
20 ~~trailer, or semitrailer to be used in the movement of all agriculture products produced in Texas:]~~

21 ~~[(i) from the place of production to market, storage, or railhead not~~
22 ~~more than 75 miles from the place of production; or]~~

~~[(ii) to be used in the movement of machinery used to harvest Texas-produced agricultural products.]~~

~~[(B) The department will issue a 30-day temporary nonresident registration permit to a nonresident for any truck, truck tractor, trailer, or semitrailer used to move or harvest farm products, produced outside of Texas, but:]~~

~~[(i) marketed or processed in Texas; or]~~

~~[(ii) moved to points in Texas for shipment from the point of entry into Texas to market, storage, processing plant, railhead or seaport not more than 80 miles from such point of entry into Texas.]~~

~~[(C) The statutory fee for temporary agricultural permits is one-twelfth of the annual Texas registration fee prescribed for the vehicle for which the permit is issued.]~~

~~[(D) The department will issue a temporary agricultural permit only when the vehicle is legally registered in the nonresident's home state or country for the current registration year.]~~

~~[(E) The number of temporary agricultural permits is limited to three permits per nonresident owner during any one vehicle registration year.]~~

~~[(F) Temporary agricultural permits may not be issued to farm licensed trailers or semitrailers.]~~

(c) License plate categories. The department will issue the following categories of special
registration license plates.

(1)[(5)]One-trip license plates [permits] in accordance with Transportation Code, §502.095. [authorizes the department to temporarily register any unladen vehicle upon application to provide for the movement of the vehicle for one trip, when the vehicle is subject to Texas

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1 ~~registration and not authorized to travel on the public roadways for lack of registration or lack of~~
2 ~~registration reciprocity.]~~

3 ~~[(A) Upon receipt of the \$5 fee, registration will be valid for one trip only~~
4 ~~between the points of origin and destination and intermediate points as may be set forth in the~~
5 ~~application and registration receipt.]~~

6 ~~[(B) The department will issue a one-trip permit to a bus which is not~~
7 ~~covered by a reciprocity agreement with the state or country in which it is registered to allow for~~
8 ~~the transit of the vehicle only. The vehicle should not be used for the transportation of any~~
9 ~~passenger or property, for compensation or otherwise, unless such bus is operating under charter~~
10 ~~from another state or country.]~~

11 ~~[(C) A one-trip permit is valid for a period up to 15 days from the effective~~
12 ~~date of registration.]~~

13 ~~(A)[(D)] A one-trip license plate[permit] may not be issued for a trip which~~
14 ~~both originates and terminates outside Texas.~~

15 ~~(B)[(E)] A laden motor vehicle or a laden commercial vehicle cannot display~~
16 ~~a one-trip license plate[permit]. If the vehicle is unregistered, it must operate with a 72-hour or~~
17 ~~144-hour permit.~~

18 ~~(C) A one-trip license plate must be displayed as required by §217.27(b) of~~
19 ~~this title (relating to Vehicle Registration Insignia).~~

20 ~~(2)[(6)] 30-day license plates [temporary registration permits] in accordance with~~
21 ~~Transportation Code, §502.095 [authorizes the department to issue a temporary registration~~
22 ~~permit valid for 30 days for a \$25 fee].~~

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1 (A) A vehicle operated on a 30-day license plate ~~[temporary permit]~~ is not
2 restricted to a specific route. The 30-day license plate ~~[permit]~~ is available for:

3 (i) ~~[(A)]~~ passenger vehicles;

4 ~~[(B) motorcycles;]~~

5 (ii) ~~[(C)]~~ private buses;

6 (iii) ~~[(D)]~~ trailers and semitrailers with a gross weight not exceeding
7 10,000 pounds;

8 (iv) ~~[(E)]~~ light commercial vehicles not exceeding a gross weight of
9 10,000 pounds; and

10 (v) ~~[(F)]~~ a commercial vehicle exceeding 10,000 pounds, provided the
11 vehicle is operated unladen.

12 (B) A 30-day license plate must be displayed as required by §217.27(b) of
13 this title (relating to Vehicle Registration Insignia).

14 ~~(d) [(e)]~~ Application process.

15 (1) Procedure. An owner who wishes to apply for a special ~~[temporary]~~ registration
16 permit or special registration license plate for a vehicle which is otherwise required to be
17 registered in accordance with this subchapter, must do so on a form prescribed by the
18 department.

19 (2) Form requirements. The application form will at a minimum require:

20 (A) the signature of the owner;

21 (B) the name and complete address of the applicant; and

22 (C) the vehicle description.

23 (3) Fees and documentation. The application must be accompanied by:

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1 (A) statutorily prescribed fees, ~~[unless the applicant is exempt from fees~~
2 ~~under Transportation Code, §501.0236 and provides the letter specified in §217.16(c) of this title~~
3 ~~(relating to Application for Title When Dealer Goes Out of Business);]~~

4 (B) evidence of financial responsibility:

5 (i) as required by Transportation Code, Chapter 502, Subchapter B,
6 provided that all policies written for the operation of motor vehicles must be issued by an
7 insurance company or surety company authorized to write motor vehicle liability insurance in
8 Texas; or

9 (ii) if the applicant is a motor carrier as defined by §218.2 of this
10 title (relating to Definitions), indicating that the vehicle is registered in compliance with Chapter
11 218, Subchapter B of this title (relating to Motor Carrier Registration); and

12 (C) any other documents or fees required by law.

13 (4) Place of application.

14 (A) All applications for annual permits must be submitted directly to the
15 department for processing and issuance.

16 (B) Additional weight permits ~~[and temporary agricultural permits]~~ may be
17 obtained by making application with the department through the county tax assessor-collectors'
18 offices.

19 (C) 72-hour and 144-hour permits, one-trip license plates ~~[permits]~~, and 30-
20 day license plates~~[temporary registration permits]~~ may be obtained by making application either
21 with the department or the county tax assessor-collectors' offices.

22 ~~(e)[(d)]~~ Receipt for special registration permit or special registration license plate in lieu of
23 registration. A receipt will be issued for each special registration permit or special registration

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1 license plate in lieu of registration to be carried in the vehicle during the time the special
2 registration permit or special registration license plate is valid. ~~[A one-trip or 30-day trip permit~~
3 ~~must be displayed as required by Transportation Code, §502.095(f).]~~ If the receipt is lost or
4 destroyed, the owner must obtain a duplicate from the department or from the county office. The
5 fee for the duplicate receipt is the same as the fee required by Transportation Code, §502.058.

6 ~~(f)[(e)]~~ Transfer of special registration ~~[temporary]~~ permits or special registration license
7 plates.

8 (1) Special registration ~~[Temporary]~~ permits and special registration license plates
9 are non-transferable between vehicles and/or owners.

10 (2) If the owner of a vehicle displaying a special registration ~~[temporary]~~ permit or a
11 special registration license plate disposes of the vehicle during the time the permit or license plate
12 is valid, the permit or license plate must be returned to the county tax assessor-collector office or
13 department immediately.

14 ~~(g)[(f)]~~ Replacement permits. Vehicle owners displaying annual permits may obtain
15 replacement permits if an annual permit is lost, stolen, or mutilated.

16 (1) The fee for a replacement annual permit is the same as for a replacement
17 number plate, symbol, tab, or other device as provided by Transportation Code, §502.060.

18 (2) The owner shall apply directly to the department in writing for the issuance of a
19 replacement annual permit. Such request should include a copy of the registration receipt
20 and replacement fee.

21 ~~(h)[(g)]~~ Agreements with other jurisdictions. In accordance with Transportation Code,
22 §502.091, and Chapter 648, the executive director of the department may enter into a written
23 agreement with an authorized officer of a state, province, territory, or possession of a foreign

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country to provide for the exemption from payment of registration fees by nonresidents, if residents of this state are granted reciprocal exemptions. The executive director may enter into such agreement only upon:

(1) the approval of the governor; and

(2) making a determination that the economic benefits to the state outweigh all other factors considered.

(i)~~(h)~~ Border commercial zones.

(1) Texas registration required. A vehicle located in a border commercial zone must display a valid Texas registration if the vehicle is owned by a person who:

(A) owns a leasing facility or a leasing terminal located in Texas; and

(B) leases the vehicle to a foreign motor carrier.

(2) Exemption for trips of short duration. Except as provided by paragraph (1) of this subsection, a foreign commercial vehicle operating in accordance with Transportation Code, Chapter 648 is exempt from the display of a temporary registration permit if:

(A) the vehicle is engaged solely in the transportation of cargo across the border into or from a border commercial zone;

(B) for each load of cargo transported the vehicle remains in this state for:

(i) not more than 24 hours; or

(ii) not more than 48 hours, if:

(I) the vehicle is unable to leave this state within 24 hours because of circumstances beyond the control of the motor carrier operating the vehicle; and

(II) all financial responsibility requirements applying to this vehicle are satisfied;

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(C) the vehicle is registered and licensed as required by the country in which the person that owns the vehicle is domiciled or is a citizen as evidenced by a valid metal license plate attached to the front or rear exterior of the vehicle; and

(D) the country in which the person who owns the vehicle is domiciled or is a citizen provides a reciprocal exemption for commercial motor vehicles owned by residents of Texas.

(3) Exemption due to reciprocity agreement. Except as provided by paragraph (1) of this subsection, a foreign commercial motor vehicle in a border commercial zone in this state is exempt from the requirement of obtaining a Texas registration if the vehicle is currently registered in another state of the United States or a province of Canada with which this state has a reciprocity agreement that exempts a vehicle that is owned by a resident of this state and that is currently registered in this state from registration in the other state or province.

§217.41. Disabled Person License Plates and Disabled Parking Placards.

(a) Purpose. Transportation Code, Chapters 504 and 681, charge the department with the responsibility for issuing specially designed license plates and disabled parking placards for disabled persons. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of disabled person license plates and disabled parking placards.

(b) Issuance.

(1) For purposes of this section, "disabled person" means a person eligible for issuance of a license plate bearing the International Symbol of Access under Transportation Code §504.201, including a qualifying disabled veteran under §504.202(b-1).

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1 (2) Disabled person license plates.

2 (A) Eligibility. In accordance with Transportation Code §504.201 and

3 §504.202(b-1) and (b-2), the department will issue specially designed license plates displaying the

4 International Symbol of Access to permanently disabled persons or their transporters instead of

5 general issue [~~regular motor vehicle~~] license plates. As satisfactory proof of eligibility, an

6 organization that transports disabled veterans who would qualify for license plates issued under

7 Transportation Code §504.202(b-1) must provide a written statement from the veteran's county

8 service officer of the county in which a vehicle described by Transportation Code §504.202(c) is

9 registered or by the Department of Veterans Affairs that:

10 (i) the vehicle is used exclusively to transport veterans of the United

11 States armed forces who have suffered, as a result of military service, a service-connected

12 disability;

13 (ii) the vehicle regularly transports veterans who are eligible to

14 receive license plates under Subsection (b-1); and

15 (iii) the veterans are not charged for the transportation.

16 (B) Specialty license plates. The department will issue disabled person

17 specialty license plates displaying the International Symbol of Access that can accommodate the

18 identifying insignia and that are issued in accordance with §217.43 or §217.45 of this title.

19 (C) License plate number. Disabled person license plates will bear a license

20 plate number assigned by the department or will bear a personalized license plate number issued

21 in accordance with §217.43 or §217.45 of this title.

22 (3) Windshield disabled parking placards.

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1 (A) Issuance. The department will issue removable windshield disabled
2 parking placards to temporarily or permanently disabled persons and to the transporters of
3 permanently disabled persons, as provided under Transportation Code §§504.201, 504.202 (b-1)
4 and (b-2), and 681.004.

5 (B) Display. A person who has been issued a windshield disabled parking
6 placard shall hang the placard from a vehicle's rearview mirror when the vehicle is parked in a
7 disabled person parking space or shall display the placard on the center portion of the dashboard if
8 the vehicle does not have a rearview mirror.

9 (c) Renewal of disabled person license plates. Disabled person license plates are valid for a
10 period of 12 months from the date of issuance and are renewable as specified in §§217.28, 217.43,
11 and 217.45 of this title.

12 (d) Replacement.

13 (1) License plates. If a disabled person metal license plate is lost, stolen, or
14 mutilated, the owner may obtain a replacement metal license plate by applying with a county tax
15 assessor-collector.

16 (A) Accompanying documentation. To replace disabled person metal license
17 plates, the owner must present the current year's registration receipt and personal identification
18 acceptable to the county tax assessor-collector.

19 (B) Absence of accompanying documentation. If the current year's
20 registration receipt is not available and the county tax assessor-collector cannot verify that the
21 disabled person metal license plates were issued to the owner, the owner must reapply in
22 accordance with this section.

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1 (2) Disabled parking placards. If a disabled parking placard becomes lost, stolen, or
2 mutilated, the owner may obtain a new disabled parking placard in accordance with this section.

3 (e) Transfer of disabled person license plates and disabled parking placards.

4 (1) License plates.

5 (A) Transfer between persons. Disabled person license plates may not be
6 transferred between persons. An owner who sells or trades a vehicle to which disabled person
7 license plates have been issued shall remove the disabled person license plates from the vehicle.
8 The owner shall return the license plates to the department and shall obtain appropriate
9 replacement license plates to place on the vehicle prior to any transfer of ownership.

10 (B) Transfer between vehicles. Disabled person license plates may be
11 transferred between vehicles if the county tax assessor-collector or the department can verify the
12 plate ownership and the owner of the vehicle is a disabled person or the vehicle is used to
13 transport a disabled person.

14 (i) Plate ownership verification may include:

15 (I) a Registration and Title System (RTS) inquiry;

16 (II) a copy of the department application for disabled person
17 license plates; or

18 (III) the owner's current registration receipt.

19 (ii) An owner who sells or trades a vehicle with disabled person
20 license plates must remove the plates from the vehicle.

21 (iii) The department will provide a form that persons may use to
22 facilitate a transfer of disabled person license plates between vehicles.

23 (2) Disabled parking placards.

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1 (A) Transfer between vehicles. Disabled parking placards may be displayed
2 in any vehicle driven by the disabled person or in which the disabled person is a passenger.

3 (B) Transfer between persons. Disabled parking placards may not be
4 transferred between persons.

5 (f) Seizure and revocation of disabled parking placard.

6 (1) If a law enforcement officer seizes and destroys a disabled parking placard
7 under Transportation Code §681.012, the officer shall notify the department by email.

8 (2) The person to whom the seized disabled parking placard was issued may apply
9 for a new disabled parking placard by submitting an application to the county tax assessor-
10 collector of the county in which the person with the disability resides or in which the applicant is
11 seeking medical treatment.

12
13 §217.43. Military Specialty License Plates.

14 (a) Purpose and Scope. Transportation Code, Chapter 504 authorizes the department to
15 issue military specialty license plates. This section prescribes the policies and procedures for the
16 application, issuance, and renewal of military specialty license plates.

17 (b) Classification and fees. The department will issue specialty license plates for the
18 military and charge fees as authorized by Transportation Code, §504.202 and Chapter 504,
19 Subchapter D.

20 (c) Application. Applications for military specialty license plates must be made to the
21 department and include evidence of eligibility. The evidence of eligibility may include, but is not
22 limited to:

23 (1) an official document issued by a governmental entity;

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(2) a letter issued by a governmental entity on that agency's letterhead;

(3) discharge papers;

(4) a death certificate; or

(5) an identification card issued by any branch of the military under the jurisdiction

of the United States Department of Defense or the United States Department of Homeland

Security indicating that the member is retired.

(d) Period. Military specialty license plates shall be valid for 12 months from the month of

issuance or for a prorated period of at least 12 months coinciding with the expiration of

registration and may be replaced in accordance with §217.32 of this title (relating to Replacement

of License Plates, Symbols, Tabs, and Other Devices).

(e) Assignment and Transfer. Military license plates may not be assigned and may only be

transferred to another vehicle owned by the same vehicle owner.

(f) Applicability. Section 217.45 of this title (relating to Specialty License Plates, Symbols,

Tabs, and Other Devices) applies to military license plates, symbols, tabs, or other devices as to:

(1) what is considered one set of license plates per vehicle as determined by vehicle type;

(2) issuance of validation tabs and insignia;

(3) stolen or replaced license plates;

(4) payment of other applicable fees;

(5) personalization, except that Congressional Medal of Honor license plates may not be personalized;

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(6) renewal, except that the owner of a vehicle with Congressional Medal of Honor license plates must return the documentation and specialty license plate fee, if any, directly to the department;

(7) refunds; and

(8) expiration.

§217.45. Specialty License Plates, Symbols, Tabs, and Other Devices.

(a) Purpose and Scope. Transportation Code, Chapters 504, 551, and 551A charge the department with providing specialty license plates, symbols, tabs, and other devices. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of specialty license plates, symbols, tabs, and other devices, through the county tax assessor-collectors, and establishes application fees, expiration dates, and registration periods for certain specialty license plates. This section does not apply to military license plates except as provided by §217.43 of this title (relating to Military Specialty License Plates).

(b) Initial application for specialty license plates, symbols, tabs, or other devices.

(1) Application Process.

(A) Procedure. An owner of a vehicle registered as specified in this subchapter who wishes to apply for a specialty license plate, symbol, tab, or other device must do so on a form prescribed by the director.

(B) Form requirements. The application form shall at a minimum require the name and complete address of the applicant.

(2) Fees and Documentation.

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(A) The application must be accompanied by the prescribed registration fee, unless exempted by statute.

(B) The application must be accompanied by the statutorily prescribed specialty license plate fee. ~~[If a registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device will be aligned with the registration period and the specialty plate fee will be adjusted to yield the appropriate fee. If the statutory annual fee for a specialty license plate is \$5 or less, it will not be prorated.]~~

(C) Specialty license plate fees will not be refunded after an application is submitted and the department has approved issuance of the license plate.

(D) The application must be accompanied by prescribed local fees or other fees that are collected in conjunction with registering a vehicle, with the exception of vehicles bearing license plates that are exempt by statute from these fees.

(E) The application must include evidence of eligibility for any specialty license plates. The evidence of eligibility may include, but is not limited to:

- (i) an official document issued by a governmental entity; or
- (ii) a letter issued by a governmental entity on that agency's letterhead.

(F) Initial applications for license plates for display on Exhibition Vehicles must include a photograph of the completed vehicle.

(3) Place of application. Applications for specialty license plates may be made directly to the county tax assessor-collector of the county in which the owner resides or a county tax assessor-collector who is willing to accept the application, except that applications for the following license plates must be made directly to the department:

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- 1 (A) County Judge;
- 2 (B) Federal Administrative Law Judge;
- 3 (C) State Judge;
- 4 (D) State Official;
- 5 (E) U.S. Congress--House;
- 6 (F) U.S. Congress--Senate; and
- 7 (G) U.S. Judge.

8 (4) Gift plates.

9 (A) A person may purchase general distribution specialty license plates as a
10 gift for another person if the purchaser submits an application for the specialty license plates that
11 provides:

12 (i) the name and address of the person who will receive the license
13 plates; and

14 (ii) the vehicle identification number of the vehicle on which the
15 license plates will be displayed.

16 (B) To be valid for use on a motor vehicle, the recipient of the license plates
17 must file an application with the county tax assessor-collector and pay the statutorily required
18 registration fees in the amount as provided by Transportation Code, Chapter 502 and this
19 subchapter.

20 (c) Initial issuance of specialty license plates, symbols, tabs, or other devices.

21 (1) Issuance. On receipt of a completed initial application for registration,
22 accompanied by the prescribed documentation and fees, the department will issue specialty
23 license plates, symbols, tabs, or other devices to be displayed on the vehicle for which the license

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plates, symbols, tabs, or other devices were issued for the current registration period. If the vehicle for which the specialty license plates, symbols, tabs, or other devices are issued is currently registered, the owner must surrender the license plates currently displayed on the vehicle, along with the corresponding license receipt, before the specialty license plates may be issued.

(2) Classic Motor Vehicles, Classic Travel Trailers, Custom Vehicles, Street Rods, and Exhibition Vehicles.

(A) License plates. Texas license plates that were issued the same year as the model year of a Classic Motor Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may be displayed on that vehicle under Transportation Code, §504.501 and §504.502, unless:

(i) the license plate's original use was restricted by statute to another vehicle type;

(ii) the license plate is a qualifying plate type that originally required the owner to meet one or more eligibility requirements, except for a plate issued under Transportation Code, §504.202; or

(iii) the license plate number [~~alpha-numeric pattern~~] is already in use on another vehicle.

(B) Validation stickers and tabs. The department will issue validation stickers and tabs for display on license plates that are displayed as provided by subparagraph (A) of this paragraph.

(3) Number of license plates issued.

(A) Two license plates. Unless otherwise listed in subparagraph (B) of this paragraph, two specialty license plates, each bearing the same license plate number, will be issued per vehicle.

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1 (B) One license plate. One license plate will be issued per vehicle for all
2 motorcycles and for the following specialty license plates:

3 (i) Antique Vehicle (includes Antique Auto, Antique Truck, Antique
4 Motorcycle, and Antique Bus);

5 (ii) Classic Travel Trailer;

6 (iii) Rental Trailer;

7 (iv) Travel Trailer;

8 (v) Cotton Vehicle;

9 (vi) Disaster Relief;

10 (vii) Forestry Vehicle;

11 (viii) Golf Cart;

12 (ix) Log Loader;

13 (x) Military Vehicle;

14 (xi) Package Delivery Vehicle;

15 (xii) Fertilizer; and

16 (xiii) Off-highway Vehicle.

17 (C) Registration number. The identification number assigned by the military
18 may be approved as the registration number instead of displaying Military Vehicle license plates on
19 a former military vehicle.

20 (4) Assignment of license plates.

21 (A) Title holder. Unless otherwise exempted by law or this section, the
22 vehicle on which specialty license plates, symbols, tabs, or other devices is to be displayed shall be
23 titled in the name of the person to whom the specialty license plates, symbols, tabs, or other

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1 devices is assigned, or a title application shall be filed in that person's name at the time the
2 specialty license plates, symbols, tabs, or other devices are issued.

3 (B) Non-owner vehicle. If the vehicle is titled in a name other than that of
4 the applicant, the applicant must provide evidence of having the legal right of possession and
5 control of the vehicle.

6 (C) Leased vehicle. In the case of a leased vehicle, the applicant must
7 provide a copy of the lease agreement verifying that the applicant currently leases the vehicle.

8 (5) Classification of neighborhood electric vehicles. The registration classification of
9 a neighborhood electric vehicle, as defined by §217.3(3) of this title (relating to Motor Vehicle
10 Titles) will be determined by whether it is designed as a 4-wheeled truck or a 4-wheeled passenger
11 vehicle.

12 (6) Number of vehicles. An owner may obtain specialty license plates, symbols,
13 tabs, or other devices for an unlimited number of vehicles, unless the statute limits the number of
14 vehicles for which the specialty license plate may be issued.

15 (7) Personalized license plate numbers.

16 (A) Issuance. The department will issue a personalized license plate number
17 subject to the exceptions set forth in this paragraph.

18 (B) Character limit. A personalized license plate number may contain no
19 more than six alpha or numeric characters or a combination of characters. Depending upon the
20 specialty license plate design and vehicle class, the number of characters may vary. Spaces,
21 hyphens, periods, hearts, stars, the International Symbol of Access, or silhouettes of the state of
22 Texas may be used in conjunction with the license plate number.

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(C) Personalized license plates not approved. A personalized license plate number will not be approved by the executive director if the license plate number [~~alpha-numeric pattern~~]:

(i) conflicts with the department's current or proposed general issue [~~regular~~] license plate numbering system;

(ii) would violate §217.27 of this title (relating to Vehicle Registration Insignia), as determined by the executive director; or

(iii) is currently issued to another owner.

(D) Classifications of vehicles eligible for personalized license plates. Unless otherwise listed in subparagraph (E) of this paragraph, personalized license plates are available for all classifications of vehicles.

(E) Categories of license plates for which personalized license plates are not available. Personalized license plate numbers are not available for display on the following specialty license plates:

(i) Amateur Radio (other than the official call letters of the vehicle owner);

(ii) Antique Motorcycle;

(iii) Antique Vehicle (includes Antique Auto, Antique Truck, and Antique Bus);

(iv) Apportioned;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Farm Trailer (except Go Texan II);

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(viii) Farm Truck (except Go Texan II);

(ix) Farm Truck Tractor (except Go Texan II);

(x) Fertilizer;

(xi) Forestry Vehicle;

(xii) Log Loader;

(xiii) Machinery;

(xiv) Permit;

(xv) Rental Trailer;

(xvi) Soil Conservation;

(xvii) Texas Guard;

(xviii) Golf Cart;

(xix) Package Delivery Vehicle; and

(xx) Off-highway Vehicle.

(F) Fee. Unless specified by statute, a personalized license plate fee of \$40 will be charged in addition to any prescribed specialty license plate fee.

(G) Priority. Once a personalized license plate number has been assigned to an applicant, the owner shall have priority to that number for succeeding years if a timely renewal application is submitted to the county tax assessor-collector each year in accordance with subsection (d) of this section.

(d) Specialty license plate renewal.

(1) Renewal deadline. If a personalized license plate is not renewed within 60 days after its expiration date, a subsequent renewal application will be treated as an application for new personalized license plates.

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(2) Length of validation. Except as provided by Transportation Code, §§504.401, 504.4061, or 504.502, all specialty license plates, symbols, tabs, or other devices shall be valid for 12 months from the month of issuance or for a prorated period of at least 12 months coinciding with the expiration of registration.

(3) Renewal.

(A) Renewal notice. Approximately 60 days before the expiration date of a specialty license plate, symbol, tab, or other device, the department will send each owner a renewal notice that includes the amount of the specialty license plate fee and the registration fee.

(B) Return of notice. The owner must return the fee and any prescribed documentation to the tax assessor-collector of the county in which the owner resides or a county tax assessor-collector who is willing to accept the application, except that the owner of a vehicle with one of the following license plates must return the documentation, and specialty license plate fee, if applicable, directly to the department and submit the registration fee to a county tax assessor-collector:

(i) County Judge;

(ii) Federal Administrative Law Judge;

(iii) State Judge;

(iv) State Official;

(v) U.S. Congress--House;

(vi) U.S. Congress--Senate; and

(vii) U.S. Judge.

(C) Expired license plate numbers. The department will retain a specialty license plate number for 60 days after the expiration date of the license plates if the license plates

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are not renewed on or before their expiration date. After 60 days the number may be reissued to a new applicant. All specialty license plate renewals received after the expiration of the 60 days will be treated as new applications.

(D) Issuance of validation insignia. On receipt of a completed license plate renewal application and prescribed documentation, the department will issue registration validation insignia as specified in §217.27 unless this section or other law requires the issuance of new license plates to the owner.

(E) Lost or destroyed renewal notices. If a renewal notice is lost, destroyed, or not received by the vehicle owner, the specialty license plates, symbol, tab, or other device may be renewed if the owner provides acceptable personal identification along with the appropriate fees and documentation to the tax assessor-collector of the county in which the owner resides or a county tax assessor-collector who is willing to accept the application. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Transfer of specialty license plates.

(1) Transfer between vehicles.

(A) Transferable between vehicles. The owner of a vehicle with specialty license plates, symbols, tabs, or other devices may transfer the specialty license plates between vehicles by filing an application through the county tax assessor-collector in which the owner resides or a county tax assessor-collector who is willing to accept the application, if the vehicle to which the license plates are transferred:

(i) is titled or leased in the owner's name; and

(ii) meets the vehicle classification requirements for that particular specialty license plate, symbol, tab, or other device.

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(B) Non-transferable between vehicles. The following specialty license

plates, symbols, tabs, or other devices are non-transferable between vehicles:

(i) Antique Vehicle license plates (includes Antique Auto, Antique

Truck, and Antique Bus), Antique Motorcycle license plates, and Antique tabs;

(ii) Classic Auto, Classic Truck, Classic Motorcycle, Classic Travel

Trailer, Street Rod, and Custom Vehicle license plates;

(iii) Forestry Vehicle license plates;

(iv) Log Loader license plates;

(v) Golf Cart license plates;

(vi) Package Delivery Vehicle license plates; and

(vii) Off-highway Vehicle license plates.

(C) New specialty license plates. If the department creates a new specialty

license plate under Transportation Code, §504.801, the department will specify at the time of

creation whether the license plate may be transferred between vehicles.

(2) Transfer between owners.

(A) Non-transferable between owners. Specialty license plates, symbols,

tabs, or other devices issued under Transportation Code, Chapter 504, Subchapters C, E, and F are

not transferable from one person to another except as specifically permitted by statute.

(B) New specialty license plates. If the department creates a new specialty

license plate under Transportation Code, §504.801, the department will specify at the time of

creation whether the license plate may be transferred between owners.

(3) Simultaneous transfer between owners and vehicles. Specialty license

plates, symbols, tabs, or other devices are transferable between owners and vehicles

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1 simultaneously only if the owners and vehicles meet all the requirements in both paragraphs (1)
2 and (2) of this subsection.

3 (f) Replacement.

4 (1) Application. When specialty license plates, symbols, tabs, or other devices are
5 lost, stolen, or mutilated, the owner shall apply directly to a county tax assessor-collector for the
6 issuance of replacements.

7 (2) Temporary registration insignia. If the specialty license plate, symbol, tab, or
8 other device is lost, destroyed, or mutilated to such an extent that it is unusable, and if issuance of
9 a replacement license plate would require that it be remanufactured, the owner must pay the
10 statutory replacement fee, and the department will issue a temporary tag for interim use. The
11 owner's new specialty license plate number will be shown on the temporary tag unless it is a
12 personalized license plate, in which case the same personalized license plate number will be
13 shown.

14 (3) Stolen specialty license plates.

15 (A) The department or county tax assessor-collector will not approve the
16 issuance of replacement license plates with the same personalized license plate number if the
17 department's records indicate either the vehicle displaying the personalized license plates or the
18 license plates are reported as stolen to law enforcement. The owner will be directed to contact the
19 department for another personalized license plate choice.

20 (B) The owner may select a different personalized number to be issued at
21 no charge with the same expiration as the stolen specialty license plate. On recovery of the stolen
22 vehicle or license plates, the department will issue, at the owner's or applicant's request,
23 replacement license plates, bearing the same personalized number as those that were stolen.

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(g) License plates created after January 1, 1999. In accordance with Transportation Code, §504.702, the department will begin to issue specialty license plates authorized by a law enacted after January 1, 1999, only if the sponsoring entity for that license plate submits the following items before the fifth anniversary of the effective date of the law.

(1) The sponsoring entity must submit a written application. The application must be on a form approved by the director and include, at a minimum:

- (A) the name of the license plate;
- (B) the name and address of the sponsoring entity;
- (C) the name and telephone number of a person authorized to act for the sponsoring entity; and
- (D) the deposit.

(2) A sponsoring entity is not an agent of the department and does not act for the department in any matter, and the department does not assume any responsibility for fees or applications collected by a sponsoring entity.

(h) Assignment procedures for state, federal, and county officials.

(1) State Officials. State Official license plates contain the distinguishing prefix "SO." Members of the state legislature may be issued up to three sets of State Official specialty license plates with the distinguishing prefix "SO," or up to three sets of State Official specialty license plates that depict the state capitol, and do not display the distinguishing prefix "SO." An application by a member of the state legislature, for a State Official specialty license plate, must specify the same specialty license plate design for each applicable vehicle. State Official license plates are assigned in the following order:

- (A) Governor;

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- 1 (B) Lieutenant Governor;
- 2 (C) Speaker of the House;
- 3 (D) Attorney General;
- 4 (E) Comptroller;
- 5 (F) Land Commissioner;
- 6 (G) Agriculture Commissioner;
- 7 (H) Secretary of State;
- 8 (I) Railroad Commission;
- 9 (J) Supreme Court Chief Justice followed by the remaining justices based on
- 10 their seniority;
- 11 (K) Criminal Court of Appeals Presiding Judge followed by the remaining
- 12 judges based on their seniority;
- 13 (L) Members of the State Legislature, with Senators assigned in order of
- 14 district number followed by Representatives assigned in order of district number, except that in
- 15 the event of redistricting, license plates will be reassigned; and
- 16 (M) Board of Education Presiding Officer followed by the remaining
- 17 members assigned in district number order, except that in the event of redistricting, license plates
- 18 will be reassigned.
- 19 (2) Members of the U.S. Congress.
- 20 (A) U.S. Senate license plates contain the prefix "Senate" and are assigned
- 21 by seniority; and
- 22 (B) U.S. House license plates contain the prefix "House" and are assigned in
- 23 order of district number, except that in the event of redistricting, license plates will be reassigned.

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1 (3) Federal Judge.

2 (A) Federal Judge license plates contain the prefix "USA" and are assigned
3 on a seniority basis within each court in the following order:

4 (i) Judges of the Fifth Circuit Court of Appeals;

5 (ii) Judges of the United States District Courts;

6 (iii) United States Bankruptcy Judges; and

7 (iv) United States Magistrates.

8 (B) Federal Administrative Law Judge license plates contain the prefix "US"
9 and are assigned in the order in which applications are received.

10 (C) A federal judge who retired on or before August 31, 2003, and who held
11 license plates expiring in March 2004 may continue to receive federal judge license plates. A
12 federal judge who retired after August 31, 2003, is not eligible for U.S. Judge license plates.

13 (4) State Judge.

14 (A) State Judge license plates contain the prefix "TX" and are assigned
15 sequentially in the following order:

16 (i) Appellate District Courts;

17 (ii) Presiding Judges of Administrative Regions;

18 (iii) Judicial District Courts;

19 (iv) Criminal District Courts; and

20 (v) Family District Courts and County Statutory Courts.

21 (B) A particular alpha-numeric combination will always be assigned to a
22 judge of the same court to which it was originally assigned.

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(C) A state judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive state judge plates. A state judge who retired after August 31, 2003, is not eligible for State Judge license plates.

(5) County Judge license plates contain the prefix "CJ" and are assigned by county number.

(6) In the event of redistricting or other license plate reallocation, the department may allow a state official to retain that official's plate number if the official has had the number for five or more consecutive years.

(i) Development of new specialty license plates.

(1) Procedure. The following procedure governs the process of authorizing new specialty license plates under Transportation Code, §504.801, whether the new license plate originated as a result of an application or as a department initiative.

(2) Applications for the creation of new specialty license plates. An applicant for the creation of a new specialty license plate, other than a vendor specialty plate under §217.52 of this title (relating to Marketing of Specialty License Plates through a Private Vendor), must submit a written application on a form approved by the executive director. The application must include:

(A) the applicant's name, address, telephone number, and other identifying information as directed on the form;

(B) certification on Internal Revenue Service letterhead stating that the applicant is a not-for-profit entity;

(C) a draft design of the specialty license plate;

(D) projected sales of the license plate, including an explanation of how the projected figure was established;

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(E) a marketing plan for the license plate, including a description of the target market;

(F) a licensing agreement from the appropriate third party for any intellectual property design or design element;

(G) a letter from the executive director of the sponsoring state agency stating that the agency agrees to receive and distribute revenue from the sale of the specialty license plate and that the use of the funds will not violate a statute or constitutional provision; and

(H) other information necessary for the board to reach a decision regarding approval of the requested specialty license plate.

(3) Review process. The board:

(A) will not consider incomplete applications;

(B) may request additional information from an applicant if necessary for a decision; and

(C) will consider specialty license plate applications that are restricted by law to certain individuals or groups of individuals (qualifying license plates) using the same procedures as applications submitted for license plates that are available to everyone (non-qualifying license plates).

(4) Request for additional information. If the board determines that additional information is needed, the applicant must return the requested information not later than the requested due date. If the additional information is not received by that date, the board will return the application as incomplete unless the board:

(A) determines that the additional requested information is not critical for consideration and approval of the application; and

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1 (B) approves the application, pending receipt of the additional information
2 by a specified due date.

3 (5) Board decision. The board's decision will be based on:

4 (A) compliance with Transportation Code, §504.801;

5 (B) the proposed license plate design, including:

6 (i) whether the design appears to meet the legibility and reflectivity
7 standards established by the department;

8 (ii) whether the design meets the standards established by the
9 department for uniqueness;

10 (iii) other information provided during the application process;

11 (iv) the criteria designated in §217.27 as applied to the design; and

12 (v) whether a design is similar enough to an existing plate design
13 that it may compete with the existing license plate sales; and

14 (C) the applicant's ability to comply with Transportation Code, §504.702
15 relating to the required deposit or application that must be provided before the manufacture of a
16 new specialty license plate.

17 (6) Public comment on proposed design. All proposed license plate designs will be
18 considered by the board as an agenda item at a regularly or specially called open meeting. Notice
19 of consideration of proposed license plate designs will be posted in accordance with Office of the
20 Secretary of State meeting notice requirements. Notice of each license plate design will be posted
21 on the department's Internet website to receive public comment at least 25 days in advance of the
22 meeting at which it will be considered. The department will notify all other specialty license plate
23 organizations and the sponsoring agencies who administer specialty license plates issued in

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1 accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on
2 the proposed design can be submitted in writing through the mechanism provided on the
3 department's Internet website for submission of comments. Written comments are welcome and
4 must be received by the department at least 10 days in advance of the meeting. Public comment
5 will be received at the board's meeting.

6 (7) Final approval.

7 (A) Approval. The board will approve or disapprove the specialty license
8 plate application based on all of the information provided pursuant to this subchapter at an open
9 meeting.

10 (B) Application not approved. If the application is not approved under
11 subparagraph (A) of this paragraph, the applicant may submit a new application and supporting
12 documentation for the design to be considered again by the board if:

13 (i) the applicant has additional, required documentation; or

14 (ii) the design has been altered to an acceptable degree.

15 (8) Issuance of specialty license plates.

16 (A) If the specialty license plate is approved, the applicant must comply with
17 Transportation Code, §504.702 before any further processing of the license plate.

18 (B) Approval of the license plate does not guarantee that the submitted
19 draft license plate design will be used. The board has final approval authority of all specialty
20 license plate designs and may adjust or reconfigure the submitted draft design to comply with the
21 format or license plate specifications.

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(C) If the board, in consultation with the applicant, adjusts or reconfigures the design, the adjusted or reconfigured design will not be posted on the department's website for additional comments.

(9) Redesign of specialty license plate.

(A) Upon receipt of a written request from the applicant, the department will allow redesign of a specialty license plate.

(B) A request for a redesign must meet all application requirements and proceed through the approval process of a new specialty license plate as required by this subsection.

(C) An approved license plate redesign does not require the deposit required by Transportation Code, §504.702, but the applicant must pay a redesign cost to cover administrative expenses.

(j) Golf carts.

(1) A county tax assessor-collector may issue golf cart license plates as long as the requirements under Transportation Code, §551.403 or §551.404 are met.

(2) A county tax assessor-collector may only issue golf cart license plates to residents or property owners of the issuing county.

(3) A golf cart license plate may not be used as a registration insignia, and a golf cart may not be registered for operation on a public highway.

(4) The license plate fee for a golf cart license plate is \$10.

(k) Off-highway vehicle.

(1) A county tax assessor-collector may issue off-highway vehicle license plates as long as the requirements under Transportation Code, §551A.053 or §551A.055 are met.

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(2) An off-highway vehicle license plate may not be used as a registration insignia, and an off-highway vehicle may not be registered for operation on a public highway.

(3) The license plate fee for an off-highway vehicle license plate is \$10.

(I) Package delivery vehicle.

(1) A county tax assessor-collector may issue package delivery license plates as long as the requirements under Transportation Code, §§551.453, 551.454, and 551.455 are met.

(2) The license plate fee for a package delivery license plate is \$25 to be paid on an annual basis.

§217.46. Commercial Vehicle Registration.

(a) Eligibility. A motor vehicle is required to be registered as a commercial motor vehicle if it meets the definition of a commercial motor vehicle under Transportation Code, §502.001(7). ~~[A motor vehicle, other than a motorcycle or moped, designed or used primarily for the transportation of property, including any passenger car that has been reconstructed to be used, and is being used, primarily for delivery purposes, with the exception of a passenger car used in the delivery of the United States mail, must be registered as a commercial vehicle.]~~

(b) Commercial vehicle registration classifications.

(1) Apportioned license plates. Apportioned license plates are issued in lieu of Combination, Motor Bus, or Truck license plates to Texas carriers who proportionally register their fleets in other states, in conformity with §217.56 of this title (relating to Registration Reciprocity Agreements).

(2) City bus license plates. A street or suburban bus shall be registered with license plates bearing the legend "City Bus."

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1 (3) Combination license plates.

2 (A) Specifications. A truck or truck-tractor with a gross weight in excess of

3 10,000 pounds used or to be used in combination with a semitrailer having a gross weight in excess

4 of 6,000 pounds, may be registered with combination license plates. Such vehicles must be

5 registered for a gross weight equal to the combined gross weight of all the vehicles in the

6 combination, but not less than 18,000 pounds. Only one combination license plate is required and

7 must be displayed on the front of the truck or truck-tractor. When displaying a combination license

8 plate, a truck or truck-tractor is not restricted to pulling a semitrailer licensed with a Token Trailer

9 license plate and may legally pull semitrailers ~~[and full trailers]~~ displaying other types of Texas

10 license plates or license plates issued out of state; however, a truck or truck-tractor displaying a

11 combination license plate issued under Transportation Code, §502.255 may only pull a semitrailer

12 issued a license plate from another state to the extent authorized under a registration reciprocity

13 agreement under Transportation Code, §502.091. The following vehicles may not be registered in

14 combination:

15 (i) trucks or truck-tractors having a gross weight of ~~[less than]~~

16 10,000 pounds or less or trucks or truck-tractors to be used exclusively in combination with

17 semitrailers having gross weights not exceeding 6,000 pounds;

18 (ii) semitrailers with gross weights of 6,000 pounds or less, or

19 semitrailers that are to be operated exclusively with trucks or truck-tractors having gross weight of

20 ~~[less than]~~ 10,000 pounds or less;

21 (iii) trucks or truck-tractors used exclusively in combination with

22 semitrailer-type vehicles displaying Machinery, Permit, or Farm Trailer license plates;

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(iv) trucks or truck-tractors used exclusively in combination with travel trailers and manufactured housing;

(v) trucks or truck-tractors to be registered with Farm Truck or Farm Truck Tractor license plates;

(vi) trucks or truck-tractors and semitrailers to be registered with disaster relief license plates;

(vii) trucks or truck-tractors and semitrailers to be registered with Soil Conservation license plates;

(viii) trucks or truck-tractors and semitrailers to be registered with U.S. Government license plates or Exempt license plates issued by the State of Texas; and

(ix) vehicles that are to be issued special registration ~~[temporary]~~ permits, such as 72-Hour Permits, 144-Hour Permits, or special registration license plates, such as One Trip license plates, ~~[Permits,]~~ or 30-Day license plates ~~[Permits]~~ in accordance with Transportation Code, §502.094 and §502.095.

(B) Converted semitrailers. Semitrailers that are converted to ~~[full]~~ trailers by means of auxiliary axle assemblies will retain their semitrailer status, and such semitrailers are subject to the combination and token trailer registration requirements.

(C) Axle assemblies. Various types of axle assemblies that are specially designed for use in conjunction with other vehicles or combinations of vehicles may be used to increase the load capabilities of such vehicles or combinations.

(i) Auxiliary axle assemblies such as trailer axle converters, jeep axles, and drag axles, which are used in conjunction with truck-tractor and semitrailer combinations, are not required to be registered; however, the additional weight that is acquired by

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1 the use of such axle assemblies must be included in the combined gross weight of the
2 combination.

3 (ii) Ready-mixed concrete trucks that have an auxiliary axle assembly
4 installed for the purpose of increasing a load capacity of such vehicles must be registered for a
5 weight that includes the axle assembly.

6 (D) Exchange of Combination license plates. Combination license plates
7 shall not be exchanged for another type of registration during the registration year, except that:

8 (i) if a major permanent reconstruction change occurs, Combination
9 license plates may be exchanged for Truck license plates, provided that a corrected title is applied
10 for;

11 (ii) if the department initially issues Combination license plates in
12 error, the plates will be exchanged for license plates of the proper classification;

13 (iii) if the department initially issues Truck or Trailer license plates in
14 error to vehicles that should have been registered in combination, such license plates will be
15 exchanged for Combination and Token Trailer license plates; or

16 (iv) if a Texas apportioned carrier acquires a combination license
17 power unit, the Combination license plates will be exchanged for Apportioned license plates.

18 (4) Cotton Vehicle license plates. The department will issue Cotton Vehicle license
19 plates in accordance with Transportation Code, §504.505 and §217.45 of this title (relating to
20 Specialty License Plates, Symbols, Tabs, and Other Devices).

21 (5) Forestry Vehicle license plates. The department will issue Forestry Vehicle
22 license plates in accordance with Transportation Code, §504.507 and §217.45 of this title.

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1 ~~[(6) In Transit license plates. The department may issue an In Transit license plate~~
2 ~~annually to any person, firm, or corporation engaged in the primary business of transporting and~~
3 ~~delivering by means of the full mount, saddle mount, tow bar, or any other combination, new~~
4 ~~vehicles and other vehicles from the manufacturer or any other point of origin to any point of~~
5 ~~destination within the State. Each new vehicle being transported, delivered, or moved under its~~
6 ~~own power in accordance with this paragraph must display an In Transit license plate in~~
7 ~~accordance with Transportation Code, §503.035.]~~

8 (6)[(7)] Motor Bus license plates. A motor bus as well as a taxi and other vehicles
9 that transport passengers for compensation or hire, must display Motor Bus license plates when
10 operated outside the limits of a city or town, or adjacent suburb, in which its company is
11 franchised to do business.

12 (7)[(8)] Token Trailer license plates.

13 (A) Qualification. The department will issue Token Trailer license plates for
14 semitrailers that are authorized ~~[required]~~ to be registered in combination.

15 (B) Validity. A Token Trailer license plate is valid only when it is displayed on
16 a semitrailer that is being pulled by a truck or a truck-tractor that has been properly registered
17 with Forestry Vehicle (in accordance with Transportation Code, §504.507), Combination (in
18 accordance with Transportation Code, §502.255), or Apportioned (in accordance with
19 Transportation Code, §502.091) license plates for combined gross weights that include the weight
20 of the semitrailer, except as authorized under Transportation Code, Chapters 621 through 623.~~],~~
21 ~~unless exempted by Transportation Code, §502.094 and §623.011.]~~

22 (C) House-moving dollies. House-moving dollies are to be registered with
23 Token Trailer license plates and titled as semitrailers; however, only one such dolly in a

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combination is required to be registered and titled. The remaining dolly (or dollies) is permitted to operate unregistered, since by the nature of its construction, it is dependent upon another such vehicle in order to function. The pulling unit must display a Combination or Apportioned license plate.

(D) Trailers. ~~[Full trailers.]~~ The department shall ~~[will]~~ not issue a Token Trailer license plate for a ~~[full]~~ trailer.

~~(8)~~~~(9)~~ Tow Truck license plates. A Tow Truck license plate must be obtained for all tow trucks operating and registered in this state. The department will not issue a Tow Truck license plate unless the Texas Department of Licensing and Regulation has issued a permit for the tow truck under Occupations Code, Chapter 2308, Subchapter C.

(c) Application for commercial vehicle registration.

(1) Application form. An applicant shall apply for commercial license plates through the appropriate county tax assessor-collector or the department, as applicable, upon forms prescribed by the director and shall require, at a minimum, the following information:

(A) owner name and complete address;

(B) complete description of vehicle, including empty weight; and

(C) vehicle identification number or serial number.

(2) Empty weight determination.

(A) The weight of a Motor Bus shall be the empty weight plus carrying capacity, in accordance with Transportation Code, §502.055.

(B) The weight of a vehicle cannot be lowered below the weight indicated on a Manufacturer's Certificate of Origin unless a corrected Manufacturer's Certificate of Origin is obtained.

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(C) In all cases where the department questions the empty weight of a particular vehicle, the applicant should present a weight certificate from a public weight scale or the Department of Public Safety.

(3) Gross weight.

(A) Determination of Weight. The combined gross weight of vehicles registering for combination license plates shall be determined by the empty weight of the truck or truck-tractor combined with the empty weight of the heaviest semitrailer or semitrailers used or to be used in combination therewith, plus the heaviest net load to be carried on such combination during the motor vehicle registration year, provided that in no case may the combined gross weight be less than 18,000 pounds.

(B) Restrictions. The following restrictions apply to combined gross weights.

(i) After a truck or truck-tractor is registered for a combined gross weight, such weight cannot be lowered at any subsequent date during the registration year. The owner may, however, lower the gross weight when registering the vehicle for the following registration year, provided that the registered combined gross weight is sufficient to cover the heaviest load to be transported during the year and provided that the combined gross weight is not less than 18,000 pounds.

(ii) A combination of vehicles is restricted to a total gross weight not to exceed 80,000 pounds; however, all combinations may not qualify for 80,000 pounds unless such weight can be properly distributed in accordance with axle load limitations, and distance between axles, in accordance with Transportation Code, §621.101 or another section in Transportation Code, Chapters 621 through 623. [~~§623.011.~~]

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(4) Vehicle identification number or serial number. Ownership may ~~[must]~~ be established by a court order or by securing a bond if no vehicle identification number or serial number can be identified. Once ownership has been established, the department will assign a number upon payment of the fee.

(5) Accompanying documentation. Unless otherwise exempted by law, completed applications for commercial license plates shall be accompanied by:

(A) prescribed registration fees;

(B) prescribed local fees or other fees that are collected in conjunction with registering a vehicle;

(C) evidence of financial responsibility as required by Transportation Code, §502.046; however, if the applicant is a motor carrier as defined by §218.2 of this title (relating to Definitions), proof of financial responsibility may be in the form of a registration listing ~~[or an international stamp]~~ indicating that the vehicle is registered in compliance with Chapter 218, Subchapter B of this title (relating to Motor Carrier Registration);

(D) an application for Texas Title in accordance with Subchapter A of this chapter, or other proof of ownership;

(E) proof of payment of the Federal Heavy Vehicle Use Tax, if applicable;

(F) an original or certified copy of the current permit issued in accordance with Occupations Code, Chapter 2308, Subchapter C, if application is being made for Tow Truck license plates; and

(G) other documents or fees required by law.

~~[(6) Proof of payment required. Proof of payment of the Federal Heavy Vehicle Use Tax is required for vehicles with a gross registration weight of 55,000 pounds or more, or in cases~~

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1 ~~where the vehicle's gross weight is voluntarily increased to 55,000 pounds or more. Proof of~~
2 ~~payment shall consist of an original or photocopy of the Schedule 1 portion of Form 2290 received~~
3 ~~by the Internal Revenue Service (IRS), or a copy of the Form 2290 with Schedule 1 attached as filed~~
4 ~~with the IRS, along with a photocopy of the front and back of the canceled check covering the~~
5 ~~payment to the IRS.]~~

6 [(7) Proof of payment not required. Proof of payment of the Federal Heavy Vehicle
7 Use Tax is not required;]

8 [(A) for new vehicles when an application for title and registration is
9 supported by a Manufacturer's Certificate of Origin;]

10 [(B) on used vehicles when an application for title and registration is filed
11 within 60 days from the date of transfer to the applicant as reflected on the assigned title, except
12 that proof of payment will be required when an application for Texas title and registration is
13 accompanied by an out-of-state title that is recorded in the name of the applicant;]

14 [(C) when a vehicle was previously wrecked, in storage, or otherwise out of
15 service and, therefore, not registered or operated during the current registration year or during
16 the current tax year, provided that a non-use affidavit is signed by the operator; and]

17 [(D) as a prerequisite to registration of vehicles apprehended for operating
18 without registration or reciprocity or when an owner or operator purchases temporary operating
19 permits or additional weight.]

20 (d) Renewal of commercial license plates.

21 (1) Registration period. The department will establish the registration period for
22 commercial vehicles, unless specified by statute. Commercial license plates are issued for
23 established annual registration periods. ~~[as follows.]~~

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1 ~~[(A) March expiration. If a fleet under §217.54 of this title (relating to~~
2 ~~Registration of Fleet Vehicles) contains a vehicle with a combination license plate, the established~~
3 ~~annual registration period for the fleet is April 1st through March 31st.]~~

4 ~~[(B) Five-year registration with March 31st expiration. The following license~~
5 ~~plates are available with a five-year registration period. Registration fees for the license plates~~
6 ~~listed below may be paid on an annual basis, or may be paid up front for the entire five-year~~
7 ~~period:]~~

8 ~~[(i) Five-year Rental Trailer license plates issued for rental trailers~~
9 ~~that are part of a rental fleet; and]~~

10 ~~[(ii) Five-year Token Trailer license plates, available to owners of~~
11 ~~semitrailers to be used in combination with truck tractors displaying Apportioned or Combination~~
12 ~~license plates.]~~

13 (2) Registration Renewal Notice. The department will send a registration renewal
14 notice, indicating the proper registration fee and the month and year the registration expires, to
15 each vehicle owner approximately six to eight weeks prior to the expiration of the vehicle's
16 registration.

17 (3) Return of registration renewal notices. Except for authorized online renewals,
18 registration renewal notices should be returned by the vehicle owner to the department or the
19 appropriate county tax assessor-collector, as indicated on the registration renewal notice. Unless
20 otherwise exempted by law, registration renewal notices may be returned either in person or by
21 mail, and shall be accompanied by:

22 (A) statutorily prescribed registration renewal fees;

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1 (B) prescribed local fees or other fees that are collected in conjunction with
2 registration renewal;

3 (C) evidence of financial responsibility as required by Transportation Code,
4 §502.046; and

5 (D) other prescribed documents or fees.

6 (4) Lost or destroyed registration renewal notice. If a registration renewal notice is
7 lost, destroyed, or not received by the vehicle owner, the vehicle may be registered if the owner
8 presents personal identification acceptable to the county tax assessor-collector. Failure to receive
9 the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

10 (e) Transfer of commercial vehicle license plates.

11 (1) Transfer between persons. With the exceptions noted in paragraph (3) of this
12 subsection, when ownership of a vehicle displaying commercial vehicle license plates is
13 transferred, application for transfer of such license plates shall be made with the county tax
14 assessor-collector in the county in which the purchaser resides or a county tax assessor-collector
15 who is willing to accept the application. If the purchaser does not intend to use the vehicle in a
16 manner that would qualify it for the license plates issued to that vehicle, such license plates must
17 be exchanged for the appropriate license plates.

18 (2) Transfer between vehicles. Commercial vehicle license plates are non-
19 transferable between vehicles.

20 (3) Transfer of Apportioned and Tow Truck license plates. Apportioned and Tow
21 Truck license plates are non-transferable between persons or vehicles, and become void if the
22 vehicle to which the license plates were issued is sold.

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(f) Replacement of lost, stolen, or mutilated commercial vehicle license plates. An owner of lost, stolen, or mutilated commercial vehicle license plates may obtain replacement license plates by filing an Application for Replacement Plates and remitting the prescribed fee to the county tax assessor-collector or from the department.

217.50. Equipment and Vehicles Within Road Construction Projects.

Road construction equipment (machinery type vehicles) operating laden or unladen within the limits of a project are not required to display the \$5 machinery license plate, regardless of the intermingling of regular vehicular traffic; however, conventional commercial vehicles operating within the limits of a project shall be required to be registered with regular commercial license plates whenever traffic is allowed to intermingle. ~~[A highway construction project is that section of the highway between the warning signs giving notice of a construction area.]~~

§217.51. Change of Classification: Trucks and Truck-Tractors.

When a truck is converted into a truck-tractor and the registration classification is changed from "truck" to "combination," an exchange of license plates is required; however, if a truck-tractor is converted into a truck and the registration classification is changed from "combination" to "truck" the license plates shall not be exchanged, unless the change involves a major permanent reconstruction change, such as when the frame of a truck-tractor is altered to accommodate the installation of a different type bed or body. In this instance, the owner must exchange license plates and file an application for corrected title. Under no circumstances will a refund in registration fees be authorized when a combination plate is exchanged for truck license plates as the result of a reconstruction change.

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§217.52. Marketing of Specialty License Plates through a Private Vendor.

(a) Purpose and scope. The department will enter into a contract with a private vendor to market department-approved specialty license plates in accordance with Transportation Code, Chapter 504, Subchapter J. This section sets out the procedure for approval of the design, purchase, and replacement of vendor specialty license plates. In this section, the license plates marketed by the vendor are referred to as vendor specialty license plates.

(b) Application for approval of vendor specialty license plate designs.

(1) Approval required. The vendor shall obtain the approval of the board for each license plate design the vendor proposes to market in accordance with this section and the contract entered into between the vendor and the department.

(2) Application. The vendor must submit a written application on a form approved by the executive director to the department for approval of each license plate design the vendor proposes to market. The application must include:

(A) a draft design of the specialty license plate;

(B) projected sales of the license plate, including an explanation of how the projected figure was determined;

(C) a marketing plan for the license plate including a description of the target market;

(D) a licensing agreement from the appropriate third party for any design or design element that is intellectual property; and

(E) other information necessary for the board to reach a decision regarding approval of the requested vendor specialty license plate.

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(c) Review and approval process. The board will review vendor specialty license plate applications. The board:

(1) will not consider incomplete applications; and

(2) may request additional information from the vendor to reach a decision.

(d) Board decision.

(1) Decision. The decision of the board will be based on:

(A) compliance with Transportation Code, Chapter 504, Subchapter J;

(B) the proposed license plate design, including:

(i) whether the design meets the legibility and reflectivity standards established by the department;

(ii) whether the design meets the standards established by the department for uniqueness to ensure that the proposed license plate complies with Transportation Code, §504.852(c);

(iii) whether the license plate design can accommodate the International Symbol of Access (ISA) as required by Transportation Code, §504.201(f);

(iv) the criteria designated in §217.27 of this title (relating to Vehicle Registration Insignia) as applied to the design;

(v) whether a design is similar enough to an existing license plate design that it may compete with the existing license plate sales; and

(vi) other information provided during the application process.

(2) Public comment on proposed design. All proposed license plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed license plate designs will be posted in accordance with Office of the

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Secretary of State meeting notice requirements. Notice of each license plate design will be posted on the department's Internet web site to receive public comment at least 25 days in advance of the meeting at which it will be considered. The department will notify all specialty license plate organizations and the sponsoring agencies who administer specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted in writing through the mechanism provided on the department's Internet web site for submission of comments. Written comments are welcome and must be received by the department at least 10 days in advance of the meeting. Public comment will be received at the board's meeting.

(e) Final approval and specialty license plate issuance.

(1) Approval. The board will approve or disapprove the specialty license plate application based on all of the information provided pursuant to this subchapter in an open meeting.

(2) Application not approved. If the application is not approved, the applicant may submit a new application and supporting documentation for the design to be considered again by the board if:

(A) the applicant has additional, required documentation; or

(B) the design has been altered to an acceptable degree.

(3) Issuance of approved specialty license plates.

(A) If the vendor's specialty license plate is approved, the vendor must submit the non-refundable start-up fee before any further design and processing of the specialty license plate.

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(B) Approval of the specialty license plate does not guarantee that the submitted draft specialty license plate design will be used. The board has final approval of all specialty license plate designs and will provide guidance on the submitted draft design to ensure compliance with the format and specialty license plate specifications.

(f) Redesign of vendor specialty license plates.

(1) On receipt of a written request from the vendor, the department will allow a redesign of a vendor specialty license plate.

(2) The vendor must pay the redesign administrative costs as provided in the contract between the vendor and the department.

(g) Multi-year vendor specialty license plates. Purchasers will have the option of purchasing vendor specialty license plates for a one-year, a three-year, or a five-year period.

(h) License plate categories and associated fees. The categories and the associated fees for vendor specialty license plates are set out in this subsection.

(1) Custom license plates. Custom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with either three alpha and two or three numeric characters or two or three numeric and three alpha characters. Generic license plates on standard white sheeting with the word "Texas" that may be personalized with up to six alphanumeric characters are considered custom license plates before December 2, 2010. The fees for issuance of Custom and Generic license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(2) T-Plates (Premium) license plates. T-Plates (Premium) license plates may be personalized with up to seven alphanumeric characters, including the "T," on colored backgrounds

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or designs approved by the department. The fees for issuance of T-Plates (Premium) license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(3) Luxury license plates. Luxury license plates may be personalized with up to six alphanumeric characters on colored backgrounds or designs approved by the department. The fees for issuance of luxury license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for three years, and \$495 for five years.

(5) Background-only license plates. Background-only license plates include non-personalized license plates with a variety of pre-approved background and character color combinations and may be embossed or non-embossed.

(A) The fees for issuance of non-embossed, background only license plates are \$50 for one year, \$130 for three years, and \$175 for five years.

(B) Except as stated in subsection (h)(9)(C), the fees for embossed, background-only license plates are \$125 for one year, \$205 for three years, and \$250 for five years.

(6) Vendor souvenir license plates. Vendor souvenir license plates are replicas of vendor specialty license plate designs that may be personalized with up to 24 alphanumeric characters. Vendor souvenir license plates are not street legal or legitimate insignias of vehicle registration. The fee for issuance of souvenir license plates is \$40.

(7) Auction~~[of alphanumeric patterns]~~. The vendor may auction department-
approved license plate numbers~~[alphanumeric patterns]~~ for one, three, or five year terms with

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options to renew indefinitely at the current price established for a one, three, or five year luxury category license plate. The purchaser of the auction license plate number [pattern] may select from the vendor background designs, including any embossed license plate designs, at no additional charge at the time of initial issuance. The auction license plate number [pattern] may be moved from one vendor design plate to another vendor design license plate as provided in subsection (n)(1) of this section. The auction license plate number [pattern] may be transferred from owner to owner as provided in subsection (l)(2) of this section.

(8) Embossed, personalized specialty license plates. The vendor may sell embossed, personalized specialty license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric characters. Except as stated in subsection (h)(7) of this section, the fees for issuance of embossed, personalized specialty license plates are \$270 for one year, \$520 for three years, and \$570 for five years. Except as stated in subsection (h)(9)(C) of this section, the fees under subsection (h)(9) of this section do not apply to an embossed, personalized specialty license plate.

(9) Personalization and specialty license plate fees.

(A) The fee for the personalization of license plates applied for prior to November 19, 2009 is \$40 if the license plates are renewed annually.

(B) The personalization fee for license plates applied for after November 19, 2009 is \$40 if the license plates are issued pursuant to Transportation Code, Chapter 504, Subchapters G and I.

(C) If the license plates are renewed annually, the personalization and specialty license plate fees remain the same fee as at the time of issuance if a sponsor of a specialty license plate authorized under Transportation Code, Chapter 504, Subchapters G and I

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signs a contract with the vendor in accordance with Transportation Code, Chapter 504, Subchapter J, even if the board approves the specialty license plate to be an embossed specialty license plate design.

(i) Payment of fees.

(1) Payment of specialty license plate fees. The fees for issuance of vendor specialty license plates will be paid directly to the state through vendor and state systems for the license plate category and period selected by the purchaser. A person who purchases a multi-year vendor specialty license plate must pay upon purchase the full fee which includes the renewal fees.

(2) Payment of statutory registration fees. To be valid for use on a motor vehicle, the license plate owner is required to pay, in addition to the vendor specialty license plate fees, any statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502, and this subchapter.

(j) Refunds. Fees for vendor specialty license plate fees will not be refunded after an application is submitted to the vendor and the department has approved issuance of the license plate.

(k) Replacement.

(1) Application. An owner must apply directly to the county tax assessor-collector for the issuance of replacement vendor specialty license plates and must pay the fee described in paragraphs (2) or (3) of this subsection, whichever applies.

(2) Lost or mutilated vendor specialty license plates. To replace vendor specialty license plates that are lost or mutilated, the owner must pay the statutory replacement fee provided in Transportation Code, §504.007.

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(3) Optional replacements. An owner of a vendor specialty license plate may replace vendor specialty license plates by submitting a request to the county tax assessor-collector accompanied by the payment of a \$6 fee.

(4) Interim replacement tags. If the vendor specialty license plates are lost or mutilated to such an extent that they are unusable, replacement specialty license plates may ~~will~~ ~~need to~~ be remanufactured. The county tax assessor-collector will issue interim replacement tags for use until the replacements are available. The owner's vendor specialty license plate number will be shown on the interim replacement tags.

(5) Stolen vendor specialty license plates. The county tax assessor-collector will not approve the issuance of replacement vendor specialty license plates with the same license plate number if the department's records indicate that the vehicle displaying that license plate number was reported stolen or the license plates themselves were reported stolen to law enforcement.

(I) Transfer of vendor specialty license plates.

(1) Transfer between vehicles. The owner of a vehicle with vendor specialty license plates may transfer the specialty license plates between vehicles by filing an application through the county tax assessor-collector if the vehicle to which the specialty license plates are transferred:

(A) is titled or leased in the owner's name; and

(B) meets the vehicle classification requirements for that ~~particular~~ specialty license plate.

(2) Transfer between owners. Vendor specialty license plates may not be transferred between persons unless the specialty license plate number ~~pattern~~ was initially purchased through auction as provided in subsection (h)(7) of this section. An auctioned license plate

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number ~~[alphanumeric pattern]~~ may be transferred as a specialty license plate or as a virtual pattern to be manufactured on a new background as provided under the restyle option in subsection (n)(1) of this section. In addition to the fee paid at auction, the new owner of an auctioned license plate number ~~[alphanumeric pattern]~~ or plate will pay the department a fee of \$25 to cover the cost of the transfer, and complete the department's prescribed application at the time of transfer.

(m) Gift license plates.

(1) A person may purchase license plates as a gift for another person if the purchaser submits a statement that provides:

(A) the purchaser's name and address;

(B) the name and address of the person who will receive the license plates;

and

(C) the vehicle identification number of the vehicle on which the license plates will be displayed or a statement that the license plates will not be displayed on a vehicle.

(2) To be valid for use on a motor vehicle, the recipient of the license plates must file an application with the county tax assessor-collector and pay the statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502, and this subchapter.

(n) Restyled vendor specialty license plates. A person who has purchased a multi-year vendor specialty license plate may request a restyled license plate at any time during the term of the plate.

(1) For the purposes of this subsection, "restyled license plate" is a vendor specialty license plate that has a different style from the originally purchased vendor specialty license plate but:

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(A) is within the same price category, except if the license plate number was purchased through auction ~~[pattern is an auction pattern]~~ and has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates; or

(B) is restyling from a non-embossed specialty license plate style to an embossed specialty license plate style and has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates.

(2) The fee for each restyled license plate is:

(A) \$50 for restyling under subsection (n)(1)(A) of this section; or

(B) \$75 for restyling under subsection (n)(1)(B) of this section.

§217.53. Disposition ~~[Removal]~~ of License Plates and Registration Insignia upon Sale or Transfer of Motor Vehicle.

(a) Upon the sale or transfer of a motor vehicle to a dealer that holds a general distinguishing number (dealer), general issue license plates shall be removed and retained for issuance to a subsequent retail purchaser of that motor vehicle and the registration insignia shall be removed and disposed of by the dealer as provided in Transportation Code, §502.491, §504.901, and §215.158 of this title (relating to General Requirements for Buyer's License Plates). If a dealer transfers a motor vehicle in a transaction other than a retail sale, the removed general issue license plates shall transfer with the motor vehicle. ~~[Purpose. Transportation Code, Chapter 502, Subchapter L and Chapter 504, Subchapter K, provide for the removal of the license plates and registration insignia when a motor vehicle is sold or transferred. Motor vehicles eligible for this process are limited to a passenger car or a light truck, as those terms are defined in Transportation Code, §502.001.]~~

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(b) Upon the sale or transfer of a motor vehicle in which neither party is a dealer, the registration insignia and the general issue license plates remain with the motor vehicle as provided in Transportation Code, §502.491(b) and §504.901. ~~[Disposition of removed license plates. License plates removed from a motor vehicle by a licensed motor vehicle dealer or by a motor vehicle owner in a private transaction as provided in Transportation Code, §502.491, may be:]~~

~~[(1) transferred to another vehicle:]~~

~~[(A) that is titled or will be titled in the same owner name as the vehicle from which the license plates were removed;]~~

~~[(B) that is of the same vehicle classification (passenger car or light truck) as the vehicle from which the license plates were removed; and]~~

~~[(C) upon acceptance of a request to transfer the license plate by the county tax assessor-collector in which the application is filed as provided by Transportation Code, §501.023 or §502.040, whichever applies;]~~

~~[(2) disposed of in a manner that renders the license plates unusable or that ensures the license plates will not be available for fraudulent use on a motor vehicle; or]~~

~~[(3) retained by the owner of the motor vehicle from which the license plates were removed.]~~

(c) A license plate other than a general issue license plate shall be removed by the owner of a motor vehicle that is sold or transferred. Removed license plates may be transferred if eligible; otherwise, must be disposed of in a manner that renders the license plates unusable or that ensures the license plates will not be available for fraudulent use on a motor vehicle.

~~[(c) Vehicle transit permit.]~~

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1 ~~[(1) Obtaining a vehicle transit permit. A person who obtains a motor vehicle in a~~
2 ~~private transaction may obtain one vehicle transit permit (temporary single-trip permit), through~~
3 ~~the department's website at www.txdmv.gov if the seller or transferor has removed the license~~
4 ~~plates and registration insignia.]~~

5 ~~[(2) Restrictions. The permit, which is valid only for the period shown on the~~
6 ~~permit, may be used for operation of the motor vehicle only as provided in Transportation Code,~~
7 ~~§502.492, and must be carried in the vehicle at all times. The permit may only be used on~~
8 ~~passenger vehicles 6,000 pounds or less and light trucks with a gross vehicle weight of 10,000~~
9 ~~pounds or less.]~~

10 (d) If the purchaser at a retail sale chooses to obtain replacement general issue license plates,
11 the replaced license plates must be disposed of in a manner that renders the license plates unusable or
12 that ensures the license plates will not be available for fraudulent use on a motor vehicle.

13
14 §217.54. Registration of Fleet Vehicles.

15 (a) Scope. A registrant may consolidate the registration of multiple motor vehicles in a fleet
16 instead of registering each vehicle separately. A fleet may include trailers and semitrailers. Except
17 as provided by §217.55 of this title (relating to Exempt and Alias Vehicle Registration), to
18 consolidate registration, a registration must meet the requirements of this section.

19 (b) Eligibility. A fleet must meet the following requirements to be eligible for fleet
20 registration.

21 (1) No fewer than 12 vehicles will be registered as a fleet;

22 (2) Vehicles may be registered in annual increments for up to eight years;

23 (3) All vehicles in a fleet must be owned by or leased to the same business entity;

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(4) All vehicles must be vehicles that are not registered under the International
Registration Plan; and

(5) Each vehicle must currently be titled in Texas or be issued a registration receipt,
or the registrant must submit an application for a title or registration for each vehicle.

(c) Application.

(1) Application for fleet registration must be in a form prescribed by the
department. At a minimum the form will require:

(A) the full name and complete address of the registrant;

(B) a description of each vehicle in the fleet, which may include the vehicle's
model year, make, model, vehicle identification number, document number, body style, gross
weight, empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in
tons;

(C) the existing license plate number, if any, assigned to each vehicle; and

(D) any other information that the department may require.

(2) The application must be accompanied by the following items:

(A) in the case of a leased vehicle, a certification that the vehicle is currently
leased to the person to whom the fleet registration will be issued;

(B) registration fees prescribed by law for the entire registration period
selected by the registrant;

(C) local fees or other fees prescribed by law and collected in conjunction
with registering a vehicle for the entire registration period selected by the registrant;

(D) evidence of financial responsibility for each vehicle as required by
Transportation Code, §502.046, unless otherwise exempted by law;

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- 1 (E) annual proof of payment of Heavy Vehicle Use Tax;
- 2 (F) any fees that are required to be collected at the time of registration
- 3 under Transportation Code, §548.509 for the first year of registration under Transportation Code,
- 4 §502.0023; [the state's portion of the vehicle inspection fee ;] and
- 5 (G) any other documents or fees required by law.
- 6 (d) Registration period.
- 7 (1) The fleet owner will designate a single registration period for a fleet so the
- 8 registration period for each vehicle will expire on the same date.
- 9 (2) The fleet registration period will begin on the first day of a calendar month and
- 10 end on the last day of a calendar month.
- 11 (e) Registration receipt and fleet license plates.
- 12 (1) As evidence of registration, the department will issue a registration receipt and
- 13 one or two metal fleet license plates for each vehicle in a fleet.
- 14 (2) The registration receipt for each vehicle shall at all times be carried in that
- 15 vehicle and be available to law enforcement personnel upon request.
- 16 (3) A registration receipt or fleet license plate may not be transferred between
- 17 vehicles, owners, or registrants.
- 18 (f) Fleet composition.
- 19 (1) A registrant may add a vehicle to a fleet at any time during the registration
- 20 period. An added vehicle will be given the same registration period as the fleet and will be issued
- 21 one or two metal fleet license plates and a registration receipt.
- 22 (2) A registrant may remove a vehicle from a fleet at any time during the
- 23 registration period. After a vehicle is removed from the fleet, the fleet registrant shall either

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1 return the metal fleet license plates for that vehicle to the department or provide the department
2 with acceptable proof that the metal fleet license plates for that vehicle have been destroyed.
3 Credit for any vehicle removed from the fleet for the remaining full year increments can be applied
4 to any vehicle added to the fleet or at the time of renewal. No refunds will be given if credit is not
5 used or the account is closed.

6 (3) If the number of vehicles in an account falls below 12 during the registration
7 period, fleet registration will remain in effect. If the number of vehicles in an account is below 12
8 at the end of the registration period, fleet registration will be canceled. In the event of
9 cancellation, each vehicle shall be registered separately. The registrant shall immediately either
10 return all metal fleet license plates to the department or provide the department with acceptable
11 proof that the metal fleet license plates have been destroyed.

12 (g) Fees.

13 (1) When a fleet is first established, the department will charge a registration fee
14 for each vehicle for the entire registration period selected. A currently registered vehicle, however,
15 will be given credit for any remaining time on its separate registration.

16 (2) When a vehicle is added to an existing fleet, the department will charge a
17 registration fee that is prorated based on the number of months of fleet registration remaining. If
18 the vehicle is currently registered, this fee will be adjusted to provide credit for the number of
19 months of separate registration remaining.

20 (3) When a vehicle is removed from fleet registration, it will be considered to be
21 registered separately. The vehicle's separate registration will expire on the date that the fleet
22 registration would have expired. The registrant must pay the statutory replacement fee to obtain
23 regular registration insignia before the vehicle may be operated on a public highway.

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(4) In addition to the registration fees prescribed by Transportation Code, Chapter 502, an owner registering a fleet under this section must pay a one-time fee of \$10 per motor vehicle, semitrailer, or trailer in the fleet. This fee is also due as follows:

(A) for each vehicle added to the owner's existing fleet; and

(B) for each vehicle that a buyer registers as a fleet, even though the seller previously registered some or all of the vehicles as a fleet under this section.

(h) Payment. Payment will be made in the manner prescribed by the department.

(i) Cancellation.

(1) The department will cancel registration for non-payment and lack of proof of annual payment of the Heavy Vehicle Use Tax.

(2) The department may cancel registration on any fleet vehicle on the anniversary date of the registration if the fleet vehicle is not in compliance with the inspection requirements under Transportation Code, Chapter 548 or the inspection requirements in the rules of the Texas Department of Public Safety.

(3) A vehicle with a canceled registration may not be operated on a public highway.

(4) If the department cancels the registration of a vehicle under this subsection, the registrant can request the department to reinstate the registration by doing the following:

(A) complying with the requirements for which the department canceled the registration;

(B) providing the department with notice of compliance on a form prescribed by the department; and

(C) for a registration canceled under paragraph (2) of this subsection, paying an administrative fee in the amount of \$10.

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(5) A registrant is eligible for reinstatement of the registration only within 90 calendar days of the department's notice of cancellation.

(6) If a registrant fails to timely reinstate the registration of a canceled vehicle registration under this section, the registrant:

(A) is not entitled to a credit or refund of any registration fees for the vehicle; and

(B) must immediately either return the metal fleet license plates to the department or provide the department with acceptable proof that the metal fleet license plates have been destroyed.

(j) Inspection fee. The registrant must pay the department by the deadline listed in the department's invoice for any fees that are required to be collected at the time of registration under Transportation Code, §548.509 on an annual basis under Transportation Code, §502.0023.
~~[the state's portion of the vehicle inspection fee.]~~

§217.55. Exempt and Alias Vehicle Registration.

(a) Exempt license plate registration.

(1) Issuance. Pursuant to Transportation Code, §502.453 or §502.456, certain vehicles owned by and used exclusively in the service of a governmental agency, owned by a commercial transportation company and used exclusively for public school transportation services, designed and used for fire-fighting or owned by a volunteer fire department and used in the conduct of department business, privately owned and used in volunteer county marine law enforcement activities, used by law enforcement under an alias for covert criminal investigations, owned by units of the United States Coast Guard Auxiliary headquartered in Texas and used

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1 exclusively for conduct of United States Coast Guard or Coast Guard Auxiliary business and
2 operations, or owned or leased by a non-profit emergency medical service provider are exempt
3 from payment of a registration fee and are eligible for exempt plates.

4 (2) Application for exempt registration.

5 (A) Application. An application for exempt license plates shall be made to
6 the county tax assessor-collector, shall be made on a form prescribed by the department, and shall
7 contain the following information:

- 8 (i) vehicle description;
- 9 (ii) name of the exempt agency;
- 10 (iii) a certification by an authorized person stating that the vehicle is
11 owned or under the control of and will be operated by the exempt agency; and
- 12 (iv) a certification that each vehicle listed on the application has the
13 name of the exempt agency printed on each side of the vehicle in letters that are at least two
14 inches high or in an emblem that is at least 100 square inches in size and of a color sufficiently
15 different from the body of the vehicle as to be clearly legible from a distance of 100 feet, unless
16 the applicant complies with the requirements under this section for each vehicle that is exempt by
17 law from the inscription requirements.

18 (B) Emergency medical service vehicle.

- 19 (i) The application for exempt registration must contain the vehicle
20 description, the name of the emergency medical service provider, and a statement signed by an
21 officer of the emergency medical service provider stating that the vehicle is used exclusively as an
22 emergency response vehicle and qualifies for registration under Transportation Code, §502.456.

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1 (ii) A copy of an emergency medical service provider license issued
2 by the Department of State Health Services must accompany the application.

3 (C) Fire-fighting vehicle. The application for exempt registration of a fire-
4 fighting vehicle or vehicle owned privately by a volunteer fire department and used exclusively in
5 the conduct of department business must contain the vehicle description, including a description
6 of any fire-fighting equipment mounted on the vehicle if the vehicle is a fire-fighting vehicle. The
7 certification must be executed by the person who has the proper authority and shall state either:

8 (i) the vehicle is designed and used exclusively for fire-fighting; or

9 (ii) the vehicle is owned by a volunteer fire department and is used
10 exclusively in the conduct of its business.

11 (D) County marine law enforcement vehicle. The application for exempt
12 registration of a privately-owned vehicle used by a volunteer exclusively in county marine law
13 enforcement activities, including rescue operations, under the direction of the sheriff's
14 department must include a statement signed by a person having the authority to act for a sheriff's
15 department verifying that fact.

16 (E) United States Coast Guard Auxiliary vehicle. The application for exempt
17 registration of a vehicle owned by units of the United States Coast Guard Auxiliary headquartered
18 in Texas and used exclusively for conduct of United States Coast Guard or Coast Guard Auxiliary
19 business and operation, including search and rescue, emergency communications, and disaster
20 operations, must include a statement by a person having authority to act for the United States
21 Coast Guard Auxiliary that the vehicle or trailer is used exclusively in fulfillment of an authorized
22 mission of the United States Coast Guard or Coast Guard Auxiliary, including search and rescue,
23 emergency communications, or disaster operations.

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1 (F) Motor vehicles owned and used by state-supported institutions. If the
2 applicant is exempt from the inscription requirements under Education Code §51.932, the
3 applicant must present a certification that each vehicle listed on the application is exempt from
4 the inscription requirements under Education Code §51.932.

5 (3) Exception. A vehicle may be exempt from payment of a registration fee but
6 display license plates other than exempt license plates if the vehicle is not registered under
7 subsection (b) of this section.

8 (A) If the applicant is a law enforcement office, the applicant must present a
9 certification that each vehicle listed on the application will be dedicated to law enforcement
10 activities.

11 (B) If the applicant is exempt from the inscription requirements under
12 Transportation Code, §721.003, the applicant must present a certification that each vehicle listed
13 on the application is exempt from inscription requirements under Transportation Code, §721.003.
14 The applicant must also provide a citation to the section that exempts the vehicle.

15 (C) If the applicant is exempt from the inscription requirements under
16 Transportation Code, §721.005 the applicant must present a certification that each vehicle listed
17 on the application is exempt from inscription requirements under Transportation Code, §721.005.
18 The applicant must also provide a copy of the order or ordinance that exempts the vehicle.

19 (b) Affidavit for issuance of exempt registration under an alias.

20 (1) On receipt of an affidavit for alias exempt registration, approved by the
21 executive administrator of an exempt law enforcement agency, the department will issue alias
22 exempt license plates for a vehicle and register the vehicle under an alias for the law enforcement
23 agency's use in covert criminal investigations.

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(2) The affidavit for alias exempt registration must be in a form prescribed by the director and must include the vehicle description, a sworn statement that the vehicle will be used in covert criminal investigations, and the signature of the executive administrator or the executive administrator's designee as provided in paragraph (3) of this subsection. The vehicle registration insignia of any vehicles no longer used in covert criminal investigations shall be surrendered immediately to the department.

(3) The executive administrator, by annually filing an authorization with the director, may appoint a staff designee to execute the affidavit. A new authorization must be filed when a new executive administrator takes office.

(4) The letter of authorization must contain a sworn statement delegating the authority to sign the affidavit to a designee, the name of the designee, and the name and the signature of the executive administrator.

(5) The affidavit for alias exempt registration must be accompanied by an [by a title] application required by the department to create the alias record of vehicle registration and title as outlined in §217.13 of this title (relating to Alias Certificate of Title)[under §217.103 of this title (relating to Restitution Liens)]. The application must contain the information required by the department to create the alias record of vehicle registration and title.

(c) Replacement of exempt registration.

(1) If a metal exempt license plate is lost, stolen, or mutilated, a properly executed application for metal exempt license plates must be submitted to the county tax assessor-collector.

(2) An application for replacement metal exempt license plates must contain the vehicle description, original license number, and the sworn statement that the license plates

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1 furnished for the vehicle have been lost, stolen, or mutilated and will not be used on any other
2 vehicle.

3 (d) Title requirements. Unless exempted by statute, a vehicle must be titled at the time the
4 exempt registration is issued.

5 (e) Extended Registration of County Fleet Vehicles.

6 (1) Subsections (a)(2), (a)(3)(B), and (c) of this section do not apply under this
7 subsection.

8 (2) The owner of the exempt county fleet must file a completed application for
9 exempt county fleet registration on a form prescribed by the department, and shall contain the
10 following information:

11 (A) vehicle description;

12 (B) name of the exempt agency;

13 (C) a certification by an authorized person stating that the vehicle is owned
14 by and used exclusively in the service of the county;

15 (D) a certification that each vehicle listed on the application has the name
16 of the exempt agency printed on each side of the vehicle in letters that are at least two inches high
17 or in an emblem that is at least 100 square inches in size and of a color sufficiently different from
18 the body of the vehicle as to be clearly legible from a distance of 100 feet, unless the applicant
19 complies with the requirements under this section for each vehicle that is exempt by law from the
20 inscription requirements; and

21 (E) designation of a single registration period for the fleet to ensure that the
22 registration period for each vehicle will expire on the same last day of a calendar month.

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1 (3) The application for exempt county fleet registration must be accompanied by
2 any fees that are required to be collected at the time of registration under Transportation Code,
3 \$548.509 for the first year of registration under Transportation Code, \$502.0025. [the state's
4 portion of the vehicle inspection fees.]

5 (4) As evidence of registration, the department will issue a registration receipt and
6 one or two metal exempt fleet license plates for each vehicle in the exempt county fleet. The
7 registration receipt for each vehicle must be carried in that vehicle at all times and be made
8 available to law enforcement personnel upon request. The registration receipt and exempt fleet
9 license plates may not be transferred between vehicles, owners, or registrants.

10 (5) An owner may add or remove a vehicle from an exempt county fleet at any time
11 during the registration period. An added vehicle will be given the same registration period as the
12 other vehicles in the exempt county fleet and will be issued a registration receipt and one or two
13 metal exempt fleet license plates. Upon the removal of a vehicle from the exempt county fleet, the
14 owner of the vehicle shall dispose of the registration receipt and shall either return the metal
15 exempt fleet license plates to the department or provide the department with acceptable proof
16 that the metal exempt fleet license plates have been destroyed.

17 (6) An owner must pay the department by the deadline listed in the department's
18 invoice for any fees that are required to be collected at the time of registration under
19 Transportation Code, \$548.509 on an annual basis under Transportation Code, \$502.0025. [the
20 state's portion of the vehicle inspection fee.] Payment shall be made in the manner prescribed by
21 the department.

22 (7) The department may cancel registration on an exempt county fleet or any
23 vehicle in an exempt county fleet on the anniversary date of the registration if the vehicle is not in

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1 compliance with Transportation Code §502.0025, this subsection, the inspection requirements
2 under Transportation Code Chapter 548, or the inspection requirements in the rules of the Texas
3 Department of Public Safety. A vehicle with a canceled registration may not be operated on a
4 public highway.

5 (8) If the department cancels the registration of a vehicle in an exempt county fleet
6 under subsection (e)(7) of this section, the owner may request that the department reinstate the
7 registration. To request reinstatement, the owner must comply with the requirements that led the
8 department to cancel the registration and must provide the department with notice of compliance
9 on a form prescribed by the department. An owner is eligible for reinstatement of the registration
10 of a vehicle in an exempt county fleet if the department receives the owner's request for
11 reinstatement and proof of compliance no later than 90 calendar days after the date of the
12 department's notice of cancellation. If the department does not timely receive an owner's request
13 to reinstate the registration, the owner must immediately do the following:

14 (A) either return all metal exempt county fleet license plates to the
15 department or provide the department with acceptable proof that the metal exempt county fleet
16 license plates have been destroyed; and

17 (B) dispose of the registration receipt in a manner prescribed by the
18 department.

19 (9) If a metal exempt county fleet license plate is lost, stolen, or mutilated, the
20 owner may request a new metal exempt county fleet license plate from the department. The
21 request must include the following:

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(A) a certification that the previously issued metal exempt county fleet license plate furnished for the vehicle has been lost, stolen, or mutilated and that the new metal exempt county fleet license plate will not be used on any other vehicle;

(B) the vehicle description; and

(C) the original license plate number, if applicable.

§217.56. Registration Reciprocity Agreements.

(a) Purpose. To promote and encourage the fullest possible use of the highway system and contribute to the economic development and growth of the State of Texas and its residents, the department is authorized by Transportation Code, §502.091 to enter into agreements with duly authorized officials of other jurisdictions, including any state of the United States, the District of Columbia, a foreign country, a state or province of a foreign country, or a territory or possession of either the United States or of a foreign country, and to provide for the registration of vehicles by Texas residents and nonresidents on an allocation or distance apportionment basis, and to grant exemptions from the payment of registration fees by nonresidents if the grants are reciprocal to Texas residents.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Cab card--The apportioned vehicle registration receipt that contains, but is not limited to, the vehicle description and the registered weight at which the vehicle may operate in each jurisdiction.

(2) Department--The Texas Department of Motor Vehicles.

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(3) Director--The director of the Motor Carrier Division, Texas Department of Motor Vehicles.

(4) Executive director--The chief executive officer of the department.

(5) Regional Service Center--A department office which provides specific services to the public, including replacement titles, bonded title notices of determination [~~rejection letters~~], and apportioned registration under the International Registration Plan (IRP).

(6) Temporary cab card--A temporary registration [~~permit~~] authorized by the department that allows the operation of a vehicle for 30 days subject to all rights and privileges afforded to a vehicle displaying apportioned registration.

(c) Multilateral agreements.

(1) Authority. The executive director may on behalf of the department enter into a multilateral agreement with the duly authorized officials of two or more other jurisdictions to carry out the purpose of this section.

(2) International Registration Plan.

(A) Applicability. The IRP is a registration reciprocity agreement among states of the United States and other jurisdictions providing for payment of registration fees on the basis of fleet distance operated in various jurisdictions. Its purpose is to promote and encourage the fullest possible use of the highway system by authorizing apportioned registration for commercial motor vehicles and payment of appropriate vehicle registration fees and thus contributing to the economic development and growth of the member jurisdictions.

(B) Adoption. The department adopts by reference the January 1, 2024, [~~2022~~,] version of the IRP. The department also adopts by reference the January 1, 2016, version of the IRP Audit Procedures Manual. In the event of a conflict between this section and the IRP or the

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1 IRP Audit Procedures Manual, the IRP and the IRP Audit Procedures Manual control. Copies of the
2 documents are available online at www.irponline.org or on request to the department. ~~[for review~~
3 ~~in the Motor Carrier Division, Texas Department of Motor Vehicles. Copies are also available on~~
4 ~~request.]~~

5 (C) Application.

6 (i) An applicant must submit an application to the department on a
7 form prescribed by the director, along with additional documentation as required by the director.
8 An applicant shall provide the department with a copy of the applicant's receipt under the Unified
9 Carrier Registration System Plan and Agreement under 49 U.S.C. §14504a (UCR) to prove the
10 applicant is currently registered under UCR if the applicant is required to register under UCR.

11 (ii) Upon approval of the application, the department will compute
12 the appropriate registration fees and notify the registrant.

13 (D) Fees. Upon receipt of the applicable fees in the form as provided by
14 §209.23 of this title (relating to Methods of Payment), the department will issue one or two license
15 plates and a cab card for each vehicle registered.

16 (E) Display of License Plates and Cab Cards.

17 (i) The department will issue one license plate for a tractor, truck-
18 tractor, trailer, and semitrailer. The license plate issued to a tractor or a truck-tractor shall be
19 installed on the front of the tractor or truck-tractor, and the license plate issued for a trailer or
20 semitrailer shall be installed on the rear of the trailer or semitrailer.

21 (ii) The department will issue two license plates for all other vehicles
22 that are eligible to receive license plates under the IRP. Once the department issues two license

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1 plates for a vehicle listed in this clause, one plate shall be installed on the front of the vehicle, and
2 one plate shall be installed on the rear of the vehicle.

3 (iii) The cab card shall be carried at all times in the vehicle in
4 accordance with the IRP. If the registrant chooses to display an electronic image of the cab card on
5 a wireless communication device or other electronic device, such display does not constitute
6 consent for a peace officer, or any other person, to access the contents of the device other than
7 the electronic image of the cab card.

8 (iv) The authority to display an electronic image of the cab card on a
9 wireless communication device or other electronic device does not prevent the Texas State Office
10 of Administrative Hearings or a court of competent jurisdiction from requiring the registrant to
11 provide a paper copy of the cab card in connection with a hearing, trial, or discovery proceeding.

12 (F) Audit. An audit of the registrant's vehicle operational records may be
13 conducted by the department according to the IRP provisions and the IRP Audit Procedures
14 Manual. Upon request, the registrant shall provide the operational records of each vehicle for
15 audit in unit number order, in sequence by date, and including, but not limited to, a summary of
16 distance traveled by each individual vehicle on a monthly, quarterly, and annual basis with
17 distance totaled separately for each jurisdiction in which the vehicle traveled.

18 (G) Assessment. The department may assess additional registration fees of
19 up to 100% of the apportionable fees paid by the registrant for the registration of its fleet in the
20 registration year to which the records pertain, as authorized by the IRP, if an audit conducted
21 under subparagraph (F) of this paragraph reveals that:

22 (i) the operational records indicate that the vehicle did not generate
23 interstate distance in two or more member jurisdictions for the distance reporting period

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1 supporting the application being audited, plus the six-month period immediately following that
2 distance reporting period;

3 (ii) the registrant failed to provide complete operational records; or
4 (iii) the distance must be adjusted, and the adjustment results in a
5 shortage of registration fees due Texas or any other IRP jurisdiction.

6 (H) Refunds. If an audit conducted under subparagraph (F) of this paragraph
7 reveals an overpayment of fees to Texas or any other IRP jurisdiction, the department will refund
8 the overpayment of registration fees in accordance with Transportation Code, §502.195 and the
9 IRP. Any registration fees refunded to a carrier for another jurisdiction will be deducted from
10 registration fees collected and transmitted to that jurisdiction.

11 (I) Cancellation or revocation. The director or the director's designee may
12 cancel or revoke a registrant's apportioned registration and all privileges provided by the IRP as
13 authorized by the following:

14 (i) the IRP; or
15 (ii) Transportation Code, Chapter 502.

16 (J) Procedures for assessment, cancellation, or revocation.

17 (i) Notice. If a registrant is assessed additional registration fees, as
18 provided in subparagraph (G) of this paragraph, and the additional fees are not paid by the due
19 date provided in the notice or it is determined that a registrant's apportioned license plates and
20 privileges should be canceled or revoked, as provided in subparagraph (I) of this paragraph, the
21 director or the director's designee will mail a notice by certified mail to the last known address of
22 the registrant. The notice will state the facts underlying the assessment, cancellation, or

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1 revocation; the effective date of the assessment, cancellation, or revocation; and the right of the
2 registrant to request a conference as provided in clause (ii) of this subparagraph.

3 (ii) Conference. A registrant may request a conference upon receipt
4 of a notice issued as provided by clause (i) of this subparagraph. The request must be made in
5 writing to the director or the director's designee within 30 days of the date of the notice. If timely
6 requested, the conference will be scheduled and conducted by the director or the director's
7 designee at division headquarters in Austin and will serve to abate the assessment, cancellation, or
8 revocation unless and until that assessment, cancellation, or revocation is affirmed or disaffirmed
9 by the director or the director's designee. In the event matters are resolved in the registrant's
10 favor, the director or the director's designee will mail the registrant a notice of withdrawal,
11 notifying the registrant that the assessment, cancellation, or revocation is withdrawn, and stating
12 the basis for that action. In the event matters are not resolved in the registrant's favor, the
13 director or the director's designee will issue a decision reaffirming the department's assessment of
14 additional registration fees or cancellation or revocation of apportioned license plates and
15 privileges. The registrant has the right to appeal in accordance with clause (iii) of this
16 subparagraph.

17 (iii) Appeal. If a conference held in accordance with clause (ii) of this
18 subparagraph fails to resolve matters in the registrant's favor, the registrant may submit an appeal
19 under §224.122 of this title (relating to Appeal of Decision Regarding Assessment, Cancellation, or
20 Revocation Under §217.56). An appeal will be governed by Chapter 224 of this title (relating to
21 Adjudicative Practice and Procedure) and Transportation Code, Chapter 502.

22 (K) Reinstatement.

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(i) The director or the director's designee will reinstate apportioned registration to a previously canceled or revoked registrant if all applicable fees and assessments due on the previously canceled or revoked apportioned account have been paid and the applicant provides proof of an acceptable recordkeeping system for a period of no less than 60 days.

(ii) The application for the following registration year will be processed in accordance with the provisions of the IRP.

(L) Denial of apportioned registration for safety reasons. The department will comply with the requirements of the Performance and Registration Information Systems Management program (PRISM) administered by the Federal Motor Carrier Safety Administration (FMCSA).

(i) Denial or suspension of apportioned registration. Upon notification from the FMCSA that a carrier has been placed out of service for safety violations, the department will:

(I) deny initial issuance of apportioned registration;

(II) deny authorization for a temporary cab card, as provided for in subparagraph (M) of this paragraph;

(III) deny renewal of apportioned registration; or

(IV) suspend current apportioned registration.

(ii) Issuance after denial of registration or reinstatement of suspended registration. The director or the director's designee will reinstate or accept an initial or renewal application for apportioned registration from a registrant who was suspended or denied registration under clause (i) of this subparagraph upon presentation of a Certificate of Compliance from FMCSA, in addition to all other required documentation and payment of fees.

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1 (M) Temporary cab card.

2 (i) Application. The department may authorize issuance of a
3 temporary cab card to a motor carrier with an established Texas apportioned account for a vehicle
4 upon proper submission of all required documentation, a completed application, and all fees for
5 either:

6 (I) Texas title as prescribed by Transportation Code, Chapter
7 501 and Subchapter A of this chapter (relating to Motor Vehicle Titles); or

8 (II) registration receipt to evidence title for registration
9 purposes only (Registration Purposes Only) as provided for in Transportation Code, §501.029 and
10 §217.24 of this title (relating to Vehicle Last Registered in Another Jurisdiction).

11 (ii) Title application. A registrant who is applying for a Texas title as
12 provided for in clause (i)(I) of this subparagraph and is requesting authorization for a temporary
13 cab card, must submit to a Regional Service Center a photocopy of the title application receipt
14 issued by the county tax assessor-collector's office.

15 (iii) Registration Purposes Only. A registrant who is applying for
16 Registration Purposes Only under clause (i)(II) of this subparagraph and is requesting authorization
17 for a temporary cab card, must submit an application and all additional original documents or
18 copies of original documents required by the director to a Regional Service Center.

19 (iv) Department approval. On department approval of the submitted
20 documents, the department will send notice to the registrant to finalize the transaction and make
21 payment of applicable registration fees.

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(v) Finalization and payment of fees. To finalize the transaction and print the temporary cab card, the registrant may compute the registration fees through the department's apportioned registration software application, TxFLEET [~~TxIRP~~] system, and:

(I) make payment of the applicable registration fees to the department as provided by §209.23 of this title; and

(II) afterwards, mail or deliver payment of the title application fee in the form of a check, certified cashier's check, or money order payable to the county tax assessor-collector in the registrant's county of residency and originals of all copied documents previously submitted.

(vi) Deadline. The original documents and payment must be received by the Regional Service Center within 72-hours after the time that the office notified the registrant of the approval to print a temporary cab card as provided in clause (iv) of this subparagraph.

(vii) Failure to meet deadline. If the registrant fails to submit the original documents and required payment within the time prescribed by clause (vi) of this subparagraph, the registrant's privilege to use this expedited process to obtain a temporary cab card will be denied by the department for a period of six months from the date of approval to print the temporary cab card.

STATUTORY AUTHORITY. The department proposes a repeal to Chapter 217 under Transportation Code §551.202, which identifies the operation on roadways of electric personal assistive mobility devices.

CROSS REFERENCE TO STATUTE. The proposed repeal would implement Transportation Code §551.202, §217.34, Electric Personal Assistive Mobility Devices.

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1 Text.

2 ~~[217.34. Electric Personal Assistive Mobility Device.]~~

3 ~~[The owner of an electric personal assistive mobility device, as defined by Transportation~~
4 ~~Code, §551.201, is not required to register it. The device may only be operated on a residential~~
5 ~~street, roadway, or public highway in accordance with Transportation Code, §551.202.]~~

7 **SUBCHAPTER C. REGISTRATION AND TITLE SYSTEMS**

8 **43 TAC §§217.71, 217.74, AND 217.75**

9

10 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
11 department proposes amendments to Chapter 217 under Transportation Code §502.0021, which gives
12 the department authority to adopt rules to administer Transportation Code Chapter 502, Registration of
13 Vehicles; Transportation Code §502.040, which authorizes the department to prescribe the process and
14 procedures for applying for a motor vehicle registration; Transportation Code §502.059, which
15 authorizes the department to adopt rules providing for an automated registration process;
16 Transportation Code §520.003, which authorizes the department to adopt rules to administer
17 Transportation Code §520, Miscellaneous Provisions; Transportation Code §520.004, which authorizes
18 the department to adopt rules to establish standards for uniformity and service quality for counties
19 conducting registration and titling services; Transportation Code §520.0055, as created by HB 718, gives
20 the department authority to mandate motor vehicle dealers use a department designated electronic
21 system to submit title and registration applications to county tax assessor-collectors for motor vehicle
22 transactions; and Transportation Code §1002.001, which authorizes the board to adopt rules that are

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necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout the this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§502.0021, 502.040, 502.059, 520.003, 520.004, 520.0055, and 1002.

Text.

§217.71. Automated and Web-Based Vehicle Registration and Title Systems.

(a) Purpose.

(1) Transportation Code, Chapters 501 and 502, charge the department with the responsibility for issuing titles and registering vehicles operating on the roads, streets, and highways of the state.

(2) To provide a more efficient, cost-effective system for registering and titling vehicles, submitting title and registration records to county tax assessor-collectors and the department, maintaining records, improving inventory control of accountable items, and collecting and reporting of applicable fees consistent with those statutes, the department has designed:

(A) an automated system known as the registration and title system. This system expedites registration and titling processes, provides a superior level of customer service to the owners and operators of vehicles, and facilitates availability of the department's motor vehicle records for official law enforcement needs. Automated equipment compatible with the registration and title system is indispensable to the operational integrity of the system; and

(B) a web-based system known as webDEALER. This system expedites registration and titling processes, provides a superior level of customer service to the owners and

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operators of vehicles, and facilitates availability of the department's motor vehicle records for official law enforcement needs.

(3) This subchapter prescribes the policies and procedures under which the department may make the automated equipment available to a county tax assessor-collector as designated agent of the state for processing title and vehicle registration documents and the policies and procedures ~~[for users who opt]~~ to use webDEALER.

(b) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Automated equipment--Equipment associated with the operation of the registration and titling system, including, but not limited to, microcomputers, printers, software, and cables.

(2) Department--The Texas Department of Motor Vehicles.

(3) Executive director--The executive director of the Texas Department of Motor Vehicles.

(4) Fair share allocation--The amount of automated equipment determined by the department to be effective at providing a reasonable level of service to the public. This amount will be determined on transaction volumes, number of county substations, and other factors relating to a particular county's need.

(5) RTS--The department's registration and title system.

(6) Title application--A form as defined by §217.2 of this title (relating to Definitions), and includes the electronic process provided by the department that captures the information required by the department to create a motor vehicle title record.

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(7) webDEALER--The department's web-based titling and registration system used to submit title applications to county tax assessor-collectors and the department. This term includes any other web-based system which facilitates electronic submission of title applications, including webSALVAGE, eTITLE, and webLIEN.

§217.74. webDEALER Access, Use, and Training. ~~[Access to and Use of webDEALER.]~~

(a) Each county tax assessor-collector shall request access to, and accept title applications submitted through, webDEALER. A county tax assessor-collector must utilize webDEALER in order to accept a title application in the county as provided by subsections (b) and (c) of this section.

(b) Except as provided in subsection (c) of this section, a person who wishes to become a user of webDEALER must contact each entity to whom they submit title applications for authorization to utilize webDEALER. A user must receive authorization from each entity, including each county tax assessor-collector, to whom the user submits title applications. Title applications submitted to the department require the authorization by the department.

(c) A motor vehicle dealer who holds ~~[holder of]~~ a general distinguishing number (holder) ~~[who wishes to become a user of webDEALER]~~ must contact each county tax assessor-collector to whom they submit title applications for webDEALER access. The county must provide the holder access. A holder must obtain access from each county ~~[tax assessor-collector]~~ to whom the user submits title applications. All active holders must obtain access to webDEALER in advance of July 1, 2025. If a holder does not have webDEALER access by April 30, 2025, the department may provide the holder access to webDEALER in the county where the holder is located.

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(d) A county tax assessor-collector may authorize a deputy appointed by the county tax assessor-collector in accordance with subchapter H of this chapter (relating to Deputies) to utilize webDEALER.

(e) An entity or [A] person authorized under subsection (b) of this section may have their authorization to use webDEALER revoked, rescinded, or cancelled at any time, with no notice, at the discretion of a county tax assessor-collector or the department.

(f) When submitting a title application through webDEALER, a user must:

(1) stamp the word "SURRENDERED" across the front face and the next open assignment or reassignment space of any secure title document or other acceptable ownership evidence as determined by the department in:

(A) arial font;

(B) black ink; and

(C) a size of 1/4" height x 2 1/4" length;

(2) retain the physical document described in paragraph (1) of this subsection for a minimum of four calendar years from the date of submitting a scanned copy of the stamped title document using the webDEALER system; and

(3) submit any documents required to be submitted with the title application with a scanned resolution of at least 200 dots per inch (DPI).

(g) Required webDEALER training. A holder described under subsection (c) and required to process title and registration transactions through webDEALER in accordance with Transportation Code, Section 520.0055, and each user accessing webDEALER under the holder's account must complete webDEALER training conducted by the department by April 30, 2025. New users created

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1 on or after April 30, 2025, must complete webDEALER training before being given webDEALER
2 permissions.

3 (1) Required training will include, at a minimum, training regarding transactions
4 performed in webDEALER and proper use of the system.

5 (2) A holder who has had access to webDEALER for more than six months and
6 submitted more than 100 transactions within the system as of October 1, 2024, is not required to
7 take the webDEALER training under this section.

8 (3) Failure for holders and users accessing webDEALER under the holder's account
9 to complete the required training as outlined in this section shall result in denial of access to
10 webDEALER.

11
12 §217.75. Required Training on the Registration and Title System and Identification of Fraud.

13 (a) Required training. A person performing registration or titling services through RTS,
14 including a department employee, department contractor, county tax assessor-collector employee,
15 or full service deputy as defined by §217.162(6) of this title (relating to Definitions), must complete
16 a training program as prescribed by this section. Required training will include, at a minimum:

17 (1) training regarding transactions performed in RTS; and

18 (2) identification of fraudulent activity related to vehicle registration and titling.

19 (b) Online training. The department will make required training for county tax assessor-
20 collector employees and full service deputies available through the department's online training
21 system.

22 (c) Registration and Title System training for county tax assessor-collector staff and full
23 service deputies. To satisfy the training requirements under subsection (a)(1) of this section, a

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1 county tax assessor-collector employee or full service deputy must complete each training course
2 associated with the permissions that person is assigned in RTS. A person completes a training
3 course when the person obtains a score of at least 80 percent on the course test, and the training
4 is verified. This section does not limit the number of times or how often a person may take a
5 training course or test.

6 (1) A county tax assessor-collector or county tax assessor-collector's system
7 administrator must create accounts for and assign permissions in RTS to each employee or full
8 service deputy who will be given access to RTS based on that person's job duties as determined by
9 the county tax assessor-collector or the county tax assessor-collector's system administrator.

10 (2) The department will assign training content for specific permissions in RTS.

11 (3) A person must take required training using the person's individually assigned
12 training identifier for the department's online training system.

13 (4) The department will enable a permission on completion of required training.

14 (5) ~~[A person with permissions in RTS on or before the effective date of this section
15 must complete required training under this section by August 31, 2020. A person who has not been
16 assigned permissions in RTS on or before the effective date of this section must complete all
17 required training before permissions are enabled by the department.]~~

18 ~~[(6)]~~ If new training is made available for a new or existing permission ~~[after August~~
19 ~~31, 2020,]~~ a person with permissions enabled before the new training is made available must
20 complete the required training within 120 days of the department's notification that the training is
21 available. A county employee, or full service deputy, who is on leave on the date of the
22 department's notification that the new training is available, for at least 120 days thereafter, and

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1 due to circumstances beyond that person's control, as determined by the county tax assessor-
2 collector may have an additional 14 days upon returning to work to complete the new training.

3 (d) Failure to complete required training.

4 (1) Except as provided in paragraph (2) of this subsection, the department will
5 disable a permission if a person fails to complete required training for the permission within the
6 timeframes required by this section.

7 (2) The department will not disable a permission for a county tax assessor-collector
8 employee or a full service deputy if the person timely submits their score for each required
9 training course; however, the department will disable the person's permission if the department
10 determines that the submitted score is not at least 80 percent.

11 (3) A disabled permission may be enabled by using the process to complete training
12 and enable permissions in subsection (c) of this section.

13
14 **SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES**

15 **43 TAC §§217.81-217.86, 217.88, and 217.89**
16

17 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 217 under Transportation
18 Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code,
19 Chapter 501, Certificate of Title Act; Transportation Code, §501.030, which authorizes the department to
20 adopt rules governing identification number inspections for motor vehicles brought into the state;
21 Transportation Code, §501.0925, which authorizes the department to adopt rules governing the issuance
22 of titles to insurance companies; Transportation Code, §501.097, which authorizes the department to
23 prescribe the process and procedures for applying for nonrepairable and salvage vehicle titles;

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Transportation Code, §501.1003, which authorizes the department to require salvage dealers to report nonrepairable and salvage motor vehicles that are dismantled, scrapped or destroyed and to surrender ownership documents for such vehicles; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§501.0041, 501.030, 501.0925, 501.097, 501.1003, and 1002.001.

Text.

§217.81. Purpose and Scope.

Transportation Code, Chapter 501, Subchapter E, charges the department with the responsibility of issuing titles for non[-]repairable and salvage motor vehicles ~~[titles]~~ and ~~[certificates of]~~ titles for rebuilt salvage motor vehicles. For the department to efficiently and effectively issue the vehicle titles ~~[and certificates of title]~~, maintain records, collect the applicable fees, and ensure the proper application by motor vehicle owners, this subchapter prescribes the policies and procedures for the application for and issuance of vehicle titles for non[-]repairable and salvage motor vehicles, and titles for rebuilt salvage motor vehicles.

§217.82. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

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1 (1) Casual sale--sale as defined by Transportation Code, §501.091(2) [~~The sale by a~~
2 ~~salvage vehicle dealer, insurance company, or salvage pool operator of not more than five nonrepairable~~
3 ~~or salvage motor vehicles to the same person during a calendar year. The term does not include a sale to~~
4 ~~a salvage vehicle dealer or the sale of an export-only motor vehicle to a person who is not a resident of~~
5 ~~the United States].~~

6 (2) Certificate of title--title as defined by Transportation Code, §501.002(1-a) [~~A written~~
7 ~~instrument that may be issued solely by and under the authority of the department and that reflects the~~
8 ~~transferor, transferee, vehicle description, license plate and lien information, and rights of survivorship~~
9 ~~agreement as specified in Subchapter A of this chapter or as required by the department].~~

10 (3) Application for Title--A form prescribed by the director of the department's Vehicle
11 Titles and Registration Division that reflects the information required by the department to create a
12 motor vehicle title record.

13 (4) Damage--damage as defined by Transportation Code, §501.091(3) [~~Sudden damage~~
14 ~~to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major~~
15 ~~component parts. The term does not include gradual damage from any cause, sudden damage caused~~
16 ~~by hail, or any damage caused only to the exterior paint of the motor vehicle].~~

17 (5) Date of sale--The date of the transfer of possession of a specific vehicle from a seller
18 to a purchaser.

19 (6) Department--The Texas Department of Motor Vehicles.

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(7) Export-only sale--The sale of a nonrepairable or salvage motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

(8) Flood damage--A title remark that is initially indicated on a nonrepairable or salvage vehicle title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title issuance.

(9) Insurance company--as defined by Transportation Code, §501.091(5) ~~[A person authorized to write automobile insurance in this state or an out-of-state insurance company that pays a loss claim for a motor vehicle in this state].~~

(10) Manufacturer's certificate of origin--A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for title, showing, on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

(11) Metal recycler--A person as defined by Transportation Code §501.091(7) ~~[who:]~~

~~[(A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;]~~

~~[(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by a method~~

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~~other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and]~~

~~[(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products].~~

(12) Motor vehicle--A vehicle described by Transportation Code, §501.002(17).

(13) Nonrepairable motor vehicle--A motor vehicle as defined by Transportation Code, §501.091(9).

(14) Nonrepairable vehicle title--title as defined by Transportation Code, §501.091(10)
~~[A document that evidences ownership of a nonrepairable motor vehicle].~~

(15) Nonrepairable record of title--title as defined by Transportation Code, §501.091(10-
a).

~~(16)[(15)] Out-of-state buyer--~~buyer as defined by Transportation Code, §501.091(11) [A person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles or nonrepairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or nonrepairable motor vehicles in the other state or jurisdiction].

~~(17)[(16)] Out-of-state ownership document--~~A negotiable document issued by another jurisdiction that the department considers sufficient to prove ownership of a nonrepairable or salvage

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motor vehicle and to support issuance of a comparable Texas certificate of title for the motor vehicle.

The term does not include a title issued by the department, including a:

(A) regular certificate of title;

(B) nonrepairable vehicle title;

(C) salvage vehicle title;

(D) salvage certificate;

(E) Certificate of Authority to Demolish a Motor Vehicle; or

(F) any other ownership document issued by the department.

(18) ~~(17)~~ Person--An individual, partnership, corporation, trust, association, or other private legal entity.

(19) ~~(18)~~ Rebuilt salvage ~~[certificate of]~~ title--A ~~[regular certificate of]~~ title evidencing ownership of a nonrepairable motor vehicle that was issued a nonrepairable vehicle title prior to September 1, 2003, or salvage motor vehicle that has been rebuilt.

(20) ~~(19)~~ Salvage motor vehicle--A motor vehicle, regardless of the year model:

(A) that ~~[is]~~:

(i) is damaged or is missing a major component part to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage; or

(ii) ~~[damaged and]~~ comes into this state under an out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable,"

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"rebuildable," "salvageable," or similar notation, and is not an out-of-state ownership document with a "rebuilt," "prior salvage," or similar notation, or a nonrepairable motor vehicle; and

(B) does not include:

(i) a motor vehicle for which an insurance company has paid a claim for repairing hail damage, or theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage;

(ii) the cost of materials or labor for repainting the motor vehicle; or

(iii) sales tax on the total cost of repairs.

(21) [(20)] Salvage vehicle dealer--dealer as defined by Transportation Code, §501.091(17) [A person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable motor vehicles or salvage motor vehicles or used parts, including a person who is in the business of a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year].

(22) [(21)] Salvage vehicle title--title as defined by Transportation Code, §501.091(16) [A document issued by the department that evidences ownership of a salvage motor vehicle].

(23) Salvage record of title--title as defined by Transportation Code, §501.091(16-a).

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§217.83. Requirement for Non[-]repairable or Salvage Vehicle Title or Nonrepairable or Salvage Record of Title.

(a) Determination of condition of vehicle.

(1) Salvage motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs shall be used to determine whether the damage is sufficient to classify the motor vehicle as a salvage motor vehicle.

(2) Non[-]repairable motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs, or any [alternate] method commonly used by the insurance industry, shall be used to determine whether the damage is sufficient to classify the motor vehicle as a non[-]repairable motor vehicle.

(3) The actual cash value of the motor vehicle is the market value of a motor vehicle as determined:

(A) from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or

(B) if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied in a uniform manner.

(4) The cost of repairs, including parts and labor, shall be determined by:

(A) using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or

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(B) an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

(5) The cost of repairs does not include:

(A) the cost of:

(i) repairs related to gradual damage to a motor vehicle;

(ii) repairs related to hail damage; or

(iii) materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or

(B) sales tax on the total cost of repairs.

(b) Who must apply.

(1) An insurance company licensed to do business in this state that acquires ownership or possession of a non[-]repairable or salvage motor vehicle that is covered by a ~~certificate of~~ title issued by this state or a manufacturer's certificate of origin shall obtain a non[-]repairable or salvage vehicle title or nonrepairable or salvage record of title, as provided by §217.84 of this title (relating to Application for Non[-]repairable or Salvage Vehicle Title or Nonrepairable or Salvage Record of Title), before selling or otherwise transferring the non[-]repairable or salvage motor vehicle, except as provided by subsection (c) of this section.

(2) A salvage vehicle dealer shall obtain a Non[-]repairable or Salvage Vehicle Title or Nonrepairable or Salvage Record of Title, or comparable out-of-state ownership document, before

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selling or otherwise transferring the motor vehicle, except as provided by §217.88(b) of this title
(relating to Sale, Transfer, or Release of Ownership of a Non[-]repairable or Salvage Motor Vehicle).

(3) A person, other than an insurance company or salvage vehicle dealer, who acquires ownership of a non[-]repairable or salvage motor vehicle that has not been issued a non[-]repairable vehicle title, a salvage vehicle title, or a comparable out-of-state ownership document, shall obtain a non[-]repairable or salvage vehicle title or nonrepairable or salvage record of title, as provided by §217.84, before selling or otherwise transferring the motor vehicle, unless the motor vehicle will be dismantled, scrapped, or destroyed.

(c) Owner-retained vehicles.

~~[(1) An owner may retain a vehicle only as provided by this subsection and if the vehicle was titled in Texas before it became a salvage or non-repairable vehicle.]~~

~~(1)~~~~[(2)]~~ When an insurance company pays a claim on a non[-]repairable or salvage motor vehicle and does not acquire ownership of the motor vehicle, the company shall submit through webDEALER to the department before the 31st day after the date of the payment of the claim, on a form prescribed by the department, a report stating that:

(A) the insurance company has paid a claim on the non[-]repairable or salvage motor vehicle; and

(B) the insurance company has not acquired ownership of the non[-]repairable or salvage motor vehicle.

~~(2)~~~~[(3)]~~ Upon receipt of the report described in paragraph (2) of this subsection, the department will place an appropriate notation on the motor vehicle record to prevent registration and

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1 transfer of ownership prior to the issuance of a salvage or non[-]repairable vehicle title or salvage or
2 nonrepairable record of title.

3 (3)[(4)] The owner who retained the non[-]repairable or salvage motor vehicle to which
4 this subsection applies shall obtain a non[-]repairable or salvage vehicle title or nonrepairable or salvage
5 record of title, as provided by §217.84, before selling or otherwise transferring the non[-]repairable or
6 salvage motor vehicle.

7 ~~[(5) Until a non-repairable or salvage vehicle title, or a comparable out-of-state~~
8 ~~ownership document, has been issued for an owner retained non-repairable or salvage vehicle, the~~
9 ~~owner of the motor vehicle may not sell or otherwise transfer ownership of the vehicle.]~~

10 (4)[(6)] The owner of an owner retained non[-]repairable or salvage motor vehicle may
11 not operate or permit operation of the motor vehicle on a public highway, until the motor vehicle is
12 rebuilt, titled as a rebuilt salvage motor vehicle or rebuilt non[-]repairable motor vehicle, if applicable,
13 and is registered in accordance with Subchapter B of this chapter.

14 (d) Self-insured vehicles. The owner of a non[-]repairable or salvage motor vehicle that is self-
15 insured and that has been removed from normal operation by the owner shall apply to the department
16 for a non[-]repairable or salvage vehicle title or nonrepairable or salvage record of title, as provided by
17 §217.84, before the 31st day after the damage occurred, and before selling or otherwise transferring
18 ownership of the non[-]repairable or salvage motor vehicle.

19 (e) Casual sales. A salvage vehicle dealer, salvage pool operator, or insurance company that
20 acquires a non[-]repairable or salvage motor vehicle shall apply to the department for a non[-]repairable
21 or salvage vehicle title or nonrepairable or salvage record of title, in accordance with §217.84, prior to
22 offering the motor vehicle for sale in a casual sale.

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(f) Export-only vehicles. A salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or governmental entity that acquires a non[-]repairable or salvage motor vehicle and offers it for sale to a non-United States resident shall apply to the department for a non[-]repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the non[-]repairable or salvage motor vehicle and before delivery of the non[-]repairable or salvage motor vehicle to the buyer. A salvage vehicle dealer or governmental entity shall maintain records of all export-only non[-]repairable or salvage motor vehicle sales as provided by §217.88(g).

(g) Voluntary application. A person who owns or acquires a motor vehicle that is not a non[-]repairable or salvage motor vehicle may voluntarily, and on proper application, as provided by §217.84, apply for a non[-]repairable or salvage vehicle title or nonrepairable or salvage record of title.

§217.84. Application for Nonrepairable or Salvage Vehicle Title or Nonrepairable or Salvage Record of Title.

(a) Place of application. The owner of a nonrepairable or salvage motor vehicle who is required to obtain or voluntarily chooses to obtain a nonrepairable or salvage vehicle title, as provided by §217.83 of this title (relating to Requirement for Non[-]repairable or Salvage Vehicle Title or Nonrepairable or Salvage Record of Title), shall apply for a nonrepairable or salvage vehicle title or nonrepairable or salvage record of title by submitting an application, the required accompanying documentation, and the statutory fee to the department.

(b) Information on application. An applicant for a nonrepairable or salvage vehicle title or nonrepairable or salvage record of title shall submit an application on a form prescribed by the

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department. A completed form, in addition to any other information required by the department, must include:

(1) the name and current address of the owner;

(2) a description of the motor vehicle, including the model year, make, body style, and vehicle identification number;

(3) a statement describing whether the motor vehicle is a nonrepairable or salvage motor vehicle;

(4) whether the damage was caused exclusively by flood;

(5) a description of the damage to the motor vehicle that discloses which major component part(s) must be repaired or replaced as a result of the damage to the part(s);

(6) the odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements, if the motor vehicle is a salvage motor vehicle;

(7) the name and mailing address of any lienholder and the date of lien, as provided by subsection (e) of this section; and

(8) the signature of the applicant or the applicant's authorized agent and the date the ~~[certificate of]~~ title application was signed.

(c) Accompanying documentation. A nonrepairable or salvage vehicle title or nonrepairable or salvage record of title application must be supported, at a minimum, by:

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(1) evidence of ownership, as described by subsection (d)(1) or (3) of this section, if the applicant is an insurance company that is unable to locate one or more of the owners;

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if the motor vehicle is less than 10 model years old and the motor vehicle is a salvage motor vehicle; and

(3) a release of any liens.

(d) Evidence of nonrepairable or salvage motor vehicle ownership.

(1) Evidence of nonrepairable or salvage motor vehicle ownership properly assigned to the applicant must accompany the application for a nonrepairable or salvage vehicle title or nonrepairable or salvage record of title, except as provided by paragraph (2) of this subsection. Evidence must include documentation sufficient to show ownership to the nonrepairable or salvage motor vehicle, such as:

(A) a Texas [~~Certificate of~~] Title;

(B) a certified copy of a Texas [~~Certificate of~~] Title;

(C) a manufacturer's certificate of origin;

(D) a Texas Salvage Certificate;

(E) a nonrepairable vehicle title or record of title;

(F) a salvage vehicle title or record of title;

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(G) a comparable ownership document issued by another jurisdiction, except that if the applicant is an insurance company, evidence must be provided indicating that the insurance company is:

(i) licensed to do business in Texas; or

(ii) not licensed to do business in Texas, but has paid a loss claim for the motor vehicle in this state; or

(H) a photocopy of the inventory receipt or a title and registration verification evidencing surrender to the department of the negotiable evidence of ownership for a motor vehicle as provided by §217.86 of this title (relating to Dismantling, Scrapping, or Destruction of Motor Vehicles), and if the evidence of ownership surrendered was from another jurisdiction, a photocopy of the front and back of the surrendered evidence of ownership.

(2) An insurance company that acquires ownership or possession of a nonrepairable or salvage motor vehicle through payment of a claim may apply for a nonrepairable or salvage vehicle title to be issued in the insurance company's name without obtaining an ownership document or if it received an ownership document without the proper assignment of the owner if the company is unable to obtain a title from the owner, in accordance with paragraph (1) of this subsection, and the application is not made earlier than the 30th day after the date of payment of the claim. The application must also include:

(A) a statement that the insurance company has provided at least two written notices to the owner and any lienholder attempting to obtain the title or proper assignment of title for the motor vehicle;

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1 (B) a statement that the insurance company paid a loss claim for the vehicle that
2 was accepted; and

3 (C) any unassigned or improperly assigned title in the insurance company's
4 possession.

5 (3) An insurance company that acquires, through payment of a claim, ownership or
6 possession of a salvage motor vehicle or nonrepairable motor vehicle covered by an out-of-state
7 ownership document may obtain a salvage ~~[vehicle title]~~ or nonrepairable vehicle title or salvage or
8 nonrepairable record of title in accordance with paragraph (1) or (2) of this subsection if:

9 (A) the motor vehicle was damaged, stolen, or recovered in this state; or

10 (B) the motor vehicle owner from whom the company acquired ownership
11 resides in this state.

12 (4) A salvage pool operator may apply for title consistent with Transportation Code,
13 §501.0935. ~~[in the name of the salvage pool operator by providing to the department:]~~

14 ~~[(A) documentation from the insurance company that:]~~

15 ~~[(i) the salvage pool operator, on request of an insurance company, was~~
16 ~~asked to take possession of the motor vehicle subject to an insurance claim and the insurance company~~
17 ~~subsequently denied coverage or did not take ownership of the vehicle; and]~~

18 ~~[(ii) the name and address of the owner of the motor vehicle and the~~
19 ~~lienholder, if any; and]~~

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1 ~~[(B) proof that the salvage pool operator, before the 31st day after receiving the~~
2 ~~information from the insurance company, sent a notice to the owner and any lienholder informing them~~
3 ~~that:]~~

4 ~~[(i) the motor vehicle must be removed from the location specified in~~
5 ~~the notice not later than the 30th day after the date the notice is mailed; and]~~

6 ~~[(ii) if the motor vehicle is not removed within the time specified in the~~
7 ~~notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs~~
8 ~~actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle, except for~~
9 ~~charges:]~~

10 ~~[(i) that have been or are subject to being reimbursed by a third~~
11 ~~party; and]~~

12 ~~[(ii) for storage or impoundment of the motor vehicle.]~~

13 (5) Proof of notice under this subsection consists of:

14 (A) the validated receipts for registered or certified mail and return receipt or an
15 electronic certified mail receipt, including signature receipt; and

16 (B) any unopened certified letters returned by the post office as unclaimed,
17 undeliverable, or with no forwarding address.

18 (e) Recordation of lien on nonrepairable and salvage vehicle titles. If the motor vehicle is a
19 salvage motor vehicle, a new lien or a currently recorded lien may be recorded on the salvage vehicle
20 title. If the motor vehicle is a nonrepairable motor vehicle, only a currently recorded lien may be
21 recorded on the nonrepairable vehicle title.

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(f) Issuance. Upon receipt of a completed nonrepairable or salvage vehicle title application, accompanied by the statutory application fee and the required documentation, the department will, before the sixth business day after the date of receipt, issue a nonrepairable or salvage vehicle title or nonrepairable or salvage record of title, as appropriate.

(1) If the condition of salvage is caused exclusively by flood, a "Flood Damage" notation will be reflected on the face of the document and will be carried forward upon subsequent title issuance.

(2) If a lien is recorded on a nonrepairable or salvage vehicle title, the vehicle title will be mailed to the lienholder. For proof of ownership purposes, the owner will be mailed a receipt or printout of the newly established motor vehicle record, indicating a lien has been recorded.

(3) A nonrepairable vehicle title will state on its face that the motor vehicle may:

(A) not be repaired, rebuilt, or reconstructed;

(B) not be issued a regular ~~[certificate of]~~ title or registered in this state;

(C) not be operated on a public highway; and

(D) may only be used as a source for used parts or scrap metal.

§217.85. Replacement of Non[-]repairable or Salvage Motor Vehicle Ownership Documents.

(a) Location. Applications for certified copies of ownership documents for non[-]repairable or salvage motor vehicles will only be processed at the department's Austin headquarters office.

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(b) Notation. The certified copy will contain the words "Certified Copy" and the date issued, and the motor vehicle record will be noted accordingly until ownership of the non[-]repairable or salvage motor vehicle is transferred. Then the notation will be eliminated from the new ~~[certificate of]~~ title and from the motor vehicle record.

(c) Replacement of non[-]repairable or salvage vehicle titles. If a non[-]repairable or salvage vehicle title is lost or destroyed, the department will issue a certified copy of the ownership document type originally issued, except as provided by subsection (d)(2) of this section, to the motor vehicle owner, lienholder, or verifiable agent on submission of verifiable proof and payment of the appropriate fee as provided in §217.7 of this title (relating to Replacement of Title).

(d) Replacement of non[-]repairable or salvage ownership documents issued prior to September 1, 2003.

(1) If a salvage certificate of title issued by this state prior to September 1, 2003, is lost or destroyed, the department will issue a certified copy of a salvage vehicle title, to the motor vehicle owner, lienholder, or verifiable agent on proper application, submission of verifiable proof, and payment of the appropriate fee as provided in §217.7.

(2) If a non[-]repairable certificate of title or salvage certificate issued by this state prior to September 1, 2003, is lost or destroyed, the department will issue a salvage vehicle title to the motor vehicle owner, lienholder, or verifiable agent on proper application, submission of verifiable proof, and payment of the appropriate fee as provided in §217.7.

§217.86. Dismantling, Scrapping, or Destruction of Motor Vehicles.

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(a) A person who acquires ownership of a non[-]repairable or salvage motor vehicle for the purpose of dismantling, scrapping, or destruction shall, not later than the 30th day after the motor vehicle was acquired:

(1) submit to the department a report, on a form prescribed by the department:

(A) stating that the motor vehicle will be dismantled, scrapped, or destroyed;

and

(B) certifying that all unexpired license plates and registration validation stickers

have been removed from the motor vehicle, in accordance with Occupations Code, §2302.252; and

(2) surrender to the department the properly assigned ownership document.

(b) The person shall:

(1) maintain records of each motor vehicle that will be dismantled, scrapped, or destroyed, as provided by Chapter 221, Subchapter D of this title (relating to Records); and

(2) store all unexpired license plates and registration validation stickers removed from those vehicles in a secure location.

(c) The department will issue the person a receipt with surrender of the report and ownership documents.

(d) For purposes of dismantling, scrapping, or destruction, a nonrepairable or salvage motor vehicle may only be transferred to a metal recycler upon issuance of a receipt as provided in subsection

(c) of this section. The transfer shall be documented on a form prescribed by the department and be

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1 included with the transfer of the vehicle along with the receipt as provided in subsection (c) of this
2 section.

3 (e)[(d)] License plates and registration validation stickers removed from vehicles reported under
4 subsection (a)(1) of this section may be destroyed upon receipt of the acknowledged report from the
5 department.

6 (f)[(e)] The department will place an appropriate notation on motor vehicle records for which
7 ownership documents have been surrendered to the department.

8 (g)[(f)] Not later than 60 days after the motor vehicle is delivered to the metal recycler for
9 purposes of the vehicle being dismantled, scrapped, or destroyed, the person shall report to the
10 department and provide evidence that the motor vehicle has been dismantled, scrapped, or destroyed.

11
12 §217.88. Sale, Transfer, or Release of Ownership of a Non[-]repairable or Salvage Motor Vehicle.

13 (a) Sale, transfer or release with [With] a non[-]repairable or salvage motor vehicle title or
14 nonrepairable or salvage record of title. The ownership of a motor vehicle for which a non[-]repairable
15 vehicle title, non[-]repairable record of title, salvage vehicle title, salvage record of title, or a comparable
16 out-of-state ownership document has been issued, including a motor vehicle that has a "Flood Damage"
17 notation on the title, may be sold, transferred, or released to anyone.

18 (b) Sale, transfer or release without [Without] a non[-]repairable or salvage motor vehicle title or
19 nonrepairable or salvage record of title shall be consistent with Transportation Code, §501.095(a). ~~If a~~
20 ~~non-repairable vehicle title, non-repairable record of title, salvage vehicle title, salvage record of title, or~~
21 ~~a comparable out-of-state ownership document has not been issued for a non-repairable or salvage~~

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~~motor vehicle, only a salvage vehicle dealer, used automotive parts recycler, metal recycler, insurance company, or governmental entity may sell, transfer, or otherwise release ownership of the motor vehicle. Such person may only sell, transfer, or otherwise release ownership of a motor vehicle to which this subsection applies to:}~~

~~[(1) a salvage vehicle dealer;}~~

~~[(2) a used automotive parts recycler;}~~

~~[(3) a metal recycler;}~~

~~[(4) a governmental entity; or}~~

~~[(5) an insurance company.}~~

(c) Sale of self-insured non[-]repairable or salvage motor vehicle. The owner of a self-insured non[-]repairable or salvage motor vehicle that has been damaged and removed from normal operation shall obtain a non[-]repairable or salvage vehicle title or nonrepairable or salvage record of title before selling or otherwise transferring ownership of the motor vehicle.

(d) Casual sales. A salvage vehicle dealer, salvage pool operator, or insurance company may sell up to five non[-]repairable or salvage motor vehicles, for which non[-]repairable or salvage vehicle titles or nonrepairable or salvage record of title have been issued, to a person, not to include those specified in Transportation Code, §501.091(2)(A-C), in a casual sale during a calendar year.

(e) Records of casual sales.

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(1) A salvage vehicle dealer, salvage pool operator, or insurance company must maintain records of each casual sale made during the previous 36 months, in accordance with Transportation Code, §501.108, that at a minimum contain:

(A) the date of sale;

(B) the sales price;

(C) the name and address of the purchaser;

(D) a legible photocopy of a form of current photo identification as specified in §217.7(b) of this title (Relating to Replacement of Title) ~~[the purchaser's government-issued photo identification];~~

(E) the form of identification provided, the identification document number, and the name of the jurisdiction that issued the identification document;

(F) the description of the motor vehicle, including the vehicle identification number, model year, make, body style, and model;

(G) a photocopy of the front and back of the properly assigned ownership document provided to the purchaser; and

(H) the purchaser's certification, on a form provided by the department, that the purchase of motor vehicles in a casual sale is not intended to circumvent the provisions of Transportation Code, Chapter 501 (relating to Certificates of Title) and Occupations Code, Chapter 2302 (relating to Salvage Vehicle Dealers).

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2) Records may be maintained on a form provided by the department or in an electronic format.

(3) Records must be maintained on the business premises of the seller, and shall be made available for inspection upon request.

(f) Export-only sales.

(1) In accordance with Transportation Code, §501.099, only a licensed salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or governmental entity may sell a non[-]repairable or salvage motor vehicle to a person who resides outside the United States, and only:

(A) when a non[-]repairable or salvage vehicle title has been issued for the motor vehicle prior to offering it for export-only sale; and

(B) prior to the sale, the seller obtains a legible photocopy of a government-issued photo identification of the purchaser that can be verified by law enforcement, issued by the jurisdiction in which the purchaser resides that may consist of:

(i) a passport;

(ii) a driver's license;

(iii) consular identity document;

(iv) national identification certificate or identity document; or

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(v) other government-issued identification that includes the name of the jurisdiction issuing the document, the purchaser's full name, foreign address, date of birth, photograph, and signature.

(2) The seller must obtain the purchaser's certification, on a form prescribed by the department, that the purchaser will remove the motor vehicle from the United States and will not return the motor vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number.

(3) The seller must provide the buyer with a properly assigned non[-]repairable or salvage vehicle title.

(4) The seller must stamp FOR EXPORT ONLY and the seller's salvage vehicle dealer license number or the governmental entity's name, whichever applies, on the face of the title and on any unused reassignments on the back of the title.

(g) Records of export-only sales.

(1) A salvage vehicle dealer or governmental entity that sells a non[-]repairable or salvage motor vehicle for export-only must maintain records of all export-only sales until the third anniversary of the date of the sale.

(2) Records of each sale must include:

(A) a legible copy of the stamped and properly assigned non[-]repairable or salvage vehicle title;

(B) the buyer's certified statement required by subsection (f)(2) of this section;

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(C) a legible photocopy ~~[copy]~~ of a form of photo identification as specified in subsection (f)(1)(B) of this section~~[the buyer's photo identification document]~~;

(D) a legible copy of any other documents related to the sale of the motor vehicle; and

(E) a listing of each motor vehicle sold for export-only that states the:

(i) date of sale;

~~[(ii) name and address of the seller;]~~

(ii)~~[(iii)]~~ name ~~[and address]~~ of the purchaser;

(iii)~~[(iv)]~~ purchaser's identification document number;

(iv)~~[(v)]~~ name of the country that issued the identification document;

(v)~~[(vi)]~~ the form of identification provided by the purchaser; and

(vi)~~[(vii)]~~ description of the motor vehicle that includes the year, make, model, and vehicle identification number of the motor vehicle.

(3) The listing required by paragraph (2)(E) of this subsection must be maintained either on a form provided by the department or in an electronic format approved by the department.

(4) The salvage vehicle dealer or governmental entity shall submit the listing prescribed by paragraph (2)(E) of this subsection to the department within 30 days from the date of sale.

(5) Upon receipt of the listing prescribed by paragraph (2)(E) of this subsection, the department will place an appropriate notation on the motor vehicle record to identify it as a motor vehicle sold for export-only that may not be operated, retitled, or registered in this state.

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1

2 §217.89. Rebuilt Salvage Motor Vehicles.

3

4 (a) Filing for title. When a salvage motor vehicle or a non[-]repairable motor vehicle for which a

5 non[-]repairable vehicle title was issued prior to September 1, 2003, has been rebuilt, the owner shall

6 file a ~~[certificate of]~~ title application, as described in §217.4 of this title (relating to Initial Application for

7

8 (b) Place of application. An application for a rebuilt salvage ~~[certificate of]~~ title shall be filed with

9 the county tax assessor-collector in the county in which the applicant resides, in the county in which the

10 motor vehicle was purchased or is encumbered, or to any county tax assessor-collector who is willing to

11

12 (c) Fee for rebuilt salvage ~~[certificate of]~~ title. In addition to the statutory fee for a title

13

14 (d) Accompanying documentation. The application for a ~~[certificate of]~~ title for a rebuilt non[-]

15

16 (1) evidence of ownership, properly assigned to the applicant, as described in subsection

17

18 (2) a rebuilt statement, on a form prescribed by the department that includes:

19

20 (A) a description of the motor vehicle, which includes the motor vehicle's model

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1 (C) a description of each major component part used to repair the motor vehicle
2 and showing the identification number required by federal law to be affixed to or inscribed on the part;

3 (D) the name of the owner and the name and address of the rebuilder;

4 (E) a statement by the owner that the owner is the legal and rightful owner of
5 the vehicle, the vehicle is rebuilt, repaired, reconstructed, or assembled and that the vehicle
6 identification number disclosed on the rebuilt affidavit is the same as the vehicle identification number
7 affixed to the vehicle;

8 (F) the signature of the owner, or the owner's authorized agent; and

9 (G) a statement by the rebuilder that the vehicle has been rebuilt, repaired, or
10 reconstructed by the rebuilder and that all component parts used were obtained in a legal and lawful
11 manner, signed by the rebuilder or the rebuilder's authorized agent or employee;

12 ~~[(3) evidence of inspection submitted by the person who repairs, rebuilds, or~~
13 ~~reconstructs a non-repairable or salvage motor vehicle in the form of disclosure on the rebuilt~~
14 ~~statement of the vehicle inspection report authorization or certificate number, and the date of~~
15 ~~inspection, issued by an authorized state safety inspection station after the motor vehicle was rebuilt, if~~
16 ~~the motor vehicle will be registered at the time of application;]~~

17 (3)[(4)] an odometer disclosure statement properly executed by the seller of the motor
18 vehicle and acknowledged by the purchaser, if applicable;

19 (4)[(5)] proof of financial responsibility in the title applicant's name, as required by
20 Transportation Code §502.046, unless otherwise exempted by law, if the motor vehicle will be
21 registered at the time of application;

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(5)[(6)] unless otherwise exempted by law, a vehicle identification number inspection
[report required by] under Transportation Code, §501.0321 ~~§548.256 and Transportation Code~~
~~§501.030~~ if the motor vehicle was last titled or [and] registered in another [state or] country, or a
document described under 217.4(d)(4) of this title (relating to Initial Application for Title) if the vehicle
was last titled or registered in another state ~~[unless otherwise exempted by law]~~; and

(6)[(7)] a release of any liens, unless there is no transfer of ownership and the same
lienholder is being recorded as is recorded on the surrendered evidence of ownership.

(e) Evidence of ownership of a rebuilt salvage motor vehicle:

(1) may include:

(A) a Texas Salvage Vehicle Title or Record of Title;

(B) a Texas Non[-]repairable Certificate of Title issued prior to September 1,
2003;

(C) a Texas Salvage Certificate; or

(D) a comparable salvage certificate or salvage certificate of title issued by
another jurisdiction, except that this ownership document will not be accepted if it indicates that the
motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; but

(2) does ~~may~~ not include:

(A) a Texas non[-]repairable vehicle title issued on or after September 1, 2003;

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(B) an out-of-state ownership document that indicates that the motor vehicle is non[-]repairable, junked, for parts or dismantling only, or the motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; or

(C) a certificate of authority to dispose of a motor vehicle issued in accordance with Transportation Code, Chapter 683.

(f) Rebuilt salvage ~~[certificate of]~~ title issuance. Upon receiving a completed ~~[certificate of]~~ title application for a rebuilt salvage motor vehicle, along with the applicable fees and required documentation, the transaction will be processed and a rebuilt salvage ~~[certificate of]~~ title will be issued. The ~~[certificate of]~~ title will include a "Rebuilt Salvage" notation and a description or disclosure of the motor vehicle's former condition on its face.

(g) Issuance of rebuilt salvage ~~[certificate of]~~ title to a motor vehicle from another jurisdiction. On proper application, as prescribed by §217.4, by the owner of a motor vehicle that is brought into this state from another jurisdiction and for which a certificate of title issued by the other jurisdiction contains a "Rebuilt," "Salvage," or analogous title remark, the department will issue the applicant a ~~[certificate of]~~ title or other appropriate document for the motor vehicle. A ~~[certificate of]~~ title or other appropriate document issued under this subsection will show ~~[on its face]~~:

(1) the date of issuance;

(2) the name and address of the owner;

(3) any registration number assigned to the motor vehicle;

(4) a description of the motor vehicle as determined by the department; and

(5) any title remark the department considers necessary or appropriate.

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STATUTORY AUTHORITY. The department proposes a repeal to Chapter 217 under Transportation Code, §501.09111, which identifies the rights and limitations of rights to owners of nonrepairable and salvage motor vehicles.

CROSS REFERENCE TO STATUTE. The proposed repeal would implement Transportation Code §501.09111. §217.87. Rights of Holder of Non-repairable or Salvage Motor Vehicle Documents.

Text.

~~§217.87. Rights of Holder of Non-repairable or Salvage Motor Vehicle Documents.]~~

~~[(a) The owner of a motor vehicle for which a salvage certificate or a non-repairable or salvage certificate of title was issued prior to September 1, 2003, or a salvage vehicle title issued on or after September 1, 2003:]~~

~~[(1) may:]~~

~~[(A) possess, transport, dismantle, scrap, or destroy, the motor vehicle;]~~

~~[(B) sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle as provided by §217.88 of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle); or]~~

~~[(C) repair, rebuild, or reconstruct the motor vehicle; and]~~

~~[(2) may not operate or permit operation of the motor vehicle on the public highways until a rebuilt salvage certificate of title is issued.]~~

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~~[(b) The owner of a motor vehicle for which a non-repairable vehicle title was issued on or after September 1, 2003:]~~

~~[(1) may:]~~

~~[(A) possess, transport, dismantle, scrap, or destroy, the motor vehicle; or]~~

~~[(B) sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle as provided by §217.88; and]~~

~~[(2) may not:]~~

~~[(A) repair, rebuild, or reconstruct the motor vehicle;]~~

~~[(B) retitle or register the motor vehicle; and]~~

~~[(C) operate or permit operation of the motor vehicle on the public highways.]~~

SUBCHAPTER E. TITLE LIENS AND CLAIMS**43 TAC §217.106**

STATUTORY AUTHORITY. The department proposes amendments to Chapter 217 under Transportation Code §501.115, which provides the department authority to govern the discharge of a lien on a title, and Transportation Code, §1002.001, which authorizes the department to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§501.115, and 1002.001.

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1

2 Text.

3 §217.106. Discharge of Lien.

4

A lienholder shall provide the owner, or the owner's designee, a discharge of the lien after

5

receipt of the final payment within the time limits specified in Transportation Code, §501.115 [Chapter

6

~~501~~]. The lienholder shall submit one of the following documents:

7

(1) the title including an authorized signature in the space reserved for release of lien;

8

(2) a release of lien form prescribed by the department, with the form filled out to

9

include the:

10

(A) title or document number, or a description of the motor vehicle including,

11

but not limited to, the motor vehicle:

12

(i) year;

13

(ii) make;

14

(iii) vehicle identification number; and

15

(iv) license plate number, if the motor vehicle is subject to registration

16

under Transportation Code, Chapter 502;

17

(B) printed name of lienholder;

18

(C) signature of lienholder or an authorized agent;

19

(D) printed name of the authorized agent if the agent's signature is shown;

20

(E) telephone number of lienholder; and

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(F) date signed by the lienholder;

(3) signed and dated correspondence submitted on company letterhead that includes:

(A) a statement that the lien has been paid;

(B) a description of the vehicle as indicated in paragraph (2)(A) of this

subsection;

(C) a title or document number; or

(D) lien information;

(4) any out-of-state prescribed release of lien form, including an executed release on a

lien entry form;

(5) out-of-state evidence with the word "Paid" or "Lien Satisfied" stamped or written in

longhand on the face, followed by the name of the lienholder, countersigned or initialed by an agent,

and dated; or

(6) original security agreements or copies of the original security agreements if the

originals or copies are stamped "Paid" or "Lien Satisfied" with a company paid stamp or if they contain a

statement in longhand that the lien has been paid followed by the company's name.

SUBCHAPTER F. MOTOR VEHICLE RECORDS**43 TAC §§217.122-125, 217.129, AND 217.131**

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STATUTORY AUTHORITY. The department proposes amendments to Chapter 217 under Transportation Code §730.014, which give the department authority to adopt rules to administer Transportation Code Chapter 730, Motor Vehicle Records Disclosure Act; and Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department, as well as the statutes referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§730.014, and 1002.

Text.

§217.122. Definitions.

(a) Words and terms defined in Transportation Code, Chapter 730 have the same meaning when used in this subchapter, unless the context clearly indicates otherwise.

(b) The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Department--Texas Department of Motor Vehicles.

(2) Requestor--A person as defined by Transportation Code, §730.003(5), this state, or an agency of this state seeking personal information contained in motor vehicle records directly from the department.

(3) Service agreement--A contractual agreement with the department that allows a requestor electronic motor vehicle records.

(4) Written request--A request submitted in writing, including by mail, electronic mail, electronic media, and facsimile transmission.

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(5) Signature--Includes an electronic signature, as defined by Transportation Code

§501.172, to the extent the department accepts such electronic signature.

(6) Batch Inquiry--Access, under a service agreement, to department motor vehicle

records associated with Texas license plate numbers or vehicle identification numbers, where

requests are submitted electronically to the department in a prescribed batch format. The department

makes a disclosure for each record in a batch.

(7) MVInet Access--Electronic access, under a service agreement, to the

department's motor vehicle registration and title database, with the ability to query records by a

Texas license plate number, vehicle identification number, placard number, or current or previous

document number. The department makes a disclosure each time a query of the system is made.

(8) Bulk--A disclosure by the department under Transportation Code §730.007 of at

least 250 motor vehicle records containing personal information, including any of the files defined

by subsection (b)(10) - (13) of this section.

(9) Bulk contract--A contractual agreement with the department for the disclosure of

motor vehicle records in bulk to the requestor.

(10) Master File--A bulk file containing all the department's active and inactive

registration and title records.

(11) Weekly Updates--A bulk file containing the department's new and renewed

vehicle registration and title records from the previous week.

(12) Specialty Plates File--A bulk file containing Texas specialty license plate records.

(13) eTAG File--A bulk file containing records related to new or updated eTAGs,

vehicle transfer notifications, and plate-to-owner records.

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(14) Dealer/Supplemental File--A pair of files, one containing records of registration and title transactions processed by dealers with the department during the previous week and another containing the dealers' information, that are only available as a supplement to a bulk contract that includes the Weekly Updates.

§217.123. Access to Motor Vehicle Records.

(a) Except as required under subsection (f) of this section, a requestor seeking personal information from department motor vehicle records shall submit a written request in a form required by the department. A completed and properly executed form must include:

(1) the name and address of the requestor;

(2) a description of the requested motor vehicle records, including the Texas license plate number, title or document number, or vehicle identification number of the motor vehicle about which information is requested;

(3) proof of the requestor's identity, in accordance with subsections (b) or (c) of this section;

(4) a statement that the requestor:

(A) is the subject of the record;

(B) has the written consent of the person who is the subject of the record;

or

(C) will strictly limit the use of the personal information in department motor vehicle records to a permitted use under Transportation Code Chapter 730, as indicated on the form;

(5) a certification that the statements made on the form are true and correct; and

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1 (6) the signature of the requestor.

2 (b) Except as required by subsection (c) of this section, a requestor must provide the
3 requestor's current photo identification containing a unique identification number. The
4 identification must be a:

5 (1) driver's license, Texas Department of Public Safety identification, or state
6 identification certificate issued by a state or territory of the United States;

7 (2) United States or foreign passport;

8 (3) United States military identification card;

9 (4) United States Department of Homeland Security, United States Citizenship and
10 Immigration Services, or United States Department of State identification document;

11 (5) ~~concealed handgun license or~~ license to carry a handgun issued by the Texas
12 Department of Public Safety under Government Code Chapter 411, Subchapter H; or

13 (6) North Atlantic Treaty Organization identification or identification issued under a
14 Status of Forces Agreement.

15 (c) A requestor seeking personal information from department motor vehicle records for
16 use by a law enforcement agency must:

17 (1) present the requestor's current law enforcement credentials;

18 (2) electronically submit the request in a manner that the department can verify
19 that the requestor is acting on behalf of a law enforcement agency; or

20 (3) provide a written statement from a higher level in the chain of command on the
21 law enforcement agency's letterhead stating that the requestor is not authorized to provide
22 current law enforcement credentials and identifying the intended use or the ~~[law enforcement]~~
23 agency's incident or case number for which the personal information is needed.

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(d) A requestor seeking personal information from department motor vehicle records for use by a law enforcement agency may submit a verbal request to the department if the law enforcement agency has provided reasonable assurances that were accepted by the department as to the identity of the requestor within the last 12 months on a form required by the department. If a request is submitted verbally, the department may require the requestor to confirm the request in writing.

(e) A requestor may receive electronic access to department motor vehicle records under the terms and conditions of a service agreement.

(1) Before a requestor can enter into a service agreement, the requestor must file a completed application on a form required by the department, for review and approval by the department. An application for a service agreement must include:

(A) a statement that the requestor will strictly limit the use of the personal information from department motor vehicle records to a permitted use under Transportation Code Chapter 730, as indicated on the application;

(B) the name and address of the requestor;

(C) proof of the requestor's identity, in accordance with subsections (b) or (c) of this section;

(D) copies of agreements used by the requestor to release motor vehicle record information to third parties;

(E) any additional material provided to third-party requestors detailing the process through which they obtain motor vehicle record information and describing their limitations as to how this information may be used;

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1 ~~(F)~~~~(D)~~ the signature of the requestor or, if the requestor is an organization
2 or entity, the signature of an officer or director of the requestor; and

3 ~~(G)~~~~(E)~~ a certification that the statements made in the application are true
4 and correct.

5 (2) If the department determines any of the information provided in the application is
6 incomplete, inaccurate, or does not meet statutory requirements the department will not enter into a
7 service agreement to release motor vehicle record information.

8 ~~(3)~~~~(2)~~ Unless the requestor is exempt from the payment of fees, a service
9 agreement must contain an adjustable account, in which an initial deposit and minimum balance is
10 maintained in accordance with §217.124 of this title (relating to Cost of Motor Vehicle Records).
11 Notwithstanding §217.124 of this title, the department may modify initial deposit and minimum
12 balance requirements depending on usage.

13 (f) Access to bulk motor vehicle records. A requestor seeking access to department motor
14 vehicle records in bulk must enter into a bulk contract with the department.

15 (1) Before a requestor can enter into a bulk contract, the requestor must file a
16 completed application on a form required by the department, for review and approval by the
17 department. An application for a bulk contract must include:

18 (A) a statement that the requestor will strictly limit the use of the personal
19 information to a permitted use under Transportation Code Chapter 730, as indicated on the
20 application;

21 (B) the name and address of the requestor;

22 (C) proof of the requestor's identity, in accordance with §217.123(b) or (c)
23 of this title (relating to Access to Motor Vehicle Records);

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1 (D) copies of agreements used by the requestor to release motor vehicle
2 record information to third parties;

3 (E) any additional material provided to third party requestors detailing the
4 process in which they obtain motor vehicle record information and describing their limitations as
5 to how this information may be used;

6 (F)[(D)] a certification that the statements made on the form are true and
7 correct; and

8 (G)[(F)] the signature of the requestor or, if the requestor is an organization
9 or entity, the signature of an officer or director of the requestor.

10 (2) If the department determines any of the information provided is incomplete,
11 inaccurate, or does not meet statutory requirements the department will not enter into a bulk contract
12 to release motor vehicle record information.

13 (3)[(2)] Prior to the execution of a bulk contract, a requestor must provide proof
14 the requestor has:

15 (A) posted a \$1 million performance bond, payable to this state,
16 conditioned upon the performance of all the requirements of Transportation Code Chapter 730
17 and this subchapter; and

18 (B) insurance coverage in the amount of at least \$3 million and that meets
19 the requirements of Transportation Code §730.014(c)(3).

20 (g) If a person is convicted of an offense under Transportation Code Chapter 730 or is
21 found by a court to have violated a rule under this subchapter, then any contract with that person
22 to access department motor vehicle records is terminated as of the date of the court's final
23 determination.

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(h) The requirements of this section do not apply to discovery, subpoena, or other means of legal compulsion for the disclosure of personal information.

(i) An authorized recipient will receive requested motor vehicle records in accordance with Title 18 U.S.C. §2721 et seq.; Transportation Code Chapter 730; Government Code §552.130; and this subchapter.

§217.124. Cost of Motor Vehicle Records.

(a) Standard costs. The department will charge fees in accordance with Government Code Chapter 552 and the cost rules promulgated by the Office of the Attorney General in 1 Texas Administrative Code Chapter 70 (relating to Cost of Copies of Public Information).

(b) Law enforcement. An employee of a state, federal, or local law enforcement agency is exempt from the payment of fees for motor vehicle records in subsection (c)(1) - (4) of this section if the records are necessary to carry out lawful functions of the law enforcement agency.

(c) Motor vehicle record costs:

(1) Title history - \$5.75;

(2) Certified title history - \$6.75;

(3) Title and registration verification (record search) - \$2.30; and

(4) Certified title and registration verification (record search) - \$3.30.

(d) Electronic motor vehicle records and files:

(1) Master File - \$5,000 plus \$.38 per 1,000 records;

(2) Weekly Updates - deposit of \$1,755 and \$135 per week;

(3) eTAG File - deposit of \$845 and \$65 per week;

(4) Dealer/Supplemental File - deposit of \$1,235 and \$95 per week;

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(5) Specialty Plates File - deposit of \$1,235 and \$95 per week;

(6) Batch Inquiry - deposit of \$1,000, minimum balance of \$750 and \$23 per run

plus \$.12 per record;

(7) MVInet Access - deposit of \$200, minimum balance of \$150 and \$23 per month

plus \$.12 per record; and

(8) Scofflaw remarks (inquiry, addition, or deletion) - deposit of \$500, minimum

balance of \$350 and \$23 per run plus \$.12 per record.

(e) Texas governmental entities, as defined in Government Code §2252.001, the Texas Law Enforcement Telecommunication System, ~~and~~ toll project entities, as defined by Transportation Code §372.001, and federal governmental entities are exempt from the payment of fees, except for the fees listed in subsection (d)(1), (6), or (8) of this section.

(f) Reciprocity agreements. The department may enter into a reciprocity agreement[s] for records access with another~~other~~ governmental entity~~entities~~ that may waive some or all of the fees established in this section.

§217.125. Additional Documentation Related to Certain Permitted Uses.

(a) The department may require a requestor to provide reasonable assurance as to the identity of the requestor and that the use of motor vehicle records is only as authorized under Transportation Code §730.012(a). Where applicable, each requestor submitting a request for motor vehicle records shall provide documentation satisfactory to the department that they are authorized to request the information on behalf of the organization, entity, or government agency authorized to receive the information.

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1 (b) Requestors seeking personal information from motor vehicle records from the
2 department for a permitted use listed in this subsection must submit additional documentation.

3 (1) A request under Transportation Code §730.007(a)(2)(C) must include the
4 personal information the business is attempting to verify against the department's motor vehicle
5 records and documentation sufficient to prove the requestor is a business actively licensed by,
6 registered with, or subject to regulatory oversight by a government agency.

7 (2) A request under Transportation Code §730.007(a)(2)(D) must include proof of a
8 legal proceeding, or if no proceeding has been initiated, proof the requestor is in anticipation of
9 litigation relating to the request which would necessitate release of the document(s) requested.

10 (3) A request under Transportation Code §730.007(a)(2)(E) must include
11 documentation sufficient to prove the requestor is employed ~~[in a researching occupation.]~~ by an
12 entity in the business of conducting research related to the requested information and
13 demonstrating the employment relationship. The department has discretion in determining
14 whether the entity is in the business of conducting research related to the requested information
15 and in determining whether the documentation provided is sufficient to demonstrate an
16 employment relationship.

17 (4) A request under Transportation Code §730.007(a)(2)(F) must include an active
18 license number provided by the Texas Department of Insurance or an active out-of-state license
19 number provided by the relevant regulatory authority, an active license number the insurance
20 support organization is working under, or proof of self-insurance.

21 (5) A request under Transportation Code §730.007(a)(2)(G) must include an active
22 license number provided by the Texas Department of Licensing and Regulation or an active out-of-
23 state license number provided by the relevant regulatory authority.

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1 (6) A request under Transportation Code §730.007(a)(2)(H) must include an active
2 license number provided by the Texas Department of Public Safety or an active out-of-state license
3 number provided by the relevant regulatory authority.

4 (7) A request under Transportation Code §730.007(a)(2)(I) must include a copy of
5 an active commercial driver's license.

6 (8) A request under Transportation Code §730.007(a)(2)(J) must include
7 documentation to relate the requested personal information with the operation of a toll
8 transportation facility or another type of transportation project as described by Transportation
9 Code §370.003.

10 (9) A request under Transportation Code §730.007(a)(2)(K) must include
11 documentation on official letterhead indicating a permitted use for personal information, as
12 defined by the Fair Credit Reporting Act (15 U.S.C. §1681 et. Seq.).

13 (10) A request under Transportation Code §730.007(a)(2)(L) must include an active
14 license number of a manufacturer, dealership, or distributor issued by the department or an active
15 out-of-state license number provided by the relevant regulatory authority.

16 (11) A request under Transportation Code §730.007(a)(2)(M) must include an active
17 license or registration number of a salvage vehicle dealer, an independent motor vehicle dealer, or
18 a wholesale motor vehicle dealer issued by the department; or an active license issued by the
19 Texas Department of Licensing and Regulation to a used automotive parts recycler; or other proof
20 that the requestor is subject to regulatory oversight by an entity listed in Transportation Code
21 §730.007(a)(2)(M)(iv).

22 (c) The department may require a requestor to provide additional information to clarify the
23 requestor's use of the personal information under Transportation Code Chapter 730, if the

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1 reasonable assurances provided with the request are not satisfactory to the department.

2

3 §217.129. Ineligibility to Receive Personal Information Contained in Motor Vehicle Records.

4 (a) The department may deny a request for or cease disclosing personal information
5 contained in the department's motor vehicle records if it determines withholding the information
6 benefits the public's interest more than releasing the information subject to Transportation Code,
7 §730.005 and §730.006.

8 (b) If the department determines an authorized recipient has violated a term or condition
9 of a contract with the department to access motor vehicle records and the department terminates
10 the contract, that authorized recipient cannot enter into a subsequent contract with the
11 department to access motor vehicle records unless approved to do so under §217.130 of this title
12 (relating to Approval for Persons Whose Access to Motor Vehicle Records Has Previously Been
13 Terminated).

14 (c) Termination of a contract with the department to access motor vehicle records caused
15 by any member of an organization or entity shall be effective on the whole organization or entity.
16 Subsequent organizations or entities formed by any member, officer, partner, or affiliate of an
17 organization or entity whose contract with the department to access motor vehicle records has
18 previously been terminated cannot enter into a subsequent contract with the department to
19 access motor vehicle records, unless approved to do so under §217.130 of this title (relating to
20 Approval for Persons Whose Access to Motor Vehicle Records Has Previously Been Terminated).

21
22 217.131. Notices Regarding Unauthorized Recipient.

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1 ~~[(a) For the purposes of this section, a requestor includes a person, the state, or an agency~~
2 ~~of this state that previously received personal information from department motor vehicle~~
3 ~~records.]~~

4 (a)[(b)] A requestor who has previously received personal information from the
5 department and is not an authorized recipient must, not later than 90 days after the date the
6 requestor becomes aware that the requestor is not an authorized recipient, delete from the
7 requestor's records any personal information received from the department that the requestor is
8 not permitted to receive and use under Transportation Code Chapter 730.

9 (b) [(c)] A requestor who becomes aware that the requestor is not an authorized recipient must
10 promptly notify the department that the requestor is not an authorized recipient and provide the date
11 they became aware.

12 (c) [(d)] If the department becomes aware that the requestor is not an authorized recipient
13 before receiving notice from the requestor, the department will send a written notice to the
14 requestor stating that the requestor is not an authorized recipient. If the requestor was not
15 already aware that it is not an authorized recipient, within 90 days from the date the department
16 sends its notice under this subsection, the requestor must delete any personal information
17 received from the department that the requestor is not permitted to receive and use under
18 Transportation Code Chapter 730.

19 (d) [(e)] A requestor who becomes aware that the requestor is not an authorized recipient
20 must notify the department when all the department's personal information has been deleted.

SUBCHAPTER G. INSPECTIONS**43 TAC §217.143 AND §217.144**

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1

2 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 217 under Transportation
3 Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code,
4 Chapter 501, Certificate of Title Act; Transportation Code, §501.030, which authorizes the department to
5 adopt rules governing identification number inspections for motor vehicles brought into the state;
6 Transportation Code, §501.0321, which authorizes the department to adopt rules establishing the training
7 requirements for personnel conducting identification number inspections; Transportation Code,
8 §501.0322, which provides the department with authority to adopt rules to establish an alternative
9 identification number inspection; and Transportation Code, §1002.001, which authorizes the board to
10 adopt rules that are necessary and appropriate to implement the powers and the duties of the
11 department, as well as the statutes referenced throughout this preamble.

12 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code
13 §§501.0041, 501.030, 501.0321, 501.0322, and 1002.001.

14

15 Text.

16 §217.143. Inspection Requirements.

17 (a) On initial titling of an assembled vehicle under Transportation Code Chapter 731, and
18 Subchapter L of this title (relating to Assembled Vehicles), with the exception of an assembled
19 motorcycle, assembled trailer, and glider kit, an applicant must provide proof, on a form
20 prescribed by the department, of a safety inspection performed by a master technician.

21 (b) In addition to the requirement under subsection (a) of this section, an owner applying
22 for initial registration of a custom vehicle or street rod must provide proof, on a form prescribed

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1 by the department, of a safety inspection performed by a master technician under this section as
2 required under Transportation Code §504.501(e).

3 (c) The inspection must meet the minimum requirements under Transportation Code,
4 §731.102 to evaluate the structural integrity and proper function of the equipment.

5 (d) The inspector must certify that:

6 (1) the vehicle and equipment are structurally stable;

7 (2) the vehicle and equipment meet the necessary conditions to be operated safely
8 on the roadway;

9 (3) equipment used in the construction of the vehicle, for which a federal motor
10 vehicle safety standard exists, complies with the applicable standard; and

11 (4) if the vehicle is a custom vehicle or street rod, the vehicle is equipped and
12 operational with all equipment required by statute as a condition of sale during the year the
13 vehicle was manufactured or resembles.

14 (e) The inspection of an assembled vehicle required under subsection (a) of this section is
15 in addition to all other required inspections including an inspection required under Transportation
16 Code Chapter 548.

17 (f) The applicant must pay all fees to the master technician for the inspection of an
18 assembled vehicle required under subsection (a) of this section, including any reinspection.

19 (g) In addition to the fees in subsection (f) of this section, the applicant must pay all
20 applicable fees for other required inspections as required by law, including any applicable ~~[an]~~
21 inspection or reinspection required under Transportation Code Chapter 548.

22
23 §217.144. Identification Number Inspection.

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(a) In addition to any other requirement specified by Transportation Code, §501.0321, a person is qualified to perform an inspection under Transportation Code, §501.0321, if that person has completed one of the following training programs:

(1) Intermediate or Advanced Motor Vehicle Crime Investigator Training provided by the Motor Vehicle Crime Prevention Authority;

(2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or

(3) Auto Theft Course provided by the National Insurance Crime Bureau.

(b) If a person qualified to perform an inspection under Transportation Code, §501.0321, is unable to determine a manufactured motor vehicle's original year of manufacture or original make designation, the department will not issue title and registration to the motor vehicle. A person inspecting a motor vehicle under §501.0321 who is able to identify the motor vehicle as a manufactured motor vehicle, but is unable to identify the manufactured motor vehicle's original year of manufacture or original make designation, or both, may not identify the vehicle as an assembled, homemade, or shop-made vehicle.

SUBCHAPTER H. DEPUTIES**43 TAC §§217.161, 217.166 AND 217.168**

STATUTORY AUTHORITY: The department proposes amendments to Chapter 217 under Transportation Code §502.095, as amended by HB 718, which gives the department authority to issue one-trip and 30-day license plates; Transportation Code §502.1911, which authorizes the department to adopt rules to set registration processing and handling fees; Transportation Code §520.003, which authorizes the

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department to adopt rules to administer Transportation Code, Chapter 520, Miscellaneous Provisions; Transportation Code, §520.004, which authorizes the department to adopt rules to establish standards for uniformity and service quality for counties conducting registration and titling services; and Transportation Code, §1002.001, which authorizes the department to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§502.095, §502.1911, 520.003, 520.004 and 1002.001.

Text.

§217.161. Purpose and Scope.

Pursuant to Transportation Code, §520.0071, a county tax assessor-collector, with the approval of the commissioners court of the county, may appoint deputies to perform designated motor vehicle titling and registration services. This subchapter prescribes the classification types, duties, and obligations of deputies; the type and amount of any bonds that deputies may be required to post; and the fees that deputies may be authorized to charge or retain. ~~[A deputy appointed under Transportation Code, §520.0071, on or before December 31, 2016, may continue to perform services authorized under former Transportation Code, §§520.008, 520.009, 520.0091, and 520.0092, as amended by Acts 2011, 82nd Leg., ch. 1296 (H.B. 2357). Beginning January 1, 2017,]~~ All ~~[a]~~ deputies must be deputized in accordance with and comply with the provisions of this subchapter.

§217.166. Dealer Deputies.

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1 (a) A county tax assessor-collector, with the approval of the commissioner's court of the
2 county, may deputize a motor vehicle dealer to act as a dealer deputy to provide motor vehicle
3 titling and registration services in the same manner and with the same authority as though done in
4 the office of the county tax assessor-collector, except as limited by this section.

5 (b) A dealer deputy must hold a valid general distinguishing number (GDN) under
6 Transportation Code, Chapter 503, Subchapter B, and may act as a dealer deputy only for a type of
7 motor vehicle for which the dealer holds a GDN. A dealer may not continue to act as a dealer
8 deputy if the GDN is cancelled or suspended.

9 (c) A county tax assessor-collector may impose reasonable obligations or requirements
10 upon a dealer deputy in addition to those set forth in this section. The county tax assessor-
11 collector may, at the time of deputation or upon renewal of deputation, impose specified
12 restrictions or limitations on a dealer deputy's authority to provide certain titling or registration
13 services.

14 (d) Upon the transfer of ownership of motor vehicles purchased, sold or exchanged by the
15 dealer deputy, the dealer deputy may process titling transactions in the same manner and with the
16 same authority as though done in the office of the county tax assessor-collector. The dealer deputy
17 may not otherwise provide titling services to the general public.

18 (e) Upon the transfer of ownership of a motor vehicle purchased, sold or exchanged by the
19 dealer deputy, the dealer deputy may process initial registration transactions in the same manner
20 and with the same authority as though done in the office of the county tax assessor-collector. The
21 dealer deputy may not otherwise offer initial registration services to the general public.

22 (f) The county tax assessor-collector may authorize a dealer deputy to provide motor
23 vehicle registration renewal services. A dealer deputy offering registration renewal services must

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1 offer such services to the general public, and must accept and process any proper application for
2 registration renewal that the county tax assessor-collector would accept and process.

3 (g) To be eligible to serve as a dealer deputy, a person must be trained to perform motor
4 vehicle titling and registration services, as approved by the county tax assessor-collector, or
5 otherwise be deemed competent by the county tax assessor-collector to perform such services.

6 (h) To be eligible to serve as a dealer deputy, a person must post a bond payable to the
7 county tax assessor-collector consistent with §217.167 of this title (relating to Bonding
8 Requirements) with the bond conditioned on the person's proper accounting and remittance of the
9 fees the person collects. The county tax assessor-collector may set a maximum number of
10 webDEALER transactions for a dealer deputy, and the maximum number must be based on the
11 bond amount.

12 (i) A person applying to be a dealer deputy must complete the application process as
13 specified by the county tax assessor-collector. The application process may include satisfaction of
14 any bonding requirements and completion of any additional required documentation or training of
15 the deputy before the processing of any title or registration transactions may occur.

16 (j) If a dealer deputy offers registration renewal services to the general public, the deputy
17 must provide the physical address at which services will be offered, the mailing address, the phone
18 number, and the hours of service. This information may be published on the department's website
19 and may be published by the county if the county publishes a list of deputy locations.

20 (k) A dealer deputy shall keep a separate accounting of the fees collected and remitted to
21 the county, and a record of daily receipts.

22 (l) A dealer deputy may charge or retain fees consistent with the provisions of §217.168 of
23 this title (relating to Deputy Fee Amounts).

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(m) This section does not prevent a county tax assessor-collector from deputizing a dealer as a full service deputy under §217.163 of this title (relating to Full Service Deputies) or a limited service deputy under §217.164 of this title (relating to Limited Service Deputies) instead of a dealer deputy under this section.

§217.168. Deputy Fee Amounts.

(a) Fees. A county tax assessor-collector may authorize a deputy to charge or retain the fee amounts prescribed by this section according to the type of deputy and transaction type.

(b) Title transactions. For each motor vehicle title transaction processed:

(1) A full service deputy may charge the customer a fee of up to \$20, as determined by the full service deputy and approved by the county tax assessor-collector.

(A) The full service deputy retains the entire fee charged to the customer.

(B) If a full service deputy is authorized by a county tax assessor-collector to review and approve title transactions submitted through webDEALER, the full service deputy is required to designate the fee of up to \$20 within the department's Registration and Title System that will be assessed on webDEALER title transactions.

(2) A dealer deputy may charge the customer a fee of up to \$10, as determined by the dealer deputy and approved by the tax assessor-collector. The dealer deputy retains the entire fee charged to the customer. This section does not preclude a dealer deputy from charging a documentary fee authorized by Finance Code, §348.006.

(c) Registration and registration renewals. For each registration transaction processed:

(1) A full service deputy may:

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1 (A) retain \$1 from the processing and handling fee established by §217.183
2 of this title (relating to Fee Amount); and

3 (B) charge a convenience fee of \$9, except as limited by §217.184 of this
4 title (relating to Exclusions).

5 (2) A limited service deputy may retain \$1 from the processing and handling fee
6 established by §217.183.

7 (d) Special registration [Temporary] permit and special registration license plate
8 transactions under Transportation Code, §502.094 or §502.095. For each special registration
9 [temporary] permit or special registration license plate transaction processed by a full service
10 deputy, the full service deputy may retain the portion of the [entire] processing and handling fee
11 authorized by §217.185(b) of this title (relating to Allocation of Processing and Handling Fees).
12 [established by §217.183.]

13 (e) Full service deputy convenience fee. The convenience fee authorized by this section is
14 collected by the full service deputy directly from the customer and is in addition to the processing
15 and handling fee established by §217.183. A full service deputy may not charge any additional fee
16 for a registration or registration renewal transaction.

17 (f) Related transactions by a full service deputy. The limitations of subsections (b), (c), (d),
18 and (e) of this section do not apply to other services that a full service deputy may perform that
19 are related to titles or registrations, but are not transactions that must be performed through the
20 department's automated vehicle registration and title system. Services that are not transactions
21 performed through the department's automated vehicle registration and title system include, but
22 are not limited to, the additional fees a full service deputy may charge for copying, faxing, or
23 transporting documents required to obtain or correct a motor vehicle title or registration.

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1 However, the additional fees that a full service deputy may charge for these other services may be
2 limited by the terms of the county tax assessor-collector's authorization to act as deputy.

3 (g) Posting of fees. At each location where a full service deputy provides titling or
4 registration services, the deputy must prominently post a list stating all fees charged for each
5 service related to titling or registration. The fee list must specifically state each service, including
6 the additional fee charged for that service, that is subject to subsections (b), (c), (d), or (e) of this
7 section. The fee list must also state that each service subject to an additional fee under subsection
8 (b), (c), (d), or (e) of this section may be obtained from the county tax assessor-collector without
9 the additional fee. If the full service deputy maintains a website advertising or offering titling or
10 registration services, the deputy must post the fee list described by this subsection on the website.

11 (h) Additional compensation. The fee amounts set forth in this section do not preclude or
12 limit the ability of a county to provide additional compensation to a deputy out of county funds.

13
14 **SUBCHAPTER I. PROCESSING AND HANDLING FEES**

15 **43 TAC §§217.181 - 217.185**

16
17 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
18 department proposes amendments to Chapter 217 under Transportation Code §502.0021, which gives
19 the department authority to adopt rules to administer Transportation Code Chapter 502, Registration of
20 Vehicles; Transportation Code §502.040, which authorizes the department to prescribe the process and
21 procedures for applying for a motor vehicle registration; Transportation Code §502.059, which
22 authorizes the department to adopt rules providing for an automated registration process;
23 Transportation Code §502.1911 which authorizes the board to adopt rules to set registration processing

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and handling fees; Transportation Code §520.003, which authorizes the department to adopt rules to administer Transportation Code Chapter 520, Miscellaneous Provisions; Transportation Code §520.004, which authorizes the department to adopt rules to establish standards for uniformity and service quality for counties conducting registration and titling services; Transportation Code §520.0055, as created by HB 718, gives the department authority to mandate motor vehicle dealers use a department designated electronic system to submit title and registration applications to the county tax assessor-collectors for motor vehicle transactions; and Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers of the department, as well as the statutes throughout this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§502.0021, 502.040, 502.059, 502.1911, 520.003, 520.004, 520.055, and 1002.001.

Text.

§217.181. Purpose and Scope.

This subchapter prescribes the processing and handling fees ~~[fee]~~ authorized by Transportation Code, §502.1911, which include ~~[includes]~~ the fee established under Transportation Code, §502.356(a), and are ~~[is]~~ sufficient to cover the expenses associated with collecting registration fees by the department, a county tax assessor-collector, a private entity with which a county tax assessor-collector contracts under Transportation Code, §502.197, or a deputy assessor-collector that is deputized in accordance with Subchapter H of this chapter (relating to Deputies).

§217.182. Registration Transaction.

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As used in this subchapter, a "registration transaction" is a registration or registration renewal under Transportation Code, Chapter 502, or a transaction to issue the following:

(1) a registration, registration renewal, special registration license plate, or special registration permit issued under Transportation Code, Chapter 502, Subchapter C (Special Registrations);

(2) a license plate issued under Transportation Code, §502.146;

(3) a temporary additional weight permit under Transportation Code, §502.434;

(4) a license plate or license plate sticker under Transportation Code, §§504.501, 504.502, 504.506, or 504.507;

(5) a golf cart license plate under Transportation Code, §551.402; or

(6) a package delivery vehicle license plate under Transportation Code, §551.452.

(7) an off-highway vehicle license plate under Transportation Code, §551A.052.

§217.183. Fee Amount.

(a) Except as stated otherwise in this section and except as exempted [limited] by §217.184 of this title (relating to Exclusions), a processing and handling fee in the amount of \$4.75 shall be collected with each registration transaction processed by the department, the county tax assessor-collector, or a deputy appointed by the county tax assessor-collector.

(b) Except as stated otherwise in subsection (c) of this section and except as exempted by §217.184 of this title (relating to Exclusions), for each registration transaction processed through the department's TxFLEET system, the processing and handling fee consists of the following, which the applicant must pay: 1) \$4.75; and 2) the applicable service charge. [For registrations processed through the TxIRP system, the applicant shall pay any applicable service charge.]

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(c) If a transaction includes both registration and issuance of a license plate or specialty plate, the processing and handling fee shall be collected on the registration transaction only.

§217.184. Exclusions.

The following transactions are exempt from the processing and handling fees [fee] established by §217.183 of this title (relating to Fee Amount), but are subject to any applicable service charge set pursuant to Government Code, §2054.2591, Fees. The processing and handling fees [fee] may not be assessed or collected on the following transactions:

- (1) a replacement registration sticker under Transportation Code, §502.060;
- (2) a registration transfer under Transportation Code, §502.192;
- (3) an exempt registration under Transportation Code, §502.451 or §502.0025;
- (4) a vehicle transit permit under Transportation Code, §502.492;
- (5) a replacement license plate under Transportation Code, §504.007;
- (6) a registration correction receipt, duplicate receipt, or inquiry receipt;
- (7) an inspection fee receipt; or
- (8) an exchange of license plate for which no registration fees are collected.

§217.185. Allocation of Processing and Handling Fees. [~~Fee~~.]

(a) For registration transactions, except as provided in subsection (b) of this section, the fee amounts [~~amount~~] established in §217.183 of this title (relating to Fee Amount) shall be allocated as follows:

- (1) If the registration transaction was processed in person at the office of the county tax assessor-collector or mailed to an office of the county tax assessor-collector:

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1 (A) the county tax assessor-collector may retain \$2.30; and

2 (B) the remaining amount shall be remitted to the department.

3 (2) ~~[If the registration transaction was mailed to office of the county tax assessor-~~
4 ~~collector;]~~

5 ~~[(A) the county tax assessor collector may retain \$2.30; and]~~

6 ~~[(B) the remaining amount shall be remitted to the department.]~~

7 ~~[(3)]~~ If the registration transaction was processed through the department or the
8 TxFLEET ~~[TxIRP]~~ system or is a registration processed under Transportation Code, §§502.0023,
9 502.091, or 502.255; or §217.46(b)(5) or(d)(1)(B)(i) of this title (relating to Commercial Vehicle
10 Registration):

11 (A) \$2.30 will be remitted to the county tax assessor-collector; and

12 (B) the remaining amount shall be retained by the department.

13 ~~(3)~~~~[(4)]~~ If the registration transaction was processed through Texas by Texas (TxT)
14 or the department's Internet Vehicle Title and Registration Service (IVTRS), ~~[online registration~~
15 ~~portal,]~~ the fee established in §217.183 is discounted by \$1:

16 (A) Texas Online receives the amount set pursuant to Government Code,
17 §2054.2591, Fees;

18 (B) the county tax assessor-collector may retain \$.25; and

19 (C) the remaining amount shall be remitted to the department.

20 ~~(4)~~~~[(5)]~~ If the registration transaction was processed by a limited service deputy or
21 full service deputy appointed by the county tax assessor-collector in accordance with Subchapter H
22 of this chapter (relating to Deputies):

23 (A) the deputy may retain:

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(i) the amount specified in §217.168(c) of this title (relating to Deputy Fee Amounts). The deputy must remit the remainder of the processing and handling fee to the county tax assessor-collector; and

(ii) the convenience fee established in §217.168, if the registration transaction is processed by a full service deputy;

(B) the county tax assessor-collector may retain \$1.30; and

(C) the county tax assessor-collector must remit the remaining amount to the department.

(5)~~[(6)]~~ If the registration transaction was processed by a dealer deputy appointed by the county tax assessor-collector in accordance with Subchapter H of this chapter (relating to Deputies):

(A) the deputy must remit the processing and handling fee to the county tax assessor-collector;

(B) the county tax assessor-collector may retain \$2.30; and

(C) the county tax assessor-collector must remit the remaining amount to the department.

(b) For transactions under Transportation Code, ~~§§502.093 – 502.095, [§§502.092–502.095,]~~ the entity receiving the application and processing the transaction collects ~~[and retains]~~ the \$4.75 ~~[entire]~~ processing and handling fee established in §217.183~~;~~~~[-]~~

(1) the entity may retain \$4.25;

(2) the entity must remit the remaining amount to the department; and

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(3) a [A] full service deputy processing a special registration ~~[temporary]~~ permit or
special registration license plate transaction may not charge a convenience fee for that
transaction.

SUBCHAPTER J. PERFORMANCE QUALITY RECOGNITION PROGRAM**43 TAC §217.205**

STATUTORY AUTHORITY. The department proposes amendments to Chapter 217 under Transportation Code, §520.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 520, Miscellaneous Provisions; Transportation Code, §520.004, which authorizes the department to adopt rules to establish standards for uniformity and service quality for counties conducting registration and titling services; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code §§520.003, 501.004, and 1002.001.

Text.

§217.205. Department Decision to Award, Deny, Revoke, or Demote a Recognition Level.

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1 (a) Award of recognition level. The department may award a recognition level based on the
2 following for the time frame of September 1st through August 31st immediately preceding the
3 application deadline:

4 (1) information and documents contained in the application;

5 (2) any additional information, documentation, or clarification requested by the
6 department; and

7 (3) information and documentation from department records.

8 (b) Denial of recognition level. The department may deny an award of recognition if:

9 (1) the application contains any incomplete or inaccurate information;

10 (2) the applicant fails to provide requested documents;

11 (3) the application contains incomplete documents;

12 (4) the application was not received by the department or postmarked by the
13 department's deadline;

14 (5) the county tax assessor-collector who applied for recognition no longer holds the
15 office of county tax assessor-collector;

16 (6) the county tax assessor-collector did not sign the application; or

17 (7) the department discovers information which shows the applicant does not comply
18 with the criteria to receive a recognition level.

19 (c) Revocation of recognition level or demotion of recognition level.

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(1) The department may revoke a recognition level if the department discovers information which shows the county tax assessor-collector no longer complies with the criteria for any recognition level.

(2) The department may demote a recognition level if the department discovers information which shows the county tax assessor-collector no longer complies with the criteria for the current recognition level, but still complies with the criteria for a recognition level. The recognition level will be demoted to the highest recognition level for which the county tax assessor-collector qualifies.

(d) Notice of department decision to award, deny, revoke, or demote a recognition level. The department shall notify the county tax assessor-collector of the department's decision via email, facsimile transmission, or regular mail.

(e) Deadline for department decision to award or to deny a recognition level. No later than December 31st of the calendar year ~~[90 calendar days after receiving the application for recognition]~~, the department shall send a written notice to the applicant stating:

(1) the department's decision to award or to deny a recognition level; or

(2) there will be a delay in the department's decision.

SUBCHAPTER L. ASSEMBLED VEHICLES**43 TAC §217.404**

STATUTORY AUTHORITY: The department proposes amendments to Chapter 217 under Transportation Code §731.002 which authorizes the department to adopt rules as necessary to implement Chapter 731,

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governing assembled vehicles; and §1002.001, which authorizes the department to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE: The proposed amendments would implement Transportation Code §§731.002, 731.051, and 1002.001.

Text.

§217.404. Initial Application for Title.

(a) ~~An [Prior to applying for title, an]~~ applicant must submit to the department a complete application for title. The application may be submitted in person, by mail, or electronically, to the department. The application must include:

(1) photographs of the front, rear, and side of the assembled vehicle, and if a replica, a photograph of what the vehicle is a replica of;

(2) evidence of ownership of the basic component parts of the assembled vehicle as described in §217.405 of this subchapter (relating to Evidence of Ownership), as applicable to the type of assembled vehicle;

(3) if applicable, proof, on a form prescribed by the department, of a safety inspection required under §217.143 of this chapter (relating to Assembled Vehicle Inspection Requirements), and Transportation Code §731.101;

(4) if applicable, a copy of the Automobile and Light Truck certification, or a successor certification, for the master technician who completed the inspection described in paragraph (3) of this subsection;

(5) a copy of the inspection that may be required under Transportation Code Chapter 548 if the assembled vehicle is to be registered for operation on the roadway;

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(6) a Rebuilt Vehicle Statement;

(7) a weight certificate;

(8) identification as required in §217.5(d) of this chapter (relating to Evidence of Motor Vehicle Ownership); and

(9) any of the following means to establish the vehicle identification number:

(A) an Application for Assigned or Reassigned Number, and Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number, on forms prescribed by the department;

(B) an Application for Assigned or Reassigned Number, establishing the vehicle identification number assigned by the manufacturer of the component part by which the assembled vehicle will be identified;

(C) acceptable proof, as established by the department, of a vehicle identification number assigned by the maker of the kit used to construct the assembled vehicle; or

(D) acceptable proof, as established by the department, of a vehicle identification number assigned by the manufacturer of the replica, custom vehicle, street rod, or glider kit.

(b) Following receipt of all information required under subsection (a) of this section, the department will review the application for completeness and to determine if ~~that~~ the vehicle meets assembled vehicle qualifications under Transportation code, Chapter 731.

(c) If the department determines that the application is complete and the vehicle meets assembled vehicle qualifications, the department will issue a letter to the applicant on department letterhead, stating that the application is complete and that the vehicle qualifies as an assembled

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1 vehicle. The letter shall include a list of the supporting documents and information identified in
2 subsection (d)(2) of this section.

3 (d) Following receipt of the department's letter described in subsection (c) of this section,
4 the applicant may then submit the letter and the completed application to the county tax assessor-
5 collector for processing. The application must include:

6 (1) the department-issued letter described in subsection (c) of this section;

7 (2) copies of all items required to be submitted to the department in subsection
8 (a)(1) - (9) of this section; and

9 (3) the requirements as identified in §217.23 of this chapter (relating to Initial
10 Application for Vehicle Registration) if obtaining registration.

11

12



To: Texas Department of Motor Vehicles Board
From: Corrie Thompson, Enforcement Division Director
Agenda Item: 11
Subject: Chapter 221, Salvage Vehicle Dealers
Amendments: §221.54
(Relating to HB 718)

RECOMMENDATION

Action Item. Approval to publish the proposed amendments to 43 Texas Administrative Code §221.54 in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

In support of House Bill 718, 88th Legislature, Regular Session (2023), proposed amendments to §221.54 would add criteria related to the failure of a salvage dealer to remove, report, or destroy void license plates to criteria currently used by the Enforcement Division in prioritizing site visits to these license holders.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The proposed amendments to §221.54 expand the list of criteria that the department will consider in determining whether to conduct a site visit to include whether a salvage vehicle dealer has:

- failed to remove a license plate or registration insignia from a scrapped or destroyed vehicle,
- failed to timely or accurately report to the department a license plate from a scrapped or destroyed vehicle, or
- failed to scrap or destroy license plates and registration insignia from a scrapped or destroyed vehicle.

These proposed amendments will allow the department to prioritize potential license plate-related misuse or fraud consistent with the department's enforcement responsibilities under HB 718.

PROPOSAL OF REVISIONS TO**SUBCHAPTER C. LICENSED OPERATIONS****43 TAC §221.54**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas Administrative Code (TAC) Subchapter C, Licensed Operations, §221.54, concerning criteria for site visits. These amendments are necessary to implement House Bill (HB) 718, enacted during the 88th Legislature, Regular Session (2023). HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025. HB 718 requires the department to determine new distribution methods, systems, and procedures, and set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and requires the department to adopt related rules by December 1, 2024. Beginning July 1, 2025, if a motor vehicle is sold to a Texas resident, a Texas dealer will assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license plate, and the assigned license plate will stay with the vehicle if the vehicle is later sold to a buyer including a salvage dealer. These proposed amendments add new criteria to the site visit criteria currently used by the Enforcement Division to include the failure of a salvage dealer to remove, report, or destroy void license plates. These proposed amendments will allow the department to prioritize potential license plate-related misuse or fraud consistent with the department's enforcement obligations under HB 718.

EXPLANATION.

Proposed amendments to §221.54 adds new subsections (6) - (8). These proposed amendments expand the list of criteria that the department will consider in determining whether to conduct a site visit

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1 to include whether a licensed salvage vehicle dealer has failed to remove a license plate or registration
2 insignia from a scrapped or destroyed vehicle; failed to timely or accurately report to the department or
3 enter information about a license plate from a scrapped or destroyed vehicle into the system designated
4 by the department; or failed to scrap or destroy void license plates and registration insignias from a
5 scrapped or destroyed vehicle. These proposed amendments will ensure that violations of the statutes
6 and rules relating to license plates are factors that the department considers when deciding the priority
7 of conducting a site visit to a salvage vehicle dealer.

8 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
9 has determined that for each year of the first five years the amendments will be in effect, there will be no
10 fiscal impact to state or local governments as a result of the enforcement or administration of the
11 proposal. Corrie Thompson, Director of Enforcement (ENF), has determined that there will be no
12 measurable effect on local employment or the local economy as a result of the proposal.

13 **PUBLIC BENEFIT AND COST NOTE.** Ms. Thompson has also determined that, for each year of the first five
14 years the amended section is in effect, there is a public benefit anticipated because adding license plate-
15 related site visit criteria will enable the department to prioritize the investigation of license plate misuse
16 and fraud which may prevent public harm from these license plates being used to facilitate crimes.

17 Anticipated Costs To Comply With The Proposal. Ms. Thompson anticipates that there will be no
18 costs to comply with these rules because the amendments do not establish any additional requirements
19 on regulated persons.

20 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the
21 Government Code, §2006.002, the department has determined that the proposed amendments will not
22 have an adverse economic effect on small businesses, micro-businesses, and rural communities because
23 the proposed amendments add criteria for the department to use and do not add new requirements on,

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1 or directly affect, small businesses, micro-businesses, or rural communities. The proposed amendments
2 do not require small business, micro-businesses, or rural communities to comply. Therefore, the
3 department is not required to prepare a regulatory flexibility analysis under Government Code,
4 §2006.002.

5 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
6 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
7 that would otherwise exist in the absence of government action and, therefore, does not constitute a
8 taking or require a takings impact assessment under the Government Code, §2007.043.

9 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that during each year of
10 the first five years the proposed amendments are in effect, no government program would be created or
11 eliminated. Implementation of the proposed amendments would not require the creation of new
12 employee positions or elimination of existing employee positions. Implementation would not require an
13 increase or decrease in future legislative appropriations to the department or an increase or decrease of
14 fees paid to the department. The proposed amendments do not create a new regulation, or limit, or repeal
15 an existing regulation. The proposed amendment would expand an existing regulation by increasing the
16 factors the department looks to when deciding which salvage vehicle dealers to inspect. Lastly, the
17 proposed amendments do not affect the number of individuals subject to the rule's applicability and will
18 not affect this state's economy.

19 **REQUEST FOR PUBLIC COMMENT.** If you want to comment on the proposal, submit your written
20 comments by 5:00 p.m. CDT on MM, DD, 2024. A request for a public hearing must be sent separately
21 from your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov*
22 or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue,

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1 Austin, Texas 78731. If a hearing is held, the department will consider written comments and public
2 testimony presented at the hearing.

3 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
4 department proposes amendments to Chapter 221 under Occupations Code, Chapter 2302, and
5 Occupations Code, §2302.051, which authorize the board to adopt rules as necessary to administer
6 Occupations Code, Chapter 2302; Transportation Code, §502.0021 which authorizes the department to
7 adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §503.002, which
8 authorizes the department to adopt rules to administer Transportation Code, Chapter 503; Transportation
9 Code, §503.063(d), as amended by HB 718, which gives the department authority to conduct a review of
10 the dealer's compliance with statutory obligation to ensure safekeeping of license plates; Transportation
11 Code, §504.0011, which allows the board to adopt rules to implement and administer Chapter 504;
12 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
13 appropriate to implement the powers and the duties of the department; and Government Code,
14 §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements
15 of all available formal and informal procedures.

16 **CROSS REFERENCE TO STATUTE.** These proposed rule amendments would implement Occupations Code,
17 Chapter 2302; and Transportation Code, Chapters 501–504, and 1001 - 1003.

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1 TEXT.

2 SUBCHAPTER C. LICENSED OPERATIONS

3 43 TAC §221.54

4 221.54. Criteria for Site Visits.

5 In determining whether to conduct a site visit at an active salvage vehicle dealer's location, the
6 department will consider whether the dealer has:

7 (1) failed to respond to a records request;

8 (2) failed to operate from the license location;

9 (3) an enforcement history that reveals failed compliance inspections or multiple
10 complaints with administrative sanctions being taken by the department;

11 (4) a business location that fails to meet premises or operating requirements under this
12 chapter; [or]

13 (5) records that require further investigation by the department; [-]

14 (6) failed to remove a license plate or registration insignia from a scrapped or destroyed
15 vehicle;

16 (7) failed to timely or accurately report to the department or enter in the system
17 designated by the department, a void license plate from a scrapped or destroyed vehicle; or

18 (8) failed to scrap, recycle, or destroy license plates and registration insignia from a
19 scrapped or destroyed vehicle.

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Corrie Thompson, Enforcement Division Director
Agenda Item: 12
Subject: Chapter 224, Adjudicative Practice and Procedure
Amendments: §224.58
(Relating to HB 718 Implementation)

RECOMMENDATION

Action Item. Approval to publish the proposed amendments to 43 Texas Administrative Code (TAC), §224.58 in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

Proposed amendments to §224.58 concerning denial of access to the license plate system are necessary to implement House Bill (HB) 718 enacted during the 88th Legislature, Regular Session (2023). Effective July 1, 2025, Transportation Code, §503.0633 requires the department to monitor the number of license plates obtained by a dealer and to deny access to the license plate database if the department determines that a dealer is acting fraudulently. These proposed amendments implement Transportation Code, §503.0633(f).

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Proposed amendments to the title of §224.58 delete “or Converter” and add “License Plate System” to recognize that under HB 718, 88th Legislature, Regular Session (2023) a converter may not issue a temporary tag or license plate effective July 1, 2025, and that the purpose of the database will change from the tracking and issuance of temporary tags to the tracking and issuing of license plates on July 1, 2025.

Proposed amendments throughout rule text substitute “license plates” for “temporary tags” and delete references to converters. Proposed amendments also delete a statutory reference to Transportation Code, §503.0626 which will no longer exist and add references to §503.063 and §503.065. These Transportation Code provisions authorize a dealer to issue a buyer’s license plate or set of license plates to the purchaser of a motor vehicle in Texas under certain circumstances and to issue a buyer’s temporary license plate to an out-of-state buyer.

A proposed amendment adds “or issue” to clarify that a dealer misuses the license plate system by fraudulently issuing a license plate. Non-substantive amendments are proposed to add additional clarity.

A proposed amendment defines license plate system misuse to include obtaining or issuing a license plate for a vehicle that is not titled or permitted by law to be operated on a public highway. This new language addresses situations such as a dealer who issues a license plate for a rebuilt vehicle that is not titled for highway use or issues a license plate for a vehicle that has not passed a required emissions inspection in a non-attainment county.

PROPOSAL OF REVISIONS TO**SUBCHAPTER B. MOTOR VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRY ENFORCEMENT****43 TAC §224.58**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle, Salvage Vehicle, and Trailer Industry Enforcement, §224.58, concerning denial of access to the license plate system. These amendments are necessary to implement House Bill (HB) 718 enacted during the 88th Legislature, Regular Session (2023). HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replacing these tags with categories of license plates effective July 1, 2025. HB 718 requires the department to develop new distribution methods, systems, and procedures, to set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and requires the department to adopt related rules by December 1, 2024. Effective July 1, 2025, Transportation Code, §503.0633 requires the department to monitor the number of license plates or sets of license plates obtained by a dealer and to deny access to the license plate database if the department determines that a dealer is acting fraudulently. These proposed amendments implement Transportation Code, §503.0633(f).

The department also proposes non-substantive changes to delete a duplicative word in §215.58(a)(5) and clarify language in §224.58(a)(5) and §224.58(c).

EXPLANATION.

Proposed amendments to the title of §224.58 would delete the phrase “or Converter” and substitute the phrase “License Plate System” for “Temporary Tag System”. These proposed amendments recognize that under HB 718, a converter may not issue a temporary tag or license plate effective July 1, 2025, and that the purpose of

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1 the database will change from the tracking and issuance of temporary tags to the tracking and issuing of license
2 plates on July 1, 2025.

3 Proposed amendments throughout §§224.58(a)-(f) would substitute the phrase “license plates” for
4 “temporary tags” because effective July 1, 2025, a dealer may only issue a license plate or set of license plates,
5 and not a temporary tag under Transportation Code, Chapter 503, as amended by HB 718.

6 Proposed amendments throughout §§224.58(a)-(f) would substitute the phrase “license plate system” for
7 the terms “temporary tag database”, “a database”, and “database” because the purpose of the system will be to
8 issue and track license plates effective July 1, 2025.

9 Proposed amendments throughout §224.58(a)-(f) delete the phrases “or converter” and “or converter’s”
10 because a converter may not issue a temporary tag or license plate effective July 1, 2025, under Transportation
11 Code, Chapter 503, as amended by HB 718.

12 Proposed amendments to §224.58(a) would delete a statutory reference to Transportation Code,
13 §503.0626 which was repealed by HB 718 and will no longer exist on July 1, 2025, and add references to §503.063
14 and §503.065. These two Transportation Code provisions authorize a dealer to issue a buyer’s license plate or set
15 of license plates to the purchaser of a motor vehicle in Texas under certain circumstances and to issue a buyer’s
16 temporary license plate to an out-of-state buyer. A proposed amendment to §224.58(a) would add “or issue” to
17 clarify that a dealer misuses the license plate system by fraudulently obtaining or issuing a license plate. A
18 proposed amendment to §224.58(a)(4) would delete “or” and proposed amendments to §215.58(a)(5) would
19 delete a period and add a semicolon and “or” because a new paragraph is proposed to be added as §215.58(a)(6).
20 Proposed non-substantive changes to §224.58(a)(5) would delete a redundant “issued,” add “the dealer’s” before
21 “licensed location,” and delete an unnecessary “a” before “storage lot” to clarify that license plate misuse includes
22 a dealer obtaining or issuing a license plate for a vehicle or motor vehicle not located at the dealer’s licensed
23 location or storage lot. A proposed amendment would add new §215.58(a)(6), which defines license plate system

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1 misuse to include obtaining or issuing a license plate for a vehicle that is not titled or permitted by law to be
2 operated on a public highway. This proposed new language addresses situations such as a dealer obtaining or
3 issuing a license plate for a rebuilt vehicle that is not titled, or obtaining or issuing a license plate for a vehicle that
4 has not passed a required emissions inspection in a non-attainment county, and prevents the associated public
5 harm.

6 A proposed amendment to §224.58(b) would substitute the phrase “or issued a license plate in the license
7 plate system” for “temporary tags from the temporary tag database” to implement the change from temporary
8 tags to license plates mandated by HB 718.

9 A proposed nonsubstantive change to §224.58(c) adds “address” after “email” to clarify that a notice
10 under this section will be sent to the license holder’s last known email address in the department-designated
11 licensing system.

12 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer, has
13 determined that for each year of the first five years the new section will be in effect, there will be no fiscal impact
14 to state or local governments as a result of the enforcement or administration of the proposal. Corrie Thompson,
15 Director of the Enforcement Division, has determined that there will be no measurable effect on local employment
16 or the local economy as a result of the proposal.

17 **PUBLIC BENEFIT AND COST NOTE.** Glenna Bowman, Chief Financial Officer, has determined that for each year of
18 the first five years the new section will be in effect, there will be no fiscal impact to state or local governments as
19 a result of the enforcement or administration of the proposal. Corrie Thompson, Director of the Enforcement
20 Division, has determined that there will be no measurable effect on local employment or the local economy as a
21 result of the proposal.

22 **PUBLIC BENEFIT AND COST NOTE.** Ms. Thompson has also determined that, for each year of the first five years
23 the new section is in effect, public benefits include limiting the criminal activity of a small subset of dealers who

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1 fraudulently obtain and sell license plates to persons seeking to engage in violent criminal activity, including armed
2 robbery, human trafficking, and assaults on law enforcement, or to persons seeking to criminally operate
3 uninsured and uninspected vehicles as a hazard to Texas motorists and the environment.

4 Anticipated Costs To Comply With The Proposal. Ms. Thompson anticipates that there will be no costs to
5 comply with this proposed rule as the proposed rule only applies when a dealer's actions indicate fraud.

6 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government Code,
7 §2006.002, the department has determined that the proposed new section will not have an adverse economic
8 effect on small businesses or micro-businesses because the rule implements a continuing statutory requirement
9 to prevent fraud – one that first applied to temporary tags and will now apply to license plates obtained or issued
10 by a dealer. The new section will also not have an adverse impact on rural communities because rural communities
11 are not required to hold a general distinguishing number. The proposed section does not require small businesses
12 or micro-businesses to pay a fee or incur any new costs to comply with this new rule unless a dealer commits acts
13 considered fraudulent. Therefore, the department is not required to prepare a regulatory flexibility analysis under
14 Government Code, §2006.002.

15 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests are
16 affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would
17 otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a
18 takings impact assessment under the Government Code, §2007.043.

19 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the first five
20 years the proposed new section is in effect, no government program would be created or eliminated.
21 Implementation of the proposed new section would not require the creation of new employee positions or
22 elimination of existing employee positions. Implementation would not require an increase or decrease in future
23 legislative appropriations to the department or an increase or decrease of fees paid to the department. The

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1 proposed new section does not create a new regulation and does not expand, limit, or repeal an existing
2 regulation. Lastly, the proposed new section does not increase the number of individuals subject to the rule's
3 applicability and will not affect this state's economy.

4 **REQUEST FOR PUBLIC COMMENT.** If you want to comment on the proposal, submit your written comments by
5 5:00 p.m. CDT on MM, DD, YYYY. A request for a public hearing must be sent separately from your written
6 comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of
7 General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is
8 held, the department will consider written comments and public testimony presented at the hearing.

9 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
10 department proposes amendments to §224.58 under Transportation Code, §§503.002, 503.0631, and 1002.001.
11 Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code
12 Chapter 503. Transportation Code, §503.0631(e) authorizes the department to adopt rules and prescribe
13 procedures as necessary to implement §503.0631. Transportation Code, §1002.001 authorizes the board to adopt
14 rules that are necessary and appropriate to implement the powers and the duties of the department.

15 The department also proposes amendments under Occupations Code, §2301.151, which gives the board
16 authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that
17 is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board
18 to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is
19 conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions,
20 and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer
21 Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
22 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301

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- 1 and to govern practice and procedure before the board; and Government Code, §2001.004 requires state agencies
- 2 to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.
- 3 **CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapter 2001;
- 4 Occupations Code, Chapter 2301; and Transportation Code, Chapters 503, 1001, and 1002.
- 5

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SUBCHAPTER B. MOTOR VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRY ENFORCEMENT**43 TAC §224.58**

Text.

§224.58. Denial of Dealer [~~or Converter~~] Access to License Plate System [~~Temporary Tag System~~].

(a) In this section "fraudulently obtained license plates [~~temporary tags~~] from the license plate system [~~temporary tag database~~]" means misuse by a dealer [~~or converter~~] account user of the license plate system [~~temporary tag database~~] authorized under Transportation Code, §503.063, [~~§503.0626 or~~] §503.0631, or §503.065 to obtain or issue:

(1) an excessive number of license plates [~~temporary tags~~] relative to dealer sales;

(2) a license plate [~~temporary tags~~] for a vehicle or vehicles not in the dealer's [~~or converter's~~] inventory (a vehicle is presumed not to be in the dealer's [~~or converter's~~] inventory if the vehicle is not listed in the relevant monthly Vehicle Inventory Tax Statement);

(3) access to the license plate system [~~temporary tag database~~] for a fictitious user or person using a false identity;

(4) a license plate [~~temporary tags~~] for a vehicle or a motor vehicle when a dealer is no longer operating at a licensed location; [~~or~~]

(5) a license plate [~~temporary tags issued~~] for a vehicle or a motor vehicle not located at the dealer's [~~a~~] licensed location or [~~a~~] storage lot; or [~~-~~]

(6) a license plate for a vehicle or motor vehicle that is not titled or permitted by law to be operated on a public highway.

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(b) The department shall deny a dealer ~~[or converter]~~ access to the license plate system ~~[temporary tag database]~~ effective on the date the department sends notice electronically and by certified mail to the dealer ~~[or converter]~~ that the department has determined, directly or through an account user, that the dealer ~~[or converter]~~ has fraudulently obtained or issued a license plate in the license plate system ~~[temporary tags from the temporary tag database]~~. A dealer ~~[or converter]~~ may seek a negotiated resolution with the department by demonstrating the dealer ~~[or converter]~~ took corrective action or that the department's determination was incorrect.

(c) Notice shall be sent to the dealer's ~~[or converter's]~~ last known mailing address and last known email address in the department-designated licensing system.

(d) A dealer ~~[or converter]~~ may request a hearing on the denial of access to the license plate system ~~[temporary tag database]~~, as provided by Subchapter O, Chapter 2301, Occupations Code. The request must be in writing and the dealer ~~[or converter]~~ must request a hearing under this section. The department must receive the written request for a hearing within 26 days of the date of the notice denying access to the license plate system ~~[database]~~. The request for a hearing does not stay the denial of access under subsection (b) of this section. A dealer ~~[or converter]~~ may continue to seek a negotiated resolution with the department after a request for hearing has been submitted under this subsection by demonstrating the dealer ~~[or converter]~~ took corrective action or that the department's determination was incorrect.

(e) The department may also issue a Notice of Department Decision stating administrative violations as provided in §224.56 of this title (relating to Notice of Department Decision) concurrently with the notice of denial of access under this section. A Notice of Department Decision may include notice of any violation, including a violation listed under subsection (a) of this section.

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- 1 (f) A department determination and action denying access to the license plate system [~~temporary tag~~
2 ~~database~~] becomes final if the dealer [~~or converter~~] does not request a hearing or enter into a settlement
3 agreement with the department within 26 days of the date of the notice denying access to the license plate
4 system [~~a database~~].

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 13
Subject: Chapter 215, Motor Vehicle Distribution
New: §215.123
(Relating to New Vehicle Shows and Exhibitions)

RECOMMENDATION

Action Item. Approval to publish the proposed new section in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

At the April 11, 2024, meeting the Board requested the department propose a new rule in 43 Texas Administrative Code (TAC), Subchapter C, Franchised Dealers, Manufacturers, Distributors, and Converters, regarding new vehicle show or exhibition notice requirements for consideration at this board meeting.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Proposed new section, §215.123, concerning new vehicle show or exhibition notice requirements, defines related terms and describes the information and methods by which a license holder must provide the notice required under Occupations Code, §2301.358(a).

The proposed definition for a “new motor vehicle exhibition” distinguishes an “exhibition” from a “show” by limiting exhibitions to only involve display or demonstration of motor vehicles by a single license holder, and requiring an exhibition to be organized by a person other than the license holder if a license holder is licensed to sell one of the vehicle types authorized to be sold at a show or exhibition. Additionally, the person organizing the exhibition must own the event space or contract for temporary use of the space. The proposed requirement for an exhibition to be organized by a person other than a license holder is necessary to distinguish a potentially lawful sale at an exhibition from an unlawful sale under Occupations Code, §2301.362. The proposed definition for “new motor vehicle show” distinguishes a “show” from an “exhibition” by defining a “show” to involve multiple license holders at the same location.

Both the proposed definition of “new motor vehicle show” and the proposed definition of “new motor vehicle exhibition” allow license holders to demonstrate new motor vehicles at the show or exhibition to clarify that all license holders under Occupations Code, Chapter 2301 are able to demonstrate new motor vehicles at shows and exhibitions consistent with the statutory language in Occupations Code, §2301.358(a).

Proposed new §215.123(b) describes the information a license holder is required to provide when notifying the department of participation in a show or exhibition and the two methods for notifying the department. This subsection

reflects current practice with the addition of requiring information about the event organizer if the event will include a vehicle type which may be sold. This information would allow the department sufficient information to follow up if a complaint is filed against a license holder participating in an event.

Proposed new §215.123(c) specifies four circumstances in which a license holder is not required to provide a written notification before publicly displaying a vehicle because certain types of new vehicle displays do not have the same potential for unlawful conduct or public harm and distinguishes certain license holders who do not fall under the notification requirement in Occupations Code, §2301.358(a).

Proposed new §215.123(d) states that a show or exhibition notice is valid for the event dates designated by a license holder, up to a maximum event length of two years and requires a license holder to submit a revised notice if the show or exhibition continues after the end date specified in the initial notification. If a show or exhibition continues for longer than two years, the license holder would be required to submit a new notice. This provision would allow for long exhibitions, which have become central to some license holders' business models.

Proposed new §215.123(e) remind license holders that a new vehicle may only be sold at a show or exhibition if the sale is allowed under either Occupations Code, §2301.358 or Transportation Code, §503.003, if a license holder follows the advertising rules in Subchapter F of this chapter, and if the sale is consistent with Transportation Code, §728.002, which prohibits sales of new motor vehicles on consecutive Saturdays and Sundays, commonly referred to as "the blue law."

Proposed new §215.123(f) remind license holders of the requirements that apply when a new motor vehicle cannot be sold at a show or exhibition.

The department worked with stakeholders to refine the language in the rule proposal and incorporated comments consistent with our obligation to propose a rule that was not anti-competitive.

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PROPOSAL OF REVISIONS TO**SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS****43 TAC §215.123**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes a new section to 43 Texas Administrative Code (TAC) Subchapter C, Franchised Dealers, Manufacturers, Distributors, and Converters, §215.123, concerning new vehicle show or exhibition notice requirements. This proposed new section would define related terms and describe the information and methods by which a license holder must provide the notice required under Occupations Code, §2301.358(a) and the circumstances in which written notice is not required.

EXPLANATION.

Proposed new §215.123(a) defines certain terms used in the section: “motor vehicle,” “new motor vehicle,” “new motor vehicle exhibition,” “new motor vehicle show,” “Monroney label,” and “person.” Proposed new §215.123(a) conforms definitions with Occupations Code, §2301.002 and federal law, distinguishes an exhibition from a show, and clarifies when a sale may be lawful under Occupations Code, §2301.358(c). For clarity and ease of reference, the proposed definitions for the terms “motor vehicle,” “new motor vehicle,” and “person” would refer to Occupations Code, §2301.002, and the proposed definition of Monroney label would refer to the relevant federal law, 15 U.S.C. §§ 1231-1233.

The proposed definition for a “new motor vehicle exhibition” in proposed new §215.123(a)(3) would distinguish an “exhibition” from a “show” by limiting exhibitions to only involve display or demonstration of motor vehicles by a single license holder. The proposed definition of “new motor vehicle exhibition” would seek to prevent an “exhibition” from being abused by dealers as an unlicensed sales

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1 location by clarifying that exhibitions are only for a set or “finite” period, and that if a license holder is
2 licensed to sell one of the vehicle types authorized to be sold at a show or exhibition under Occupations
3 Code, §2301.358(c), the exhibition must be organized by a person other than the license holder and held
4 at a business or event location owned or contracted for use temporarily by the person organizing the
5 exhibition. The proposed requirement for an exhibition to be organized by a person other than a license
6 holder is necessary to distinguish a potentially lawful sale at an exhibition from an unlawful sale under
7 Occupations Code, §2301.362.

8 The proposed definition for “new motor vehicle show” in §215.123(a)(4) would further distinguish
9 a “show” from an “exhibition” by defining a “show” to involve multiple license holders at the same
10 location. The proposed definition would seek to prevent a “show” from being abused by dealers as an
11 unlicensed sales location in violation of Occupations Code, §2301.362 by clarifying that these events are
12 only for a finite period and by requiring the involvement of multiple license holders to create a “show.”
13 Both the proposed definition of “new motor vehicle show” and the proposed definition of “new motor
14 vehicle exhibition” allow license holders to demonstrate new motor vehicles at the show or exhibition,
15 clarifying that all license holders under Occupations Code, Chapter 2301 are able to demonstrate new
16 motor vehicles at shows and exhibitions, which is consistent with current industry practice.

17 Proposed new §215.123(b) would describe the information a license holder is required to provide
18 when notifying the department of participation in a show or exhibition and the two methods for notifying
19 the department. The proposed language reflects the department’s current practice for receiving notice
20 from license holders participating in shows and exhibitions. A license holder may either email the
21 information to the department or email a completed convenience form, MVD-NF101, to the department
22 before a show or exhibition begins. The information required to be provided by the license holder, either
23 in email text or on the form, includes: the license holder’s name, including any assumed name; license

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number; license holder's authorized contact name, title, phone number, and email address; the name and contact information for the event organizer if the license holder will be displaying or demonstrating a motor vehicle type which is authorized by law to be sold at a show or exhibition; the event name, facility or event center name and address; and the event beginning and end dates. Proposed new §215.123(b) would define the information a license holder must provide to comply with the notice requirement in Occupations Code, §2301.358(a). The proposed requirements of new §215.123(b) would allow the department sufficient information to follow up if a complaint is filed against a license holder participating in a new motor vehicle show or exhibition.

Proposed new §215.123(c) would specify four circumstances in which a license holder is not required to provide a written notification before publicly displaying a vehicle. The first is when no license holder representative or agent is present or available to the public, no vehicle demonstration is offered to the public, and no sale, offer to sell, or pricing information other than a manufacturer or distributor standard retail price or Monroney label or sticker is communicated or displayed on or near the vehicle. The second circumstance is when the public display of a new motor or a demonstration of a new motor vehicle is part of a charity, civic, or community event such as a fundraiser, rodeo, parade or fair and no sale or offer to sell will take place at the event. The third circumstance is when a new motor vehicle is displayed or demonstrated at a private event that is not open or advertised to the public. These three types of motor vehicle displays do not have the same potential for unlawful conduct or public harm and the burden on the license holder to notify the department is not consistent with the state's public policy of minimizing unnecessary regulation. The fourth circumstance is when the vehicle type is a utility trailer or semitrailer. This vehicle type is solely licensed under Transportation Code, Chapter 503. These license holders are not required to provide notice prior to participating in a show or exhibition because these license holders are not licensed under Occupations Code, Chapter 2301 and no notification requirement

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exists in Transportation Code, Chapter 503. Proposed new §215.123(c) recognizes that certain types of new vehicle displays do not have the same potential for unlawful conduct or public harm and distinguishes certain license holders who do not fall under the notification requirement in Occupations Code, §2301.358(a).

Proposed new §215.123(d) states that a show or exhibition notice is valid for the event dates designated by a license holder, up to a maximum event length of two years. Proposed new §215.123(d) would require a license holder to amend a prior written notification if a show or exhibition continues after the end date specified in the initial notification by submitting a revised notice to the department. If a show or exhibition continues for longer than two years, the license holder would be required to submit a new notice. Proposed new §215.123(d) would allow for long exhibitions, which have become central to some license holders' business models, while also providing the department with a more accurate understanding of the shows and exhibitions that are currently active in the state and with current contact information for license holders taking part in shows and exhibitions. The proposed language for new §215.123(d) also explicitly provides that a show or exhibition may not be used to circumvent statutory franchised dealer licensing requirements.

Proposed new §215.123(e) states that a new vehicle may only be sold at a show or exhibition if the sale is allowed under either Occupations Code, §2301.358 or Transportation Code, §503.003, if a license holder follows the advertising rules in Subchapter F of this chapter, and if the sale is consistent with Transportation Code, §728.002, which prohibits sales of new motor vehicles on consecutive Saturdays and Sundays, commonly referred to as "the blue law." Proposed new §215.123(e) would ensure that a license holder is aware of the laws affecting sales of new vehicles at a show or exhibition which frequently occur on a Saturday or Sunday.

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1 Proposed new §215.123(f) states that if a new motor vehicle is not authorized by statute to be
2 sold at a show or exhibition, the sale or offer for sale is prohibited and only a manufacturer or distributor
3 standard retail price or a Monroney label or sticker may be communicated or displayed on or near a new
4 motor vehicle. Proposed new §215.123(f) would remind license holders of the requirements that apply
5 when a new motor vehicle cannot be sold at a show or exhibition.

6 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
7 has determined that for each year of the first five years the new section will be in effect, there will be no
8 fiscal impact to state or local governments as a result of the enforcement or administration of the
9 proposal. Monique Johnston, Director of the Motor Vehicle Division (MVD), has determined that there
10 will be no measurable effect on local employment or the local economy as a result of the proposal.

11 **PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston has also determined that, for each year of the first five
12 years the new section is in effect, the public will benefit from clearer guidance on when a new vehicle may
13 be lawfully sold or demonstrated at a show or exhibition.

14 **Anticipated Costs To Comply With The Proposal.** Ms. Johnston anticipates that there will be no
15 costs to comply with this rule as this rule implements an existing statutory requirement and codifies an
16 existing department process for a license holder to provide electronic written notice to the department
17 before participating in a new vehicle show or exhibition.

18 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the
19 Government Code, §2006.002, the department has determined that the proposed new section will not
20 have an adverse economic effect on small businesses or micro-businesses because the rule is
21 implementing an existing statutory requirement and existing department electronic notification process.
22 The new section will also not have an adverse impact on rural communities because rural communities
23 are not required to hold a license and therefore, statutory notification requirements do not apply. The

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1 proposed new section does not require small businesses or micro-businesses to pay a fee or incur any
2 new costs to comply with this new rule as the notification requirement is a statutory requirement which
3 a license holder may comply with by using an existing email account that each license holder is required
4 to establish before applying for a license under §215.102 of this title relating to Application Requirements.
5 Therefore, the department is not required to prepare a regulatory flexibility analysis under Government
6 Code, §2006.002.

7 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
8 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
9 that would otherwise exist in the absence of government action and, therefore, does not constitute a
10 taking or require a takings impact assessment under the Government Code, §2007.043.

11 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
12 first five years the proposed new section is in effect, no government program would be created or
13 eliminated. Implementation of the proposed new section would not require the creation of new employee
14 positions or elimination of existing employee positions. Implementation would not require an increase or
15 decrease in future legislative appropriations to the department or an increase or decrease of fees paid to
16 the department. The proposed new section does create a new regulation but does not expand, limit, or
17 repeal an existing regulation. Lastly, the proposed new section does not affect the number of individuals
18 subject to the rule's applicability and will not affect this state's economy.

19 **REQUEST FOR PUBLIC COMMENT.**

20 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on
21 MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send
22 written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General

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1 Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is
2 held, the department will consider written comments and public testimony presented at the hearing.

3 **STATUTORY AUTHORITY.** The department proposes new §215.123 under Occupations Code, §2301.151,
4 which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the
5 authority to take any action that is necessary or convenient to exercise that authority; Occupations Code,
6 §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the
7 distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to
8 prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the
9 distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301
10 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to
11 adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern
12 practice and procedure before the board; Transportation Code, §503.002, which authorizes the board to
13 adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §1002.001,
14 which authorizes the board to adopt rules that are necessary and appropriate to implement the powers
15 and the duties of the department; and Government Code, §2001.004 requires state agencies to adopt
16 rules of practice stating the nature and requirements of all available formal and informal procedures.

17 **CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapter 2001;
18 Occupations Code, Chapter 2301; and Transportation Code, Chapters 503, 1001, and 1002.

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Chapter 215 – Motor Vehicle Distribution

1 Text.

2 §215.123. New Vehicle Show or Exhibition Notice Requirements.

3 (a) Definitions used in this section:

4 (1) motor vehicle--as defined in Occupations Code, §2301.002.

5 (2) new motor vehicle--as defined in Occupations Code §2301.002.

6 (3) new motor vehicle exhibition—a display or demonstration of one or more motor
7 vehicles by a single license holder for a finite period at a location other than a franchised dealership. For
8 license-holders licensed to sell towable recreational vehicles, motor homes, ambulances, fire-fighting
9 vehicles, or tow trucks, an exhibition by a single license holder must be organized by a person other than
10 a license holder and held at a business or event location owned or contracted for temporary use by the
11 person organizing the exhibition.

12 (4) new motor vehicle show-- the display or demonstration of motor vehicles for a finite
13 period by multiple license holders at the same location.

14 (5) Monroney label—The label required by the Automobile Information Disclosure Act,
15 15 U.S.C. §§ 1231-1233.

16 (6) person--as defined in Occupations Code, §2301.002.

17 (b) To participate in a new motor vehicle show or exhibition, a license holder must comply with
18 Occupations Code, §2301.358 by notifying the department prior to the opening date of the show or
19 exhibition. A license holder may notify the department:

20 (1) by email to MVD-Show_and_Exhibitions@TxDMV.gov with the following information:

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Chapter 215 – Motor Vehicle Distribution

1 (A) license holder name, including any assumed name;

2 (B) license number;

3 (C) license holder authorized contact name, title, phone number, and email
4 address;

5 (D) name and contact information for the event organizer if the license holder
6 will be displaying or demonstrating a type of motor vehicle which may be sold at a show or exhibition
7 under current law;

8 (E) event name, facility or event center name, and address; and

9 (F) the event beginning and end dates; or

10 (2) by completing form MVD-NF101, which may be found on the department's website,
11 and emailing the completed form to the department at the email address specified in the form.

12 (c) Notwithstanding the requirements of subsection (b) of this section, a license holder is not
13 required to notify the department in the following circumstances:

14 (1) when the public display of a motor vehicle:

15 (A) will not have a license holder representative or agent present or available to
16 the public;

17 (B) will not include a new motor vehicle demonstration, sale, or offer to sell; and

18 (C) no pricing information other than a manufacturer or distributor standard
19 retail price or a Monroney label or sticker is communicated or displayed on or near the new motor
20 vehicle;

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1 (2) when a new motor vehicle display or demonstration is part of a charity, civic, or
2 community event, such as a fundraiser, rodeo, parade, or fair and will not include a new motor vehicle
3 sale or offer to sell;

4 (3) when a new motor vehicle is displayed or demonstrated at a private event that is not
5 open or advertised to the public; or

6 (4) when the vehicle type displayed or demonstrated is a utility trailer or semitrailer.

7 (d) Each notice is valid for the dates designated by the license holder for an event period which
8 may not exceed two years. To continue a show or exhibition after the end date the license holder initially
9 provided to the department, the license holder must submit a revised notice to the department with
10 dates amended to reflect the new term of the show or exhibition. A show or exhibition may not be used
11 to circumvent statutory franchised dealer licensing requirements to add a new authorized sales location.

12 (e) A new vehicle may be sold at a show or exhibition only if authorized under Occupations
13 Code, §2301.358 or Transportation Code, §503.003. All requirements for a sale at a licensed location
14 apply to a sale at a show or exhibition, including Subchapter F of this chapter (related to Advertising) and
15 Transportation Code, §728.002.

16 (f) If a new motor vehicle is not authorized to be sold at a show or exhibition under Occupations
17 Code, §2301.358:

18 (1) a sale or offer for sale or lease of a new motor vehicle is prohibited; and

19 (2) only a manufacturer or distributor standard retail price or a Monroney label or sticker
20 may be communicated or displayed on or near each new motor vehicle.

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 14
Subject: Chapter 215, Motor Vehicle Distribution
New: §215.124
(Relating to Mobile Warranty and Recall Repair by Franchised Dealers)

RECOMMENDATION

Action Item. Approval to publish the proposed new section in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

At the April 11, 2024, meeting the Board requested the department propose a new rule in 43 Texas Administrative Code (TAC), Subchapter C, Franchised Dealers, Manufacturers, Distributors, and Converters, regarding mobile warranty repairs performed by a franchised dealer for presentation at this board meeting.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Effective June 1, 2024, the Board adopted changes to §215.103(a) relating to Service-only Facility to make the rule align with statute. Occupations Code, Chapter 2301 does not require warranty repair services to be performed only at a licensed dealer location. Offsite sales are limited in Occupations Code, §2301.362, but no statutory provision limits the location in which warranty services may be provided. This change conformed the rule with statutory language and provided franchised dealers with the flexibility allowed by statute to perform mobile services managed out of a licensed location.

The Regulatory Compliance Division of the Office of the Governor concurred, stating that “Ultimately, proposed amended §215.103 grants more flexibility to franchise dealers to perform warranty repair services and opens up additional options for consumers seeking repair services. This is a valid exercise of the department’s statutory authority and is consistent with state policy.”

At the April 11, 2024, meeting, the Board requested that remote or mobile services be more fully described in rule because some franchised dealers already provide these services. Without the rule, franchised dealers who choose to provide remote warranty or recall repair services are left to guess at how the department and the courts will interpret “engaged in the business” in Occupations Code §2301.002(16)(B).

The proposed rule would allow a franchised dealer to offer mobile services either from a licensed sales and service location or a licensed service-only facility as described in §215.103.

Proposed new §215.124(b) defines three circumstances in which the department considers mobile warranty and recall repair services to be managed from a licensed location by a franchised dealer. These options are intended to provide flexibility for a franchised dealer to determine the best operational model for that dealership if the franchised dealer chooses to provide mobile warranty or recall repair services.

The remaining proposed subsections are consistent with current provisions in §215.103.

The department worked with stakeholders to refine the language in the rule proposal and incorporated comments consistent with our obligation to propose a rule that was not anti-competitive.

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PROPOSAL OF REVISIONS TO**SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS****43 TAC §215.124**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes a new section to 43 Texas Administrative Code (TAC) Subchapter C, Franchised Dealers, Manufacturers, Distributors, And Converters, §215.124, concerning mobile warranty and recall repair services which may be offered by a franchised dealer. This new section describes the circumstances under which a franchised dealer may offer mobile warranty and recall repair services consistent with the provisions of Occupations Code, Chapter 2301.

EXPLANATION.

Proposed new §215.124(a) would permit a franchised dealer to offer mobile warranty and recall repair services under a manufacturer's or distributor's warranty if these services are managed from a licensed location. A licensed location may be either a licensed sales and service location or a licensed service-only facility as described in §215.103 of this title (relating to Service-only Facility). Proposed new §215.124(a) is consistent with Occupations Code, §2301.002(16)(B), which defines a franchised dealer as a person who holds a franchised dealer's license under Occupations Code, Chapter 2301 and a GDN under Transportation Code, Chapter 503, and is "engaged in the business of buying, selling, or exchanging new motor vehicles and servicing or repairing motor vehicles under a manufacturer's warranty at an established and permanent place of business under a franchise in effect with a manufacturer or distributor."

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1 Proposed new §215.124(b) would define the circumstances in which the department considers
2 mobile warranty and recall repair services to be managed from a licensed location by a franchised dealer.
3 This subsection enumerates the three circumstances, which are: 1) if a franchised dealer authorizes a
4 mobile warranty or recall repair from the dealer's licensed location, 2) if a franchised dealer dispatches
5 personnel, parts, or tools from the dealer's licensed location to perform a warranty or recall repair at the
6 location of a motor vehicle under warranty, or 3) if a franchised dealer maintains warranty or recall repair
7 records at the dealer's licensed location. Proposed new §215.124(b) would define when the department
8 considers mobile warranty or recall repair services to be managed from a licensed location by a franchised
9 dealer and provides a franchised dealer flexibility to determine how the mobile warranty or recall services
10 may be delivered.

11 Proposed new §215.124(c) would allow a franchised dealer to subcontract mobile warranty or
12 recall repair services with a manufacturer's or distributor's prior written approval, which may not be
13 unreasonably withheld, and requires the franchised dealer to pay a subcontractor directly for a warranty
14 or recall repair. Proposed new §215.124(c) implements a franchised dealer's responsibility for performing
15 warranty obligations under Occupations Code, §2301.353 and is consistent with the requirements for
16 subcontracting by franchised dealers in §215.103 of this title, relating to Service-only Facility.

17 Proposed new §215.124(d) would state that a person with whom a franchised dealer subcontracts
18 the performance of mobile warranty or recall repair services is not eligible to obtain a service-only facility
19 license and may not advertise the performance of warranty or recall repairs to the public. Proposed new
20 §215.124(d) would implement the licensing requirements of Occupations Code, Chapter 2301, regarding
21 the holding of a franchised dealer license and is consistent with the requirements for subcontracting by
22 franchised dealers in §215.103 of this title, relating to Service-only Facility.

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FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years the new section will be in effect there will be no fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. Monique Johnston, Director of the Motor Vehicle Division (MVD), has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

PUBLIC BENEFIT AND COST NOTE. Ms. Johnston has also determined that, for each year of the first five years the new section is in effect, there are several public benefits anticipated because, in addition to performing warranty and recall repair services at a dealership, a franchised dealer may offer mobile warranty or recall repair services to a broad range of individual, business, and government agency customers without the necessity of a customer being required to drive or tow a vehicle to a dealership.

Anticipated Costs To Comply With The Proposal. Ms. Johnston anticipates that there will be no costs to comply with this rule as the decision whether to offer mobile warranty or recall services is one that each licensed franchised dealer may make.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by the Government Code, §2006.002, the department has determined that the proposed new section will not have an adverse economic effect on small businesses or micro-businesses because a small or micro-business is not required to offer mobile warranty or recall repair services. The new section may have a positive impact on rural communities because in January 2024, multiple franchised dealers from small communities expressed support for the opportunity to offer mobile warranty repair services in response to proposed amendments to a related rule, §215.103, Service-only Facility. The proposed new section does not require small businesses, micro-businesses, or rural communities to pay a fee or incur any costs to comply with this new rule as the offering of mobile warranty or recall repair services is optional.

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Therefore, the department is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

TAKINGS IMPACT ASSESSMENT. The department has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under the Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT STATEMENT. The department has determined that each year of the first five years the proposed new section is in effect, no government program would be created or eliminated. Implementation of the proposed new section would not require the creation of new employee positions or elimination of existing employee positions. Implementation would not require an increase or decrease in future legislative appropriations to the department or an increase or decrease of fees paid to the department. The proposed new section does create a new regulation and does not expand, limit, or repeal an existing regulation. Lastly, the proposed new section does not affect the number of individuals subject to the rule's applicability and will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. Central Time CDT on MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

STATUTORY AUTHORITY. The department proposes new §215.124 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the

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1 authority to take any action that is necessary or convenient to exercise that authority; Occupations Code,
2 §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the
3 distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to
4 prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the
5 distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301
6 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to
7 adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern
8 practice and procedure before the board; Transportation Code, §503.002, which authorizes the board to
9 adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §1002.001,
10 which authorizes the board to adopt rules that are necessary and appropriate to implement the powers
11 and the duties of the department, and Government Code, §2001.004 which requires state agencies to
12 adopt rules of practice stating the nature and requirements of all available formal and informal
13 procedures.

14 **CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapter 2001;
15 Occupations Code, Chapter 2301; and Transportation Code, Chapters 503, 1001, and 1002.

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Chapter 215 – Motor Vehicle Distribution

1 Text.

2 §215.124. Mobile Warranty and Recall Repair Services.

3 (a) A franchised dealer may offer mobile warranty or recall repair services under a
4 manufacturer's or distributor's warranty if these services are managed from a licensed location, which
5 may be either a licensed sales and service location or a licensed service-only facility as described in
6 §215.103 of this title (relating to Service-only Facility).

7 (b) The department considers mobile warranty or recall repair services to be managed from a
8 licensed location if a franchised dealer at a licensed location:

9 (1) authorizes a mobile warranty or recall repair;

10 (2) dispatches personnel, parts, or tools to perform a warranty or recall repair at the
11 location of a motor vehicle under warranty; or

12 (3) maintains warranty or recall repair records.

13 (c) Upon the manufacturer's or distributor's prior written approval, which cannot be
14 unreasonably withheld, a franchised dealer of the manufacturer or distributor may contract with
15 another person as a subcontractor to perform mobile warranty or recall repair services that the dealer is
16 authorized to perform under a franchise agreement with a manufacturer or distributor. Payment shall be
17 made by the franchised dealer to the subcontractor and not by the manufacturer or distributor to the
18 subcontractor.

19 (d) A person with whom a franchised dealer contracts to perform mobile warranty or recall
20 repair services is not eligible to obtain a service-only facility license and may not advertise the
21 performance of warranty repair or recall services to the public.

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 15
Subject: Rule Review Proposal under Government Code, §2001.039: Chapter 217, Vehicle Titles and Registration

RECOMMENDATION

Action Item. Approval to publish the proposed rule review in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The department proposes to review 43 Texas Administrative Code, Chapter 217, Vehicle Titles and Registration, with the exception of §217.27. The department will review §217.27 separately in the future. This review is being conducted under Texas Government Code, §2001.039.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Texas Government Code, §2001.039 requires the department to review and consider for readoption, readoption with amendments, or repeal each of its rules every four years. The department has not reviewed or readopted Texas Administrative Code, Chapter 217 since 2015.

The Texas Government Code requires the department to determine through the rule review whether the reasons for initially adopting these rules continue to exist and whether these rules should be repealed, readopted, or readopted with amendments. Necessary repeals and amendments identified during the review of these rules will be presented to the Board separately for proposal and publication in the *Texas Register* in accordance with the Administrative Procedure Act, Texas Government Code, Chapter 2001.

The department will review and consider whether to readopt, readopt with amendments, or repeal 43 Texas Administrative Code, Chapter 217, Vehicle Titles and Registration, Subchapter A; Subchapter B, §§217.21–217.26 and 217.28–217.64; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; Subchapter H; Subchapter I; Subchapter J; Subchapter K; and Subchapter L.

Texas Administrative Code, Chapter 217 covers vehicle titles and registration issues.

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Proposed Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 217

Intention to Review

The Texas Department of Motor Vehicles (department) will review and consider whether to readopt, readopt with amendments, or repeal 43 Texas Administrative Code, Chapter 217, Vehicle Titles and Registration, Subchapter A; Subchapter B, §§217.21–217.26 and 217.28–217.64; Subchapter C; Subchapter D; Subchapter E; Subchapter F; Subchapter G; Subchapter H; Subchapter I; Subchapter J; Subchapter K; and Subchapter L. The department will review §217.27 separately in the future. This review is being conducted pursuant to Government Code, §2001.039.

The board of the Texas Department of Motor Vehicles will assess whether the reasons for initially adopting these rules continue to exist and whether the rules should be repealed, readopted, or readopted with amendments.

If you want to comment on this rule review proposal, submit your written comments by 5:00 p.m. CDT on X, XX, 2024. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

Proposed changes to sections of Chapter 217 are published in the Proposed Rules section of this issue of the *Texas Register* and are open for a 30-day public comment period.

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 16
Subject: Rule Review Proposal under Government Code, §2001.039: Chapter 209, Finance

RECOMMENDATION

Action Item. Approval to publish the proposed rule review in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The department proposes to review 43 Texas Administrative Code, Chapter 209, Finance. This review is being conducted under Texas Government Code, §2001.039.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Texas Government Code, §2001.039 requires the department to review and consider for readoption, readoption with amendments, or repeal each of its rules every four years. The department has not reviewed or readopted 43 Texas Administrative Code, Chapter 209 since 2019.

The Texas Government Code requires the department to determine through the rule review whether the reasons for initially adopting these rules continue to exist and whether these rules should be repealed, readopted, or readopted with amendments. Necessary repeals and amendments identified during the review of these rules will be presented to the Board separately for proposal and publication in the *Texas Register* in accordance with the Administrative Procedure Act, Texas Government Code, Chapter 2001.

Texas Administrative Code, Chapter 209 covers collection of debts, payment of fees, and donations or contributions.

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Proposed Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 209

Intention to Review

The Texas Department of Motor Vehicles (department) will review and consider whether to readopt, readopt with amendments, or repeal 43 Texas Administrative Code, Chapter 209, Finance. This review is being conducted pursuant to Government Code, §2001.039.

The board of the Texas Department of Motor Vehicles will assess whether the reasons for initially adopting these rules continue to exist and whether the rules should be repealed, readopted, or readopted with amendments.

If you want to comment on this rule review proposal, submit your written comments by 5:00 p.m. CDT on X, XX, 2024. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

Proposed changes to sections of Chapter 209 are published in the Proposed Rules section of this issue of the *Texas Register* and are open for a 30-day public comment period.

Board Meeting Date: 6/27/2024
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Glenna Bowman, Chief Financial Officer
Agenda Item: 17
Subject: Chapter 209, Finance
Amendments: Subchapters A, B, and C
Repeal: §209.34
(Relating to Cleanup)

RECOMMENDATION

Action Item. Approval to publish the proposed amendments and repeal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The department is conducting a review of its rules in 43 Texas Administrative Code (TAC) Chapter 209 in compliance with Government Code, §2001.039. The proposed amendments and repeal would clean up the language in Chapter 209 relating to collection of debts, payment of fees for department goods and services, and donations or contributions.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments and repeal.

BACKGROUND AND DISCUSSION

The amendments are necessary to do the following:

1. make the rules consistent with statute;
2. comply with statutory requirements;
3. remove unnecessary language;
4. add context or authority for certain rules;
5. clarify the rules; and
6. make the rules consistent with current processes, procedures and terminology.

The department proposes to repeal §209.34, and to add the language from §209.34 into §209.33 to consolidate language regarding donations or contributions into one rule.

The proposed amendments and repeal will not change any current department accounting practices.

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Chapter 209 - Finance

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PROPOSAL OF REVISIONS TO**SUBCHAPTER A. COLLECTION OF DEBTS****43 TAC §209.1 and §209.2****SUBCHAPTER B. PAYMENT OF FEES FOR DEPARTMENT GOODS AND SERVICES****43 TAC §209.23****SUBCHAPTER C. DONATIONS AND CONTRIBUTIONS****43 TAC §209.33****REPEAL OF****43 TAC §209.34**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Chapter 209, Subchapter A, Collection of Debts, §209.1 and §209.2; Subchapter B, Payment of Fees for Department Goods and Services, §209.23; and Subchapter C, Donations and Contributions, §209.33. In conjunction with this proposal, the department is proposing the repeal of 43 TAC §209.34, which is also published in this issue of the *Texas Register*.

The department proposes amendments to make the rules consistent with statute; to comply with statute; to remove unnecessary language; to add context or authority for certain rules; to clarify the rules; and to make the rules consistent with current processes, procedures and terminology. In addition, the department proposes amendments that would renumber subdivisions within the rules due to the addition or deletion of subdivisions.

EXPLANATION.

The department is conducting a review of its rules under Chapter 209 in compliance with Government Code, §2001.039. Notice of the department's plan to review is also published in this issue of

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Chapter 209 - Finance

1 the *Texas Register*. As a part of the review, the department is proposing necessary amendments and a
2 repeal, as detailed in the following paragraphs.

3
4 Subchapter A. Collection of Debts

5 Proposed amendments to §209.1 would add a new subsection (a) to state the purpose of the
6 section, and to incorporate by reference any requirements in 1 TAC §59.2 that are not addressed in §209.1
7 to the extent that Government Code, §2107.002 requires a state agency to include the requirements in
8 rule. Government Code, §2107.002 requires a state agency that collects delinquent obligations owed to
9 the state agency to establish procedures by rule for collecting a delinquent obligation. The rules must
10 conform to the guidelines established by the attorney general in 1 TAC §59.2. Although §209.1 contains
11 most of the procedures for collecting a delinquent obligation contained in 1 TAC §59.2, §209.1 does not
12 contain all such procedures, such as certain requirements that apply to a state agency when the state
13 agency refers a delinquent obligation to the attorney general, a collection firm or private attorney for
14 collection. Due to the addition of proposed new §209.1(a), a proposed amendment to §209.1 would re-
15 letter the subsection for definitions to subsection (b).

16 A proposed amendment would delete the definition for the word “person” in proposed re-
17 lettered §209.1(b) because the word is already defined in Government Code, §311.005, which applies to
18 administrative rules. Proposed amendments would also renumber the remaining definitions in proposed
19 re-lettered §209.1(b) due to the deletion of the definition for the word “person.” Proposed amendments
20 to the definition for the word “security” in proposed re-lettered §209.1(b) would delete references to an
21 “entity” because the definition for the word “person” in Government Code, §311.005 includes “any other
22 legal entity.”

TITLE 43. TRANSPORTATION

Proposed Sections

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Chapter 209 - Finance

1 A proposed amendment to §209.1 would delete current subsection (b) regarding collection from
2 contractors for the following reasons: 1) this issue is already addressed in §209.1(f)(2), regarding the
3 warrant hold procedures of the Comptroller of Public Accounts authorized by Government Code,
4 §403.055 for any debtor to the state; and 2) the language in current §209.1(b) fails to reference the due
5 process requirements under Government Code, §403.055.

6 Proposed amendments to §209.1(c)(1) through (3) would change the words “will” and “should”
7 to “shall” for consistency and to clarify that the department has a duty to take the actions regarding the
8 notice and demand letters to the debtor. Government Code, §311.016 defines the word “shall” to mean
9 “imposes a duty” unless the context in which the word or phrase appears necessarily requires a different
10 construction. Government Code, §311.002(4) states that Government Code, Chapter 311 applies to each
11 rule adopted under a code. The Chapter 209 rules are adopted under various codes.

12 Proposed amendments to §209.1(c)(4) would change certain instances of the word “will” to
13 “must” to indicate that it is a condition precedent for each letter to comply with certain requirements
14 before the letter becomes a demand letter under 1 TAC §59.2(a)(4), which defines the term “demand
15 letter” within the definition for the term “make demand.” Government Code, §311.016 defines the word
16 “must” to mean “creates or recognizes a condition precedent” unless the context in which the word or
17 phrase appears necessarily requires a different construction. Proposed amendments to §209.1(c)(4)
18 would also clarify that the department shall include the notation “Return Service Requested” on the
19 envelope for each demand letter, and shall resend the demand letter if the United States Postal Service
20 (USPS) provides the department with an address correction. Although 1 TAC §59.2(b)(3) states that all
21 demand letters should be mailed in an envelope bearing the notation “address correction requested” in
22 conformity with a citation to a section in the Code of Federal Regulations, the cited section does not
23 currently contain the notation or mailer endorsement called “address correction requested.” Also, the

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1 USPS published a document called "507 Quick Service Guide I Postal Explorer" in which the USPS stated
2 that for first-class mail, the USPS action on the mailer endorsement "Return Service Requested" is to
3 return the "mailpiece" with the new address or the reason for non-delivery attached at no charge.
4 Therefore, "Return Service Requested" is the appropriate phrase to require on the envelope to ensure
5 that USPS provides the department with any new address for the recipient, so that the department can
6 resend the demand letter.

7 Proposed amendments to §209.1(d)(1) would replace a clause with the word "debtor" because
8 the clause repeats a portion of the definition for the word "debtor" in re-lettered §209.1(b). Proposed
9 amendments to §209.1(d)(2) and (3) would add the word "correct" to be consistent with 1 TAC
10 §59.2(b)(2). A proposed amendment to §209.1(d) would also add a new paragraph (4) to be consistent
11 with 1 TAC §59.2(b)(2), which requires that the department's records maintain an accurate physical
12 address where a fiduciary or trust relationship exists between the agency as principal and the debtor as
13 trustee. Due to the addition of new paragraph (4), the remaining paragraphs in §209.1(d) would be
14 renumbered. Proposed amendments to proposed renumbered §209.1(d)(5), (10) and (12) would add a
15 reference to the debtor for clarity. A proposed amendment to renumbered §209.1(d)(13) would replace
16 the word "account" with the word "obligation" because the word "obligation" is defined in re-lettered
17 §209.1(b).

18 A proposed amendment to §209.1(e)(1)(D) would delete the language that says the department
19 is not required to prepare and file a proof of claim in a bankruptcy case when the department is
20 represented by the attorney general. According to 1 TAC §59.2(b)(6)(C)(i), the attorney general will assist
21 the state agency with the preparation of a proof of claim, but clause (i) does not say the attorney general
22 will file the proof of claim. Also, a proposed amendment to §209.1(e)(1)(D) would clarify that the
23 department shall prepare and file a proof of claim in the bankruptcy case when appropriate based on

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1 advice from the attorney general. When the department receives a bankruptcy notice, the department
2 first determines whether the person owes an obligation to the department and whether the bankruptcy
3 notice instructs creditors to not file a claim because no property appears to be available to pay creditors.
4 If the person owes an obligation to the department and the bankruptcy notice does not instruct creditors
5 to not file a proof of claim, the department consults with the attorney general regarding whether to file a
6 proof of claim in the case. The proposed amendment to §209.1(e)(1)(D) would therefore reflect the
7 department's current practice with regard to filing proofs of claim.

8 Proposed amendments to §209.1(e)(1)(E) would modify the language to be consistent with 1 TAC
9 §59.2(b)(6)(C)(v), which says the state agency should file a claim in each probate proceeding administering
10 the decedent's estate, and does not provide any exception for agencies that are represented by the
11 attorney general.

12 Proposed amendments to §209.1(e)(2) would change the word "will" to "shall" for consistency
13 and to indicate the department has a duty regarding the actions listed in paragraph (2). Proposed
14 amendments to §209.1(e)(2) would also clarify that the list of uncollectible obligations is illustrative,
15 rather than exhaustive, and includes obligations that are not legally collectible or are uncollectible as a
16 practical matter. These amendments would help to make §209.1(e)(2) consistent with 1 TAC §59.2(b)(6).

17 A proposed amendment to §209.1(e)(2)(A) would delete the words "dismissed or" because the
18 term "discharged in bankruptcy" is used to refer to an obligation that a creditor is legally prohibited from
19 collecting. Proposed amendments to §209.1(e)(2)(B) would make the language consistent with 1 TAC
20 §59.2(b)(6)(C)(ii) regarding a limitation provision in a lawsuit.

21 A proposed amendment to §209.1(e)(2)(C) would delete subparagraph (C) because §209.1(e)(2)
22 is a list of delinquent obligations the department shall consider to be uncollectible and shall make no
23 further efforts to collect. The department shall not refer these uncollectible obligations to the attorney

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1 general's office. Although 1 TAC §59.2(b)(6)(C)(iii) provides an exception for when circumstances indicate
2 that the account is clearly uncollectible, clause (iii) provides the general rule that the obligation should be
3 referred to the attorney general if a corporation has been dissolved, has been in liquidation under Chapter
4 7 of the United States Bankruptcy Code, or has forfeited its corporate privileges or charter; or if a foreign
5 corporation had its certificate of authority revoked. The language in §209.1(e)(2)(C) implies the opposite
6 of what 1 TAC §59.2(b)(6)(C)(iii) provides by stating the general rule is that the delinquent obligation is
7 uncollectible in these situations unless the circumstances indicate that the account is nonetheless
8 collectible or that fraud was involved. If a corporation described in 1 TAC §59.2(b)(6)(iii) owes a delinquent
9 obligation to the department, the department shall refer the obligation to the attorney general unless the
10 circumstances indicate that the obligation is clearly uncollectible or another exception under §209.1 or 1
11 TAC 59.2 applies. For example, the obligation might be legally uncollectible under Business Organizations
12 Code, Chapter 11 regarding the termination of a domestic entity. The list of uncollectible obligations in
13 §209.1(e)(2) is illustrative, rather than exhaustive. Proposed amendments to §209.1(e)(2) would re-letter
14 the subsequent subparagraphs due to the deletion of §209.1(e)(2)(C).

15 A proposed amendment to proposed re-lettered §209.1(e)(2)(D) would make the language
16 consistent with 1 TAC §59.2(b)(6)(v), which says if the debtor is deceased, state agencies should file a
17 claim in each probate proceeding administering the debtor's estate.

18 A proposed amendment to §209.1(e)(3) would add a reasonable tolerance below which the
19 department shall not refer a delinquent obligation to the attorney general as required by 1 TAC
20 §59.2(b)(8). The proposed amendment to §209.1(e)(3) would expressly include the department's current
21 reasonable tolerance practice, which is to not refer a delinquent obligation to the attorney general unless
22 the delinquent obligation exceeds \$2,500 or the attorney general advises otherwise. A proposed
23 amendment to §209.1(e)(3) would also delete the factors that 1 TAC §59.2(b)(8) requires state agencies

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1 to consider in establishing the reasonable tolerance, as well as “policy reasons or other good cause,” which
2 is a factor the department previously added to §209.1(e)(3) to consider when making a determination of
3 whether to refer a delinquent obligation to the attorney general. With the proposed specific \$2,500
4 threshold for referral established in rule, these other factors would become unnecessary, as would the
5 complex case-by-case analysis they imply.

6 Proposed amendments to §209.1(e)(4) would change the word “will” to “shall” for consistency
7 and to indicate the department has a duty to refer a delinquent obligation to the attorney general for
8 collection efforts if the department determines that the delinquent obligation shall be referred.

9 Proposed amendments to §209.1(f)(1) would make the language consistent with 1 TAC
10 §59.2(b)(4) regarding the filing of a lien to secure an obligation. A proposed amendment to §209.1(f)(2)
11 would change the word “will” to “shall” for consistency and to clarify that the department has a duty to
12 comply with the “warrant hold” procedures of the Comptroller of Public Accounts authorized by
13 Government Code, §403.055. Although state employees at the Comptroller of Public Accounts and other
14 state agencies refer to the “warrant hold” procedures, the procedures also apply to the issuance of
15 electronic funds transfers. Government Code, §403.055 ensures that no payments are made to a debtor
16 in the form of a warrant or an electronic funds transfer, unless an exception applies. Proposed
17 amendments to §209.1(f)(2) would also make the language consistent with Government Code, §403.055
18 by referencing electronic funds transfers and the fact that there are certain exceptions that authorize the
19 Comptroller of Public Accounts to issue a warrant or initiate an electronic funds transfer to a debtor. In
20 addition, proposed amendments to §209.1(f)(2) would clarify that the “warrant hold” procedures apply
21 to each individual debtor.

22 A proposed amendment to the title of §209.2 and proposed amendments to the text throughout
23 §209.2 would change the words “check” or “checks” to “payment device” to be consistent with the

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terminology in Business and Commerce Code, §3.506, which authorizes the holder of a dishonored payment device to charge the drawer or indorser a reasonable processing fee not to exceed \$30 when seeking to collect the face value of the payment device. A proposed amendment to the title of §209.2 and proposed amendments to §209.2(a) and (c) would also clarify that §209.2 applies even if there is one instance of a dishonored payment device by amending the rule from the plural to the singular. In addition, proposed amendments to the text throughout §209.2 would replace the word “endorser” with “indorser” to be consistent with the terminology in Business and Commerce Code, §3.506.

Proposed amendments to §209.2(b) would clarify that the definitions in Business and Commerce Code, Chapter 3 govern §209.2 and control to the extent of a conflict with the definitions in §209.2(b). Proposed amendments to §209.2(b)(2) would modify the definition for “dishonored check” by replacing the words “check” and “instrument” with the term “payment device” because Business and Commerce Code, §3.506 uses the term “payment device.” Proposed amendments to §209.2(b)(2) would also modify the definition for “dishonored payment device” to delete the portion of the definition that defines a check because proposed new §209.2(b)(3) would add the definition of the term “payment device” from Business and Commerce Code, §3.506. In addition, proposed amendments to §209.2(b)(2) would correct a grammatical error and modify the definition for “dishonored payment device” to clarify that the listed reasons for the dishonor of the payment device are examples.

A proposed amendment to the first sentence in §209.2(c) would change the word “will” to “shall” to indicate that the department has a duty to process a dishonored payment device using the procedures outlined in §209.2. A proposed amendment to the first sentence in §209.2(c) would also replace the term “returned check” with the term “dishonored payment device” because of the proposed amendments to the definitions in §209.2(b). In addition, a proposed amendment to the first sentence in §209.2(c) would clarify that the department shall not charge a processing fee to the drawer or indorser if the department

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1 is prohibited from doing so under Business and Commerce Code, §3.506, which prohibits a person from
2 charging a processing fee to a drawer or indorser if a reimbursement fee has been collected under Article
3 102.007(e) of the Code of Criminal Procedure.

4 Proposed amendments throughout §209.2(c) would change the word “will” to “shall” for
5 consistency and to impose a duty on the person to whom the language applies. Proposed amendments
6 to §209.2(c)(2) and (3) would replace the term “payment processor charges” with “any service charge
7 under §209.23 of this title (relating to Methods of Payment)” for clarity. A proposed amendment to
8 §209.2(c)(3) would also clarify that the reference to the processing fee is a reference to the \$30 processing
9 fee.

10 A proposed amendment to §209.2(c)(4) would clarify that the fee that is referenced in §209.23 of
11 this chapter (relating to Methods of Payment) is a service charge. A proposed amendment to §209.2(c)(4)
12 would also replace the word “chapter” with “title” for consistency.

13 A proposed amendment to §209.2(d) would add the missing information to correctly reference
14 §209.1. A proposed amendment to §209.2(d) would also replace the term “payment processor charges”
15 with the clause “service charge under §209.23 of this title (relating to Methods of Payment)” for clarity.
16 In addition, a proposed amendment to §209.2(d) would clarify that the reference to the processing fee is
17 a reference to the \$30 processing fee. Lastly, a proposed amendment to §209.2(d) would break the
18 sentence into two separate sentences for clarity and readability.

19 A proposed amendment to §209.2(e) would change the word “will” to “shall” for consistency and
20 to impose a duty on the department regarding the order in which the drawer’s or indorser’s payment to
21 the department shall be applied. A proposed amendment to §209.2(e) would also clarify that the
22 reference to the processing fee is a reference to the \$30 processing fee. In addition, proposed
23 amendments to §209.2(e) would clarify that after the drawer’s or indorser’s payment is applied to the

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1 \$30 processing fee, the balance would first be applied to any service charge required by §209.23 of this
2 title (relating to Methods of Payment) and then to the face amount of the dishonored payment device.

3
4 Subchapter B. Payment of Fees [~~for Department Goods and Services~~]

5 A proposed amendment to the title to Subchapter B of Chapter 209 would delete the words “for
6 Department Goods and Services” to clarify that Subchapter B is not limited to payment of fees for
7 department goods and services. For example, §209.23 applies to a payment for administrative penalties
8 that are due under an administrative enforcement case, such as the penalties under Transportation Code,
9 §643.251.

10 A proposed amendment to §209.23(a) would state that the purpose of §209.23 is to establish the
11 methods of payment that the department may accept and to make the public aware of a potential service
12 charge for certain methods of payment. Although §209.23 lists many different methods of payment that
13 the department may accept, the transaction itself dictates the methods of payment that the department
14 will accept for that particular transaction. For example, when the department’s enforcement attorneys
15 send a Notice of Department Decision (NODD) to an alleged violator of certain Texas laws, the NODD tells
16 the person to pay the administrative penalties with a check, cashier’s check or money order. Another
17 example is the department’s website, which provides information regarding the methods of payment that
18 are accepted for certain transactions, such as the purchase of an oversize/overweight permit. A proposed
19 amendment to §209.23(a) would also delete a reference to the point of sale because the reference to the
20 “point of sale” may confuse a person who is paying an administrative penalty to the department.

21 A proposed amendment to §209.23(a)(3) would delete the language that says a personal or
22 business check is not an acceptable method of payment of fees under Transportation Code, §502.094 to
23 clarify that this exception is not the only exception for certain methods of payment. For example,

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§209.2(c)(3) dictates the methods of payment that the department will accept when a person is required to make certain payments to the department after the person's payment device is not honored upon presentment to a bank or other financial institution upon which the payment device is drawn or made. Proposed amendments to §209.23(b) would clarify that a person paying by debit card or electronic funds transfer has a duty to pay any applicable service charge per transaction, which is already required under current law.

Subchapter C. Donations or ~~and~~ Contributions

A proposed amendment to the title to §209.33 would delete the words "Acceptance of" because proposed amendments to §209.33 would expand the scope of the rule to include other topics, such as the standards of conduct governing the relationship between board members, department employees and donors. Proposed new §209.33(a) and (b) would clarify that §209.33 provides uniform criteria and procedures regarding donations or contributions, as well as standards of conduct governing the relationship between the board, the department's employees, and donors, regardless of the type or value of the donation or contribution and regardless of whether the donor is a private donor. A proposed amendment to the title of §209.33 would also change the "and" to "or," so the title would say, "Donations or Contributions" because proposed new §209.33(b) would define the term "donation or contribution."

Proposed new §209.33(a) would add language regarding the purpose of §209.33 because proposed amendments to §209.33 would address criteria and procedures regarding donations or contributions under Transportation Code, §1001.008 and Government Code, Chapter 575, as well as standards of conduct that state agencies are required to address in rule under Government Code, §2255.001. As described below, the citations to the applicable statutes in proposed new §209.33(a) would

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1 clarify that §209.33 applies, even though some of the cited statutes use different terminology and apply
2 to certain kinds of donations or contributions.

3 Proposed new §209.33(b) would add definitions for clarity, including the definitions of the
4 words “board,” “department,” and “executive director” found in Transportation Code, §1001.001. A
5 proposed definition in proposed new §209.33(b) would also define the term “donation or contribution”
6 as anything of value in any form, including real or personal property, money, materials, or services, given
7 by a donor to the board, as authorized by Transportation Code, §1001.008. Although Transportation Code,
8 §1001.008 refers to both donations or contributions, a contribution is also a donation, and both are also
9 gifts. The proposed definition for the term “donation or contribution” in proposed new §209.33(b) would
10 clarify that §209.33 applies to any donation or contribution, even if the donation or contribution does not
11 fall within the scope of Government Code, Chapter 575 because it does not fall within the definition of
12 the word “gift” in Government Code, §575.001 or has a value of less than \$500 under Government Code,
13 §575.002. Although Government Code, Chapter 575 uses the term “gift” rather than “donation or
14 contribution,” Government Code, §575.001 defines “gift” to mean a donation of money or property.

15 In addition, a proposed definition in proposed new §209.33(b) would define the word “donor” as
16 a person who makes a donation or contribution to the board, as authorized by Transportation Code,
17 §1001.008. Government Code, §311.005 applies to administrative rules such as §209.33 and defines the
18 word “person” to include a corporation, organization, government or governmental subdivision or agency,
19 business trust, estate, trust, partnership, association, and any other legal entity. The proposed definition
20 for “donor” in proposed new §209.33(b) would clarify that §209.33 applies to a donation or contribution
21 from any donor, even if the donation or contribution is from a public donor, such as another governmental
22 agency, and does not fall within the scope of Government Code, §2255.001, which only applies to a
23 donation or contribution of money from a private donor.

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1 Due to the addition of proposed new §209.33(a) and (b), proposed amendments to §209.33 would
2 re-letter current subsections (a) and (b) to become subsections (c) and (d). Proposed amendments to
3 proposed re-lettered §209.33(c) and (d) would clarify that subsections (c) and (d) apply to the donation
4 or contribution, even if it is a single donation or contribution. A proposed amendment to proposed re-
5 lettered §209.33(d) would also clarify that the records of the board meeting shall include the name of the
6 donor. Although Government Code, §575.004 does not apply to a gift that has a value of less than \$500,
7 the second sentence in proposed re-lettered §209.33(d) applies to that donation or contribution if the
8 board accepts the donation or contribution because it is a good practice to include the listed information
9 in the records of the board meeting for transparency. Government Code, §575.004 requires a state agency
10 that accepts a gift to record the name of the donor, a description of the gift, and a statement of the
11 purpose of the gift in the minutes of the meeting for the state agency's governing board.

12 Proposed new §209.33(e) would require the department to use the donation or contribution for
13 the purpose specified by the donor to the extent the stated purpose complies with Transportation Code,
14 §1001.008. Transportation Code, §1001.008 only authorizes the board to accept a donation or
15 contribution for the purposes of carrying out the board's functions and duties.

16 Proposed new §209.33(f) would add language from §209.34, which says the department may
17 document terms or conditions relating to a donation or contribution through a donation or contribution
18 agreement with the donor. Proposed new §209.33(f) would also amend the language incorporated from
19 §209.34 by changing the clause "terms or conditions" to "terms and conditions," to correct the
20 terminology and by using the term "donation or contribution" as defined by proposed new §209.33(b). In
21 conjunction with the repeal of §209.34, proposed new §209.33(f) would consolidate the language
22 regarding donations or contributions into one rule.

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1 Proposed new §209.33(g) would state that board members and department employees shall
2 comply with the standards of conduct under Government Code, Chapter 572 and any other law regulating
3 the ethical conduct of state officers and employees when interacting with a donor or potential donor.
4 Government Code, §2255.001(b)(2), (3) and (4) require each state agency that is authorized by statute to
5 accept money from a private donor to adopt rules that govern all aspects of conduct of the state agency
6 in the relationship between the donor, the state agency and the state agency's employees, including the
7 donor's "use" of the state agency's employee, service by the state agency's officer or employee as an
8 officer or director of the donor, and the donor's monetary enrichment of the state agency's officer or
9 employee. Although Government Code, §2255.001 only applies to a donation or contribution of money
10 from a private donor, proposed amendments to §209.33 would apply to a donation or contribution from
11 any donor, including another governmental agency, because a conflict of interest could exist for any
12 donation or contribution. Even though Transportation Code, §1005.001 already says the board and
13 department employees are subject to the standards of conduct under Government Code, Chapter 572
14 and any other law regulating the ethical conduct of state officers and employees, proposed new
15 §209.33(g) would repeat the language from Transportation Code, §1005.001 with some modifications
16 because Government Code, §2255.001 requires each state agency that is authorized by statute to accept
17 money from a private donor to adopt rules regarding the relationship between the donor, the state
18 agency, the state agency's officers and the state agency's employees. The provisions in Government Code,
19 §2255.001 regarding a private organization that exists to further the purposes and duties of a state agency
20 do not apply to the department because there is no such private organization for the department;
21 therefore, the department is not proposing a rule regarding a private organization.

22 Proposed new §209.33(h) would state that a board member who serves as an officer or director
23 of a donor shall not vote on that donor's proposal to make a donation or contribution to the board under

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1 Transportation Code, §1001.008. Proposed new §209.33(i) would state that if the department's executive
2 director serves as an officer or director of a donor, the executive director shall not vote on that donor's
3 proposal to make a donation or contribution to the board under Transportation Code, §1001.008.
4 Government Code, §2255.001(b)(3) requires each state agency that is authorized by statute to accept
5 money from a private donor to adopt rules that govern all aspects of conduct of the state agency in the
6 relationship between the donor, the state agency, and the state agency's employees, including service by
7 the state agency's officer or employee as an officer or director of the donor. Proposed new §209.33(h)
8 and (i) would help to prevent a conflict of interest regarding a proposed donation or contribution to the
9 board under Transportation Code, §1001.008.

10 Proposed new §209.33(j) would prohibit a board member or a department employee from
11 authorizing a donor to use department property unless the following requirements are met: 1) the board
12 member or the department, as applicable, must have statutory authority to do so; 2) the property shall
13 only be used for a state purpose; and 3) the property shall be used in accordance with a contract between
14 the department and the donor that complies with Texas law. Most of these requirements spell out current
15 law; however, Government Code, §2255.001(b)(2) requires each state agency that is authorized by statute
16 to accept money from a private donor to adopt rules that govern all aspects of conduct of the state agency
17 in the relationship between the donor, the state agency, and the state agency's employees, including the
18 donor's use of the state agency's property.

19 The legislature grants any power to board members and the department regarding the use of the
20 department's property; therefore, a board member or a department employee is prohibited from
21 authorizing a donor to use department property unless there is statutory authority to do so. Also,
22 Government Code, §2203.004 says that state property may only be used for state purposes and that a
23 person may not entrust state property to a person if the property will not be used for state purposes. In

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1 addition, if the department will not be sufficiently compensated for the use of the department's property,
2 the transaction must comply with Article III, §51 of the Texas Constitution, which prohibits the legislature
3 from granting, or authorizing a state agency to grant, public money to a private individual or entity.
4 Attorneys general have construed Article III, §51 to also apply to the granting of public property to a
5 private individual or entity. See Tex. Att'y Gen. Op. Nos. GA-0894 (2011) at 1, MW-373 (1981) at 9.
6 Attorneys general have also stated that Article III, §51 does not prevent the state from making an
7 expenditure of public money or providing public property that benefits a private individual or entity if the
8 following requirements are met: 1) the transaction serves a legitimate public purpose; and 2) the
9 appropriate governing body places sufficient controls on the transaction to ensure that the public purpose
10 is carried out. See Tex. Att'y Gen. Op. Nos. GA-0894 (2011) at 2, JC-0244 (2000) at 5, JC-0146 (1999) at 3,
11 MW-373 (1981) at 9. A contract is a general method of placing sufficient controls on the transaction to
12 ensure that the public purpose is carried out.

13 If the department is sufficiently compensated for the use of the department's property, the
14 transaction is not a gratuity under Article III, §51 of the Texas Constitution. See Tex. Att'y Gen. Op. No.
15 GA-0894 (2011). For transparency, proposed new §209.33(j) would require the property to be used in
16 accordance with a contract between the department and the donor that complies with Texas law, even if
17 Article III, §51 of the Texas Constitution does not apply to the transaction.

18 The department's current §209.34 regarding a donation agreement is proposed to be repealed,
19 in conjunction with the proposed amendment to incorporate the language from §209.34 into §209.33,
20 with a minor amendment, to consolidate the language regarding donations or contributions into one rule.

21 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
22 has determined that for each year of the first five years the proposed amendments and repeal will be in
23 effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement

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1 or administration of the proposal. Ms. Bowman has also determined that there will be no significant
2 impact on local employment or the local economy as a result of the proposal.

3 **PUBLIC BENEFIT AND COST NOTE.** Ms. Bowman has also determined that, for each year of the first five
4 years the amended and repealed sections are in effect, there are several anticipated public benefits.

5 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include
6 clarified rules that provide the public with the department's processes and requirements regarding
7 collection of debts, charges for dishonored payment devices, methods of payment, and donations or
8 contributions.

9 Anticipated Costs To Comply With The Proposal. Ms. Bowman anticipates that there will be no
10 new costs to comply with these rules. The cost to persons required to comply with the proposal are costs
11 that currently exist under the law.

12 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
13 Code, §2006.002, the department has determined that the proposed amendments and repeal will not
14 have an adverse economic effect on small businesses, micro-businesses, and rural communities because
15 the proposal does not increase current costs under Chapter 209. The proposed amendments document
16 the department's current procedures and requirements under Chapter 209. Therefore, the department is
17 not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

18 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
19 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
20 that would otherwise exist in the absence of government action and, therefore, does not constitute a
21 taking or require a takings impact assessment under Government Code, §2007.043.

22 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
23 first five years the proposed amendments and repeal are in effect, no government program would be

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1 created or eliminated. Implementation of the proposed amendments and repeal would not require the
2 creation of new employee positions or elimination of existing employee positions. Implementation would
3 not require an increase or decrease in future legislative appropriations to the department or an increase
4 or decrease of fees paid to the department. The proposed amendments and repeal do not create a new
5 regulation, or limit or repeal an existing regulation; however, the proposed amendments to §209.33
6 expand existing regulations regarding donations or contributions under Transportation Code, §1001.008
7 to the extent the proposed amendments are not already addressed in current law. Lastly, the proposed
8 amendments and repeal do not affect the number of individuals subject to the rule's applicability and will
9 not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

11 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on MM, DD,
12 YYYY. A request for a public hearing must be sent separately from your written comments. Send written
13 comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas
14 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the
15 department will consider written comments and public testimony presented at the hearing.

CHAPTER 209. FINANCE**SUBCHAPTER A. COLLECTION OF DEBTS****43 TAC §209.1 and §209.2**

STATUTORY AUTHORITY. The amendments are proposed under Government Code, §2107.002, which requires a state agency that collects delinquent obligations owed to the state agency to establish procedures by rule for collecting a delinquent obligation; Business and Commerce Code, §3.506, which authorizes the holder of a dishonored payment device to charge a maximum processing fee of \$30; Transportation Code, §502.191(e), which authorizes the department to collect a service charge in an amount that is reasonably related to the expense incurred by the department in collecting the original amount of a fee under Transportation Code, Chapter 502 when the payment of the original amount by electronic funds transfer, credit card or debit card is not honored by the funding institution or by the electronic funds transfer, credit card, or debit card company on which the funds were drawn; Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and the statutory authority referenced throughout the preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Government Code, Chapter 2107; Business and Commerce Code, §3.506; and Transportation Code, §502.191(e) and §1002.001.

Text.

§209.1. Collection of Debts.

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1 (a) Purpose. The purpose of this section is to comply with Government Code, §2107.002, which
2 requires a state agency that collects delinquent obligations owed to the state agency to establish
3 procedures by rule for collecting a delinquent obligation. To the extent this section fails to address any
4 requirements in 1 TAC §59.2 that the department is required to include in rule under Government Code,
5 §2107.002, the department adopts that requirement in 1 TAC §59.2 by reference.

6 (b) [(a)] Definitions. The following words and terms, when used in this section, shall have the
7 following meanings, unless the context clearly indicates otherwise.

8 (1) Attorney general--The Office of the Attorney General of Texas.

9 (2) Debtor--Any person liable or potentially liable for an obligation owed to the
10 department or against whom a claim or demand for payment has been made.

11 (3) Delinquent--Payment is past due by law or by customary business practice,
12 and all conditions precedent to payment have occurred or been performed.

13 (4) Department--The Texas Department of Motor Vehicles.

14 (5) Obligation--A debt, judgment, claim, account, fee, fine, tax, penalty, interest,
15 loan, charge, or grant.

16 ~~[(6) Person--An individual, corporation, organization, business trust, estate,~~
17 ~~trust, partnership, association, and any other legal entity.]~~

18 (6) [(7)] Security--Any right to have property owned by a person ~~[or an entity]~~
19 with an obligation to the department sold or forfeited in satisfaction of the obligation, and any
20 instrument granting a cause of action in favor of the department against a person ~~[, another entity,]~~ or a
21 person's ~~[or entity's]~~ property, such as a bond, letter of credit, or other collateral that has been pledged
22 to the department to secure an obligation.

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1 ~~[(b) Collection from contractors. If an obligation of a contractor of the department is delinquent~~
2 ~~and the department owes payment to that contractor, the department will subtract the amount of the~~
3 ~~obligation from the payment if practical.]~~

4 (c) Notification of obligation and demand letters.

5 (1) The department shall ~~[will]~~ send to the debtor written notice of the
6 obligation, such as an administrative enforcement order that imposes a penalty or fine.

7 (2) If no satisfactory response is received within 30 days after the date that the
8 notice is sent under paragraph (1) of this subsection, the obligation becomes delinquent on the 31st day
9 after the date that notice is sent, unless the department's notice, the law, or a department rule imposes
10 a different deadline for payment. The department shall ~~[will]~~ send the first demand letter not later than
11 the 30th day after the date on which the obligation becomes delinquent.

12 (3) If no satisfactory response is received within 30 days after the day on which
13 the first demand letter was sent, the department shall ~~[will]~~ send the final demand letter no later than
14 60 days after the date on which the first demand letter was sent. The final demand letter shall ~~[will]~~
15 include a deadline by which the debtor must respond and, if the department determines in accordance
16 with subsection (e) of this section that the obligation shall ~~[should]~~ be referred to the attorney general,
17 a statement that the obligation, if not paid, shall ~~[will]~~ be referred to the attorney general.

18 (4) Each demand letter must ~~[will]~~ set forth the nature and amount of the
19 obligation owed to the department and must ~~[will]~~ be mailed by first class United States mail, in an
20 envelope that shall bear ~~[bearing]~~ the notation "Return Service Requested." ~~["address correction~~
21 ~~requested."]~~ If an address correction is provided by the United States Postal Service, the department
22 shall ~~[will]~~ resend the demand letter to that address prior to referral to the attorney general.

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(d) Records. When practicable, the department shall retain a record of a delinquent obligation. A record shall contain documentation of the following information:

(1) the identity of each debtor ~~[person liable on all or any part of the obligation];~~

(2) the correct physical address of the debtor's place of business;

(3) the correct physical address of the debtor's residence, where applicable;

(4) an accurate physical address for the trustee when a fiduciary or trust relationship exists between the department as principal and the debtor as trustee;

(5) ~~[(4)]~~ a post office box address when it is impractical to obtain a physical address, or when the post office box address is in addition to a correct physical address for the debtor;

(6) ~~[(5)]~~ attempted contacts with the debtor;

(7) ~~[(6)]~~ the substance of communications with the debtor;

(8) ~~[(7)]~~ efforts to locate the debtor and the assets of the debtor;

(9) ~~[(8)]~~ state warrants that may be issued to the debtor;

(10) ~~[(9)]~~ current contracts the debtor has with the department;

(11) ~~[(10)]~~ security interests that the department has against any assets of the debtor;

(12) ~~[(11)]~~ notices of bankruptcy, proofs of claim, dismissals and discharge orders received from the United States bankruptcy courts regarding the debtor; and

(13) ~~[(12)]~~ other information relevant to collection of the delinquent obligation ~~[account].~~

(e) Referrals of a delinquent obligation to the attorney general.

(1) Prior to referral of a delinquent obligation to the attorney general, the department shall:

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1 (A) verify the debtor's address and telephone number;

2 (B) send a first and final demand letter to the debtor in accordance with

3 subsection (c) of this section;

4 (C) verify that the obligation is not considered uncollectible under

5 paragraph (2) of this subsection;

6 (D) prepare and file a proof of claim in the case of a bankruptcy when

7 appropriate based on advice from the attorney general; [unless the department is represented by the

8 attorney general;] and

9 (E) file a claim in each [the] probate proceeding administering the

10 decedent's estate if the debtor is deceased [, unless the department is represented by the attorney

11 general].

12 (2) The department shall [will] consider a delinquent obligation uncollectible

13 and shall [will] make no further effort to collect if the obligation is not legally collectible or is

14 uncollectible as a practical matter. Examples of an obligation that is not legally collectible or is

15 uncollectible as a practical matter include an obligation, which:

16 (A) has been [dismissed or] discharged in bankruptcy;

17 (B) is subject to an applicable limitations provision that would prevent a

18 lawsuit [collection] as a matter of law, unless circumstances indicate that the applicable limitations

19 provision has been tolled or is otherwise inapplicable;

20 [(C) is owed by a corporation which has been dissolved, is in liquidation
21 under Chapter 7 of the United States Bankruptcy Code, has forfeited its corporate privileges or charter,

22 or, in the case of a foreign corporation, had its certificate of authority revoked unless circumstances

23 indicate that the account is nonetheless collectible or that fraud was involved;]

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1 (C) [(D)] is owed by an individual who is located out-of-state, or outside
2 the United States, unless a determination is made that the domestication of a Texas judgment in the
3 foreign forum would more likely than not result in collection of the obligation, or that the expenditure of
4 department funds to retain foreign counsel to domesticate the judgment and proceed with collection
5 attempts is justified;

6 (D) [(E)] is owed by a debtor who is deceased, where each probate
7 proceeding has ~~have~~ concluded, and where there are no remaining assets available for distribution; or

8 (E) [(F)] is owed by a debtor whose circumstances demonstrate a
9 permanent inability to pay or make payments toward the obligation.

10 (3) Except as advised otherwise by the attorney general, the department shall
11 not refer a delinquent obligation to the attorney general unless the delinquent obligation exceeds
12 \$2,500. ~~[In making a determination of whether to refer a delinquent obligation to the attorney general,~~
13 ~~the department will consider:]~~

14 ~~[(A) the expense of further collection procedures;]~~

15 ~~[(B) the size of the debt;]~~

16 ~~[(C) the existence of any security;]~~

17 ~~[(D) the likelihood of collection through passive means such as the filing~~
18 ~~of a lien;]~~

19 ~~[(E) the availability of resources to collect the obligation; and]~~

20 ~~[(F) policy reasons or other good cause.]~~

21 (4) The department shall ~~will~~ refer a delinquent obligation to the attorney
22 general for further collection efforts if the department determines, in accordance with this subsection,
23 that the delinquent obligation shall ~~should~~ be referred.

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1 (f) Supplemental and alternative collection procedures.

2 (1) Liens. Where state law allows a state agency to record a lien securing the
3 obligation, the [The] department shall file the [unless represented by the attorney general, will record
4 a] lien [securing the delinquent obligation] in the appropriate records of the county where the debtor's
5 principal place of business, or, where appropriate, the debtor's residence, is located or in such county as
6 may be required by law as soon as the obligation becomes delinquent or as soon as is practicable.

7 Unless the delinquent obligation has been paid in full, any lien securing the indebtedness may not be
8 released without the approval of the attorney representing the department after the matter has been
9 referred to the attorney general.

10 (2) Warrants. The department shall [will] utilize the "warrant hold" procedures
11 of the Comptroller of Public Accounts authorized by Government Code, §403.055, to ensure that no
12 treasury warrants are issued to a debtor [debtors] and no electronic funds transfers are made to a
13 debtor until the debt is paid, unless an exception applies.

14
15 §209.2. Charges for Dishonored Payment Device. ~~[Checks.]~~

16 (a) Purpose. Business and Commerce Code, §3.506, authorizes the holder of a dishonored
17 payment device [check], seeking collection of the face value of the payment device [check], to charge
18 the drawer or indorser [endorser] of the payment device [check] a reasonable processing fee, not to
19 exceed \$30. This section prescribes policies and procedures for the processing of a dishonored payment
20 device [checks] made payable to the department and the collection of fees because of the dishonor of a
21 payment device [check] made payable to the department.

22 (b) Definitions. The definitions contained in Business and Commerce Code, Chapter 3 govern this
23 section and control to the extent of a conflict with the following definitions in this subsection. The

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following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Department--The Texas Department of Motor Vehicles.

(2) Dishonored payment device ~~[check]~~--A ~~[check, draft, order, electronic payment, or other]~~ payment device that is drawn or made upon a bank or other financial institution, and that is not honored upon presentment for reasons including, but not limited to, [because] the account upon which the payment device ~~[instrument]~~ has been drawn or made does not exist, ~~[or]~~ is closed, or does not have sufficient funds or credit for payment of the payment device ~~[instrument]~~ in full.

(3) Payment device--A check, item, paper or electronic payment, or other device used as a medium for payment.

(c) Processing of a dishonored payment device ~~[checks]~~. Upon receipt of notice from a bank or other financial institution of refusal to honor a payment device ~~[check]~~ made payable to the department, the department shall ~~[will]~~ process the dishonored payment device ~~[returned check]~~ using the following procedures; however, the department shall not charge a \$30 processing fee to the drawer or indorser if the department is prohibited from doing so under Business and Commerce Code, §3.506.

(1) The department shall ~~[will]~~ send a written notice by certified mail, return receipt requested, to the drawer or indorser ~~[endorser]~~ at the drawer or indorser's ~~[endorser's]~~ address as shown on:

(A) the dishonored payment device ~~[check]~~;

(B) the records of the bank or other financial institution; or

(C) the records of the department.

(2) The written notice shall ~~[will]~~ notify the drawer or indorser ~~[endorser]~~ of the dishonored payment device ~~[check]~~ and shall ~~[will]~~ request payment of the face amount of the payment

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1 device, any service charge under §209.23 of this title (relating to Methods of Payment) [~~check, any~~
2 ~~payment processor charges,~~] and a \$30 processing fee no later than 10 days after the date of receipt of
3 the notice. The written notice shall [~~will~~] also contain the statement required by Penal Code,
4 §32.41(c)(3).

5 (3) The face amount of the payment device, any service charge under §209.23 of
6 this title (relating to Methods of Payment) [~~check, any payment processor charges,~~] and the \$30
7 processing fee must be paid to the department:

8 (A) with a cashier's check or money order, made payable to the Texas
9 Department of Motor Vehicles; or

10 (B) with a valid credit card, approved by the department, and issued by
11 a financial institution chartered by a state or the United States, or a nationally recognized credit
12 organization.

13 (4) Payments made by credit card must include the service charge [~~fee~~] required
14 by §209.23 of this title [~~chapter~~] (relating to Methods of Payment).

15 (5) If payment is not received within 10 days after the date of receipt of the
16 notice, the obligation shall [~~will~~] be considered delinquent and shall [~~will~~] be processed in accordance
17 with §209.1 of this title (relating to Collection of Debts).

18 (d) Supplemental collection procedures. In addition to the procedures described in §209.1 of
19 this title (relating to Collection of Debts), the department may notify appropriate credit bureaus or
20 agencies if the drawer or indorser [~~endorser~~] fails to pay the face amount of a dishonored payment
21 device, [~~check,~~] any service charge required under §209.23 of this title (relating to Methods of Payment)
22 [~~payment processor charges,~~] and the \$30 processing fee. In addition, the department [~~, or~~] may refer
23 the matter for criminal prosecution.

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(e) Any payment to the department from the drawer or indorser ~~[endorser]~~ of a dishonored payment device ~~[check]~~ shall ~~[will]~~ be applied first to the \$30 processing fee, then to any service charge required by §209.23 of this title (relating to Methods of Payment) and then to the face amount of the dishonored payment device.

SUBCHAPTER B. PAYMENT OF FEES [FOR DEPARTMENT GOODS AND SERVICES]**§209.23**

STATUTORY AUTHORITY. The amendments are proposed under Transportation Code, §1001.009, which authorizes the board to adopt rules regarding the method of collection of a fee for any goods sold or services provided by the department, or for the administration of any department program; Transportation Code, §501.176, which authorizes the department to collect a fee for processing a title or registration payment by electronic funds transfer, credit card, or debit card in an amount that does not exceed the amount of the charges incurred by the state to process the payment; Transportation Code, §502.094, which authorizes the department to charge a service charge for a payment by credit card or escrow account for a 72-hour or a 144-hour permit; Transportation Code, §502.191, which authorizes the department to collect a fee for processing a payment by electronic funds transfer, credit card, or debit card in an amount not to exceed the amount of the charges incurred by the department to process the payment; Transportation Code, §621.356 and §623.076, which authorize the board to adopt rules that require the payment of a discount or service charge for a credit card payment in addition to the fee; Transportation Code, §643.004, which authorizes the department to adopt rules that require the payment of a discount or service charge for a credit card payment in addition to the fee; Transportation Code, §1001.009, which authorizes the board to adopt rules that require the payment of a discount or service

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1 charge for a credit card payment in addition to the fee; Government Code, §2054.2591, which authorizes
2 the Texas Department of Information Resources (DIR) to set fees that a state agency may charge for a
3 transaction that uses the state electronic Internet portal project; Transportation Code, §§501.176,
4 502.191, and 520.003, which authorize the department to collect the fees that DIR sets under Government
5 Code, §2054.2591; Transportation Code, §1002.001, which provides the board with the authority to adopt
6 rules that are necessary and appropriate to implement the powers and the duties of the department; and
7 the statutory authority referenced throughout the preamble and in the rule text, which is incorporated
8 herein by reference.

9 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code,
10 §§501.176, 502.094, 502.191, 520.003, 621.356, 623.076, 643.004, 1001.009 and 1002.001; and
11 Government Code, §2054.2591.

12
13 Text.

14 §209.23. Methods of Payment.

15 (a) The purpose of this section is to establish the methods of payment that the Texas
16 Department of Motor Vehicles may accept, depending on the transaction, and to make the public aware
17 of a potential service charge for certain methods of payment. All fees for department goods and services
18 and any fees required in the administration of any department program shall be paid to the department
19 with a method of payment accepted by the department [~~at the point of sale~~], which may be:

20 (1) a valid debit or credit card, approved by the department, and issued by a
21 financial institution chartered by a state or the United States, or a nationally recognized credit
22 organization;

23 (2) electronic funds transfer;

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(3) a personal check, business check, cashier's check, or money order, payable to the Texas Department of Motor Vehicles [~~except that a personal or business check is not an acceptable method of payment of fees under Transportation Code, §502.094~~];

(4) cash in United States currency, paid in person; or

(5) by an escrow account, established with the department for the specific purpose of paying fees.

(b) Persons paying the department by credit card, debit card or electronic funds transfer [~~or Automated Clearing House (ACH)~~] shall pay any applicable service charge per transaction.

SUBCHAPTER C. DONATIONS OR [AND] CONTRIBUTIONS**§209.33 and §209.34**

STATUTORY AUTHORITY. The amendments are proposed under Transportation Code, §1001.008, which authorizes the board to accept a donation or contribution in any form and to delegate to the executive director the authority to accept a donation or contribution that is under \$500 or that is not otherwise required to be acknowledged in an open meeting; Transportation Code, §1005.001, which says the board, the executive director, and each employee of the department is subject to the standards of conduct imposed by Government Code, Chapter 572, and any other law regulating the ethical conduct of state officers and employees; Government Code, Chapter 575, which governs a state agency's acceptance of a gift, which is defined as a donation of money or property that has a value of \$500 or more; Government Code, §2255.001, which requires a state agency that is authorized by statute to accept money from a private donor to adopt rules governing the relationship between the donor, the state agency and the state agency's employees; Transportation Code, §1002.001, which provides the board with the authority to

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1 adopt rules that are necessary and appropriate to implement the powers and the duties of the
2 department; and the statutory authority referenced throughout the preamble and in the rule text, which
3 is incorporated herein by reference.

4 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code,
5 §§1001.008, 1002.001, and 1005.001; and Government Code, Chapters 572, 575, and 2255.

6
7 Text.

8 §209.33. ~~Acceptance of~~ Donations or ~~and~~ Contributions.

9 (a) The purpose of this section is to establish the criteria and procedures regarding donations or
10 contributions under Transportation Code, §1001.008 and Government Code, Chapter 575, as well as the
11 standards of conduct governing the relationship between the board, the department's employees, and
12 donors under Government Code, Chapter 2255.

13 (b) The following words and terms, when used in this section, shall have the following meanings,
14 unless the context clearly indicates otherwise.

15 (1) board--The board of the Texas Department of Motor Vehicles.

16 (2) department--The Texas Department of Motor Vehicles.

17 (3) donation or contribution--anything of value in any form, including real or personal
18 property, money, materials, or services, given by a donor to the board, as authorized by Transportation
19 Code, §1001.008.

20 (4) donor--a person who makes a donation or contribution to the board, as authorized
21 by Transportation Code, §1001.008.

22 (5) executive director--The executive director of the Texas Department of Motor
23 Vehicles.

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1 (c) ~~[(a)]~~ The executive director may accept a donation or contribution ~~[donations and~~
2 ~~contributions]~~ valued under \$500.

3 (d) ~~[(b)]~~ Board acceptance of a donation or contribution ~~[donations and contributions]~~ shall be
4 made in an open meeting. The records of the meeting shall identify the name of the donor and describe
5 the donation or contribution and its purpose.

6 (e) If a donor specifies the purpose of the donation or contribution, the department shall use
7 the donation or contribution for that purpose to the extent the specified purpose complies with
8 Transportation Code, §1001.008.

9 (f) The department may document terms and conditions relating to a donation or contribution
10 through a donation or contribution agreement with the donor.

11 (g) Pursuant to Transportation Code, §1005.001 and Government Code, §2255.001, board
12 members and department employees shall comply with the standard of conduct imposed by
13 Government Code, Chapter 572 and any other law regulating the ethical conduct of state officers and
14 employees when interacting with a donor or potential donor.

15 (h) A board member who serves as an officer or director of a donor shall not vote on that
16 donor's proposal to make a donation or contribution to the board under Transportation Code,
17 §1001.008.

18 (i) If the department's executive director serves as an officer or director of a donor, the
19 executive director shall not vote on that donor's proposal to make a donation or contribution to the
20 board under Transportation Code, §1001.008.

21 (j) A board member or a department employee shall not authorize a donor to use department
22 property unless the following requirements are met:

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1 (1) the board member or the department, as applicable, must have statutory authority
2 to do so;
3 (2) the property shall only be used for a state purpose; and
4 (3) the property shall be used in accordance with a contract between the department
5 and the donor that complies with Texas law.
6

7 **STATUTORY AUTHORITY.** The repeal is proposed under Transportation Code, §1001.008, which
8 authorizes the board to accept a donation or contribution in any form and to delegate to the executive
9 director the authority to accept a donation or contribution that is under \$500 or that is not otherwise
10 required to be acknowledged in an open meeting; Government Code, §2255.001, which requires a state
11 agency that is authorized by statute to accept money from a private donor to adopt rules governing the
12 relationship between the donor, the state agency and the state agency's employees; Transportation Code,
13 §1002.001, which provides the board with the authority to adopt rules that are necessary and appropriate
14 to implement the powers and the duties of the department; and the statutory authority referenced
15 throughout the preamble and in the rule text, which is incorporated herein by reference.

16 **CROSS REFERENCE TO STATUTE.** The proposed repeal would implement Transportation Code,
17 §§1001.008 and 1002.001; and Government Code, Chapter 2255.

18
19 Text.

20 ~~[\$209.34. Donation Agreement.]~~

21 ~~[The department may document terms or conditions relating to the donation or contribution~~
22 ~~through a donation agreement with the donor.]~~
23

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 18
Subject: Specialty Plate Design

RECOMMENDATION

Action Item. The Vehicle Titles and Registration Division seeks board approval or denial for four plate designs submitted for your consideration. Three plate designs are from the marketing vendor, My Plates, and one is from a non-profit organization (state sponsored specialty plate).

PURPOSE AND EXECUTIVE SUMMARY

Premium Embossed Gold & Black, Premium Embossed Black & White, Premium Embossed Carbon Fiber, and Guadalupe Mountains National Park are new plate designs.

FINANCIAL IMPACT

Costs incurred by the department related to the My Plates program and an \$8 administrative fee per plate are recouped from the My Plates vendor. Revenue generated from the sale of vendor specialty license plates is split between the state (General Revenue Fund) and My Plates. The details of the revenue splits can be found in Section IV (State/Contractor Revenue Sharing) of the Specialty License Plate Marketing contract. From each \$30 received from the sale of a state sponsored specialty plate, the department retains an \$8 administrative fee, and the remainder is deposited to the credit of the benefitting state agency.

BACKGROUND AND DISCUSSION

Statutory authority for the board to approve vendor specialty license plates and invite the public's comment on proposed vendor plate designs is in Texas Transportation Code §504.851(g) and (g-1) (1). Statutory authority for the board to approve non-profit organization specialty license plates and invite the public's comment on proposed plate designs is in Texas Transportation Code §504.801. The board's approval criteria are clarified in Texas Administrative Code §217.45 Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.52 Marketing of Specialty License Plates through a Private Vendor.

The vendor contract (Statement of Work paragraph #2, Marketing Services) specifies that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval for a plate to be produced (*existing* plates must also maintain 200 registrations to stay in the program). My Plates' procedure is to first offer a plate to the public to register their interest. Following the board's contingent approval, My Plates then offers a plate online for prepaid orders and confirms when 200 prepaid orders are achieved.

TxDMV's procedure is to invite comments on all proposed plates ahead of the board's review. The department's intent is to determine if there are any unforeseen public concerns about a plate design. The department publishes a 10-day

“like/dislike/comment-by-email” survey, called an eVIEW, on its website. Although the survey counts the public’s “likes” and “dislikes,” it is unscientific and not used as an indicator of a plate’s popularity.

The plate designs listed below were presented to the public in an April 2024 eVIEW. No negative comments were received. The count of the public’s “like/dislikes” are noted below:

<div> <div>PREMIUM EMBOSSED – GOLD & BLACK</div> <div>NEW</div> </div> <div> <div>740 people liked this design and 1489 did not</div> <div>  </div> </div>	
<div> <div>PREMIUM EMBOSSED – BLACK & WHITE</div> <div>NEW</div> </div> <div> <div>1683 people liked this design and 552 did not</div> <div>  </div> </div>	
<div> <div>PREMIUM EMBOSSED – CARBON FIBER</div> <div>NEW</div> </div> <div> <div>1146 people liked this design and 940 did not</div> <div>  </div> </div>	

Guadalupe Mountains National Park	NEW
-----------------------------------	-----



1905 people liked this design and 552 did not



Premium Embossed – Gold & Black



Premium Embossed – Black & White





Premium Embossed – Carbon Fiber



Guadalupe Mountains National Park



TEXAS SPECIALTY PLATE BUSINESS

Vehicle Titles and
Registration Division
Special Plates Unit (5FTEs) 06/24



VTR Director
Annette Quintero

JUN. 2024



Hello! Summer!



INTRODUCING REDESIGNED STATE PLATES



SLP AVAILABLE _____ **558**
MILITARY AND DV _____ **220**
RESTRICTED USE _____ **64**
STATE SPECIALTY _____ **127**
VENDOR SPECIALTY _____ **147**



TOP TEN DATA 04-2024

	LINKED	UNLINKED	TOTAL
1. ANIMAL FRIENDLY	6,711	280	6,991
2. CONSERVATION: HORNED LIZARD	5,722	252	5,974
3. CONSERVATION: BLUEBONNET	4,339	249	4,588
4. CONSERVATION: WHITE-TAILED DEER	3,053	177	3,230
5. CONSERVATION: HUMMINGBIRD	1,944	101	2,045
6. BIG BEND NATIONAL PARK	1,867	94	1,961
7. CONSERVATION: LARGE MOUTH BASS	1,778	113	1,891
8. NATIVE TEXAN	1,717	71	1,788
9. CONSERVATION: CAMPING	1,108	55	1,163
10. CONSERVATION: TEXAS RIVERS	891	65	956

1. CLASSIC BLACK	62,334	11,527	73,861
2. LARGE STAR WHITE-BLACK	37,250	5,561	42,811
3. CLASSIC BLACK-SILVER	17,110	3,026	20,136
4. TEXAS BLACK 1845	15,927	3,150	19,077
5. LONE STAR BLACK	14,886	2,979	17,865
6. CARBON FIBER	14,819	3,077	17,896
7. LONE STAR 1836	5,347	982	6,329
8. TEXAS A&M (MAROON)	4,225	540	4,765
9. LOVE HEART	4,211	637	4,848
10. TEXAS VINTAGE BLACK	4,095	605	4,700

1. DISABLED VETERAN	214,304	6,407	220,711
2. DV U.S. ARMY	56,442	1,655	58,097
3. DV U.S. MARINE CORPS	32,269	918	33,187
4. DV U.S. AIR FORCE	25,962	709	26,671
5. DV U.S. NAVY	23,276	667	23,943
6. DV BRONZE STAR MEDAL	15,241	385	15,626
7. MERITORIOUS SERVICE MEDAL	13,587	584	14,171
8. PURPLE HEART	12,423	350	12,773
9. U.S. MARINE CORPS	11,944	507	12,451
10. U.S. ARMY	10,325	455	10,780

SPECIAL PLATES UNIT CUSTOMER SERVICE STATISTICS FY 2024

54,806	16,713	49	7,242	2,390	29	3,279
Personalized Plate Applications Reviewed (96% Approved)	Telephone Calls	Walk-in Customers	Emails	Refunds	Public Information Open Records	Correspondence (Including Plate Applications)

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 6/27/2024**BRIEFING ITEM**

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 19.A
Subject: 88th Legislature Bill Implementation Updates

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Provide updates on legislative implementation projects and activities.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The 88th Texas Legislature enacted 68 bills during the regular session that impact TxDMV core programs or general state agency administrative functions. No active implementation efforts are needed for 21 of the implementation projects.

As of the end of May, the department has implemented the requirements of 42 bills. Several of the bills with remaining implementation work have multiple projects assigned to them, such as the General Appropriations Act and House Bill 718. Nine of the eleven remaining projects are underway but have not yet reached the bill's effective date. The final two projects are joint efforts with other state agencies where the department is awaiting action or input from external programs.

Texas Department of Motor Vehicles Legislative Implementation Tracking Report - 88th Regular Session

Completed Implementation Projects

1	HB 53	Thompson, Ed	Relating to the exemption from registration fees of certain vehicles used by nonprofit disaster relief organizations.
2	HB 108	Cortez	Relating to the issuance of specialty license plates for certain classroom teachers and retired classroom teachers; imposing fees.
3	HB 139	Klick	Relating to the provision of notice of certain proposed rules by state agencies.
4	HB 198	Noble	Relating to vehicle safety inspections of certain travel trailers.
5	HB 282	Swanson	Relating to the issuance of specialty license plates for Gold Star family members and recipients of certain Texas military awards.
6	HB 433	VanDeaver	Relating to the definition of a commercial fleet.
7	HB 567	Bowers	Relating to discrimination on the basis of hair texture or protective hairstyle associated with race.
8	HB 627	Harris, Cody	Relating to the issuance of specialty license plates to the surviving spouse of a posthumous recipient of certain awards.
9	HB 628	Harris, Cody	Relating to issuance of specialty license plates to honor fallen law enforcement officers.
10	HB 659	Cook	Relating to specialty license plates issued for recipients of the Commendation Medal.
11	HB 915	Craddick	Relating to the creation of a workplace violence hotline and a requirement that employers post notice regarding the hotline.
12	HB 1315	Herrero	Relating to the creation of the open burn pit registry fund and the issuance of specialty license plates to honor members of the United States armed forces exposed to open burn pits.
13	HB 1633	Ortega	Relating to certain offenses regarding parking privileges of veterans with disabilities.
14	HB 2157	Metcalf	Relating to the salary of certain employees who transfer within a state agency.
15	HB 2190	Canales	Relating to the terminology used to describe transportation-related accidents.
16	HB 2195	Noble	Relating to wrong, fictitious, altered, or obscured license plates; increasing a criminal penalty.
17	HB 2323	Hayes	Relating to the issuance of specialty license plates commemorating the 100th anniversary of the writing of the state song.
18	HB 2503	Lujan	Relating to the issuance of specialty license plates for veterans with disabilities and recipients of the Texas Humanitarian Service Medal and federal Humanitarian Service Medal.
19	HB 2754	Bell, Cecil	Relating to the issuance of specialty license plates for retired peace officers.
20	HB 2876	Cain	Relating to the issuance of specialty license plates for industrial firefighters; authorizing a fee.
21	HB 2921	Paul	Relating to the issuance of Antarctica Service Medal specialty license plates.
22	HB 3033	Landgraft	Relating to the public information law.
23	HB 3130	Guerra	Relating to the protection of certain occupational licensing information regarding clients of family violence shelter centers, victims of trafficking shelter centers, and sexual assault programs and survivors of family violence, domestic violence, and sexual assault.
24	HB 3224	Guillen	Relating to the status of the registration of a vehicle after a failure to establish financial responsibility.
25	HB 3288	Canales	Relating to notice of transfer of a used motor vehicle.
26	HB 3599	Thierry	Relating to an exemption from certain motor fuel taxes for, and registration fees for motor vehicles owned by, certain nonprofit food banks.
27	HB 3730	Wilson	Relating to the directory of users of the centralized telephone service for entities in the capitol complex.
28	HB 3860	Goldman	Relating to the liability of county tax assessor-collectors for certain acts of deputies.
29	HB 4559	Darby	Relating to the application of statutes that classify political subdivisions according to population.

Texas Department of Motor Vehicles Legislative Implementation Tracking Report - 88th Regular Session

30	HB 5135	Kacal	Relating to the issuance of K9s4KIDs specialty license plates.
31	SB 222	Nichols	Relating to paid leave by certain state employees for the birth or adoption of a child.
32	SB 280	Zaffirini	Relating to the issuance of specialty license plates for members of the military who served in Operation Freedom's Sentinel.
33	SB 422	Paxton	Relating to the authority of certain military service members to engage in a business or occupation in this state.
34	SB 505	Nichols	Relating to imposing an additional fee for the registration of an electric vehicle.
35	SB 510	Perry	Relating to the confidentiality of certain information maintained by state licensing agencies.
36	SB 702	Perry	Relating to the sourcing, marketing, and sale of certain license plates.
37	SB 904	Springer	Relating to the offense of the unauthorized use of parking designated for persons with disabilities.
38	SB 1115	Hancock	Relating to the titling, registration, and operation of an autocycle.
39	SB 1364	Alvarado	Relating to weight limitations for certain natural gas or electric vehicles.
40	SB 1376	Parker	Relating to an employment preference for members of the military and their spouses for positions at state agencies.
41	SB 2221	Schwertner	Relating to issuance of specialty license plates to honor personnel of sheriff's offices.
42	SB 2376	Campbell	Relating to the issuance of Support Adoption specialty license plates and to the Support Adoption account and certain voluntary contributions to that account.

Implementation Projects In-Progress

1	HB 1	Bonnen	General Appropriations Bill - Camp Hubbard Renewal
2	HB 1	Bonnen	General Appropriations Bill - RTS Replacement (Phase 1)
3	HB 1	Bonnen	General Appropriations Bill - RSC Office Expansions (Dallas/Houston)
4	HB 1	Bonnen	General Appropriations Bill - RSC Facilities Master Plan Review
5	HB 718	Goldman	Relating to the issuance of certain tags, permits, and license plates authorizing the movement of vehicles.
6	HB 718	Goldman	Metal Plates: Rule Implementation
7	HB 3297	Harris, Cody	Relating to the elimination of regular mandatory vehicle safety inspections for noncommercial vehicles and the imposition of replacement fees.
8	HB 4510	Smithee	Relating to reporting of certain information by state agencies and counties, including information related to appropriated money, activities of certain consultants, and tax revenue.
9	SB 224	Alvarado	Relating to catalytic converters, including criminal conduct involving catalytic converters; providing an administrative penalty; creating a criminal offense; increasing a criminal penalty; increasing a fee.
10	SB 2102	Miles	Relating to the initial registration and inspection period for certain rental vehicles; authorizing fees.
11	SB 2304	LaMantia	Relating to the regulation of driver education courses and driving safety courses and the provision of information regarding the Texas Driving with Disability Program to certain public school students.

Texas Department of Motor Vehicles Legislative Implementation Tracking Report - 88th Regular Session

Bills Not Requiring Active Implementation Efforts

1	HB 1	Bonnen	General Appropriations Bill
2	HB 1	Bonnen	General Appropriations Bill - License Plate Production
3	HB 679	Bell, Keith	Relating to limitations on the use of workers' compensation insurance experience modifier values in soliciting and awarding public construction contracts.
4	HB 1778	Hinojosa	Relating to the issuance of specialty license plates to certain professional sports teams.
5	HB 1817	Capriglione	Relating to the validity of a contract for which a disclosure of interested parties is required.
6	HB 2453	Guillen	Relating to the issuance of a digital occupational license by a state agency, county, or municipality.
7	HB 2518	Bell, Keith	Relating to required lease terms for public property leased to a nongovernmental entity; creating a criminal offense.
8	HB 3013	Slawson	Relating to exempting certain contracts from procurement notice requirements.
9	HB 3014	Harris, Caroline	Relating to the motor vehicle safety inspection of electric vehicles.
10	HB 3461	Bonnen	Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue and allocation of accrued interest on dedicated revenue, and the exemption of unappropriated money from use for general governmental purposes.
11	HB 3485	Bell, Keith	Relating to a contractor's or subcontractor's right to elect not to proceed with additional work under a contract.
12	HB 4012	Kitzman	Relating to the administration of the electronic state business daily.
13	HB 4123	Guillen	Relating to access to and use of certain criminal history record information.
14	HB 4595	Leach	Relating to nonsubstantive additions to, revisions of, and corrections in codes and to the nonsubstantive codification or disposition of various laws omitted from codes.
15	SB 29	Birdwell	Relating to prohibited governmental entity implementation or enforcement of a vaccine mandate, mask requirement, or private business or school closure to prevent the spread of COVID-19.
16	SB 30	Huffman	Relating to supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.
17	SB 271	Johnson	Relating to state agency and local government security incident procedures.
18	SB 493	Hughes	Relating to qualifications for certain individuals for veterans benefits.
19	SB 768	Parker	Relating to the process for notifying the attorney general of a breach of security of computerized data by persons doing business in this state.
20	SB 1045	Huffman	Relating to the creation of the Fifteenth Court of Appeals with jurisdiction over certain civil cases, the compensation of the justices of that court, and the jurisdiction of the courts of appeals in this state.
21	SB 1893	Birdwell	Relating to prohibiting the use of certain social media applications and services on devices owned or leased by state agencies.

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 19.B
Subject: Interim Legislative Activity

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Update the board on interim legislative activities impacting department operations.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

In April, Lieutenant Governor Dan Patrick released interim charge assignments for the Texas Senate. The Senate Committee on Transportation received four charges, three of which could include department operations or data:

1. **Autonomous Vehicle Safety:** Evaluate autonomous vehicle operations, implementation, incident reporting, and accountability to law enforcement. Make recommendations to ensure public safety and transparency.
2. **Reviewing Historic Accomplishments in Transportation:** Review the implementations and outcomes of key transportation funding and policy initiatives since the 84th Legislature. Report on trends or patterns to guide future planning and governance.
3. **The Future of Our Economy:** Evaluate President Biden's plan to transition to all-electric vehicles, and the impact on Texans and the state economy. Assess and report on the viability of the charging infrastructure, including the need for more charging stations and upgrades to the power grid, loss of gas tax revenue for transportation and public education, barriers to widespread adoption such as consumer costs for purchasing new vehicles and installing residential charging infrastructure, and the impacts to the oil and gas economy in Texas.

The Senate Committee on Transportation is scheduled to meet on these items in September.

In May, Speaker Dade Phelan released interim changes for the Texas House of Representatives. The House Committee on Transportation was also assigned four changes, one of which could involve department operations:

1. **Monitoring:** Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 88th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation.

The House Committee on Transportation's intended hearing schedule is not yet public.

Board Meeting Date: 6/27/2024
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 19.C
Subject: Consideration of Proposed Recommendations to the 89th Legislature

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Provide an overview of draft statutory amendments developed by staff for the board to consider recommending to the 89th Texas Legislature.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The 89th Texas Legislature convenes in regular session on January 14, 2025. Transportation Code Section 1001.025 authorizes the board to recommend to the legislature statutory changes that would improve department operations. The board has made recommendations for statutory change prior to each legislative session since the department was created.

The Government and Strategic Communications Division (GSC) team has worked with internal subject matter experts and external stakeholders to identify potential statutory change needs. Following the identification of potential changes, staff further vetted the proposals through a multi-divisional review process which included the Office of General Counsel and the Executive Director's Office.

The proposed recommendations are grouped into three sections: (1) amendments to Title Act requirements; (2) amendments to registration and license plate requirements; and (3) amendments to oversize/overweight permitting requirements. These sections include 12 general recommendations, half of which have been board recommendations in previous sessions.

Following the presentation of these proposals, staff will collect and review input from board members, stakeholders and other interested parties and prepare a final packet of recommendations for the board's approval in August.

Title Act Items

New Proposals

1. Modify bonded title requirements.

A person can receive a bonded title in certain circumstances when the regular title process cannot be followed. However, bonded titles can be opportunities for fraud or vehicle theft, and disputes and lawsuits related to bonded title cases occur and require department resources to resolve. Modifying the bonded title process in Section 501.053, Transportation Code, to require, in most cases, notice of the application and a timeframe for interested parties to object to the issuance of the title could reduce opportunities for fraud and the number of resulting disputes and lawsuits, improving the efficiency and cost effectiveness of related department operations.

Sec. 501.053: (a) As an alternative to the procedure provided by Section 501.052, the person may obtain a title by filing a bond with the department if the vehicle is in the possession of the applicant and:

- (1) there is no security interest on the vehicle;
- (2) any lien on the vehicle is at least 10 years old; ~~[or]~~
- (3) the person provides a release of all liens ~~[with bond]~~ less than 10 years old; or
- (4) the lienholder has gone out of business and the security interest was not transferred to or acquired by another entity, and the applicant provides evidence of lien satisfaction as determined by the department in rule.

(b) The bond must be: . . .

(c) The department shall send notice of the application to any recorded owner and lienholder of the vehicle as indicated in department records.

(d) If the applicant is not a person who holds a general distinguishing number issued under Transportation Code, Chapter 503:

(1) the department will not issue title until at least thirty days have passed since the application is submitted under Section 501.023, and

(2) if any recorded owner or lienholder with an interest in the vehicle objects to the issuance of the title prior to issuance, the department shall not issue title.

(e) An interested person has a right of action to recover on the bond for a breach of the bond's condition. The aggregate liability of the surety to all persons may not exceed the amount of the bond. Failure to object under subsection (d) (2) does not waive the right of a person with an interest in the vehicle to bring an action to recover on the bond.

(f) [d] A bond under this section expires on the third anniversary of the date the bond became effective.

(g) [e] The board by rule may establish a fee to cover the cost of administering this section.

(h) [f] A person may not obtain a title under this section for a salvage motor vehicle or a nonrepairable motor vehicle, as defined by Section 501.091.

2. Rulemaking Authorization to Expand Required 68A Inspections.

The department's authority to require vehicle identification number (aka 68A) inspections in cases other than those in statute is unclear. Clarifying in Section 501.032, Transportation Code, that the department clearly can adopt rules to require inspections in additional cases will ensure there is flexibility to better prevent fraudulent transactions and identify potentially stolen vehicles.

Sec. 501.032. IDENTIFICATION NUMBER INSPECTION REQUIRED. (a) ~~[In addition to any requirement established by department rule, a]~~ A motor vehicle, trailer, or semitrailer must have an identification number inspection under Section 501.0321 if:

- (1) the department does not have a motor vehicle record for the motor vehicle, trailer, or semitrailer in the department's registration and

title system, and the owner of the motor vehicle, trailer, or semitrailer is filing a bond with the department under Section 501.053;

(2) the motor vehicle, trailer, or semitrailer was last titled or registered outside of the United States and imported into the United States; or

(3) the owner or person claiming ownership requires an assigned or reassigned identification number under Section 501.033.

(a-1) The department may establish by rule additional categories of motor vehicles, trailers, or semitrailers requiring an identification number inspection under Section 501.0321 that are not specified in this section.

(b) An active duty member of a branch of the United States armed forces, or an immediate family member of such a member, returning to Texas with acceptable proof of the active duty status is exempt from an identification number inspection required under Subsection (a) (2).

Previous Board Recommendations

3. Define auction sales receipt & allow its use for reporting scrapped vehicles (Transportation Code, Sections 501.091 & 501.1003)

Salvage vehicle dealers that purchase vehicles from law enforcement auctions or foreclosure sales do not receive standard evidence of ownership documents like a title. An auction sales receipt is often the only proof of ownership available. The term auction sales receipt is defined in Section 501.091. Amendments to Section 501.1003, Transportation Code, allow an auction sales receipt to be submitted by salvage vehicle dealers when they report that a salvage or nonrepairable motor vehicle will be scrapped, dismantled, or destroyed. This eliminates the need for an unnecessary title application for a vehicle that is going to be scrapped and improves department operational efficiencies. These changes were included in House Bills 5269 (88R) & 3531 (87R).

Section 501.091: (1-a) "Auction sales receipt" means a document certifying the sale of a motor vehicle at auction by a law enforcement agency or public sale for a lien foreclosure.

Sec. 501.1003. SALVAGE VEHICLE DEALER RESPONSIBILITIES. (a) If a salvage vehicle dealer acquires ownership of a nonrepairable motor vehicle or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, the dealer shall, before the 31st day after the date the dealer acquires the motor vehicle, submit to the department a report stating that the motor vehicle will be dismantled, scrapped, or destroyed. The dealer shall:

(1) make the report in a manner prescribed by the department; and
(2) submit with the report a properly assigned manufacturer's certificate of origin, ~~[regular certificate of]~~ title, nonrepairable vehicle title, salvage vehicle title, auction sales receipt, or comparable out-of-state ownership document for the motor vehicle.

(b) After receiving the report and title, manufacturer's certificate of origin, auction sales receipt, or document, the department shall issue the salvage vehicle dealer a receipt for the manufacturer's certificate of origin, ~~[regular certificate of]~~ title, nonrepairable vehicle title, salvage vehicle title, auction sales receipt, or comparable out-of-state ownership document.

(c) The department shall adopt rules to notify the salvage vehicle dealer if the vehicle was not issued a printed title, but has a record of title in the department's titling system.

4. Allow wider range of ownership evidence when insurance companies apply for title (Transportation Code, Section 501.0925)

Section 501.0925 requires a vehicle to have been issued a paper title in Texas or another state for insurance companies to apply for title when unable to obtain the current title for the vehicle. The following

amendment allows insurance companies to obtain title for a new vehicle that has been damaged, but not yet titled, and for vehicles that have been issued an electronic title with improved operational efficiency. These changes were included in House Bills 5269 (88R) & 3531 (87R).

Sec. 501.0925. INSURANCE COMPANY NOT REQUIRED TO SURRENDER EVIDENCE OF OWNERSHIP [~~CERTIFICATES OF TITLE~~] IN CERTAIN SITUATIONS.

Section 501.0925: (a) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a [~~certificate of~~] title or a manufacturer's certificate of origin that the company is unable to obtain may obtain from the department not earlier than the 30th day after the date of payment of the claim:

- (1) a salvage vehicle title for a salvage motor vehicle;
- (2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or
- (3) a [~~regular certificate of~~] title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(b) An application for a title under Subsection (a) must be submitted to the department on a form prescribed by the department and include:

- (1) a statement that the insurance company has provided at least two written notices attempting to obtain the evidence of ownership [~~certificate of title~~] for the motor vehicle; and
- (2) evidence acceptable to the department that the insurance company has made payment of a claim involving the motor vehicle.

(c) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle covered by a [~~certificate of~~] title or a manufacturer's certificate of origin for which the company is unable to obtain proper assignment of the title or manufacturer's certificate of origin [~~certificate~~] may obtain from the department not earlier than the 30th day after the date of payment of the claim:

- (1) a salvage vehicle title for a salvage motor vehicle;
- (2) a nonrepairable vehicle title for a nonrepairable motor vehicle; or
- (3) a [~~regular certificate of~~] title for a motor vehicle other than a salvage motor vehicle or a nonrepairable motor vehicle.

(d) An application for a title under Subsection (c) must be submitted to the department on a form prescribed by the department and include:

- (1) a statement that the insurance company has provided at least two written notices attempting to obtain a proper assignment of the evidence of ownership [~~certificate of title~~]; and
- (2) the evidence of ownership [~~certificate of title~~].

(f) An insurance company that acquires, through payment of a claim, ownership or possession of a motor vehicle, salvage motor vehicle, or nonrepairable motor vehicle covered by an out-of-state title or out-of-state ownership document may obtain from the department a title, salvage vehicle title, or nonrepairable vehicle title, as appropriate, if:

- (1) the motor vehicle was damaged, stolen, or recovered in this state;
- (2) the motor vehicle owner from whom the company acquired ownership resides in this state; or
- (3) otherwise allowed by department rule.

5. Allow vehicles with out of state salvage-type titles to receive a rebuilt title (Transportation Code, Section 501.100)

Section 501.100 requires issuance of a salvage vehicle title before a rebuilt Texas title can be obtained. The following amendment allows a vehicle with an out-of-state title comparable to a salvage vehicle title to be

issued a rebuilt Texas title without the owner first having to apply for a salvage vehicle title with the department. This eliminates the need for customers to apply for a salvage vehicle title just to immediately surrender it for a rebuilt title and improves department operational efficiency. These changes were included in House Bills 5269 (88R) & 3531 (87R).

Sec. 501.100. APPLICATION FOR ~~[REGULAR CERTIFICATE OF]~~ TITLE FOR SALVAGE VEHICLE.

Section 501.100: (a) The owner of a motor vehicle for which a nonrepairable vehicle title issued prior to September 1, 2003, ~~[or]~~ for which a salvage vehicle title or salvage record of title has been issued, or for which a comparable out-of-state ownership document for a salvage motor vehicle has been issued may apply for a title under Section 501.023 after the motor vehicle has been repaired, rebuilt, or reconstructed and, in addition to any other requirement of law, only if the application:

(1) describes each major component part used to repair, rebuild, or reconstruct the motor vehicle;

(2) states the name of each person from whom the parts used in repairing, rebuilding, or reconstructing ~~[assembling]~~ the vehicle were obtained; and

(3) shows the identification number required by federal law to be affixed to or inscribed on the part.

(f) The department may not issue a ~~[regular]~~ title for a motor vehicle based on a:

(1) nonrepairable vehicle title issued on or after September 1, 2003, or comparable out-of-state ownership document or record, or evidence of a notation described by Section 501.09113(a)(2) on an out-of-state ownership document or record in the National Motor Vehicle Title Information System;

(2) receipt issued under Section 501.1003(b); or

(3) certificate of authority issued under Chapter 683.

Registration & License Plate Items

New Proposals

6. Clean-up Statutory References Authorizing the Electric Vehicle Registration Fee

For the electric vehicle (EV) fee in Transportation Code 502.360, strike the cross-reference to the inspection code and replace with language saying the EV fee is \$200 per year of registration. This corrects a conflict created by the passage of Senate Bill 505 and House Bill 3297 during the 88th Session, as well as re-setting the authorization for 2-year initial registration following the repeal of the 2-year safety inspection process in HB 3297.

Section 502.044. REGISTRATION PERIOD.

(a-1) The department shall designate a vehicle registration period of 24 consecutive months to begin on the first day of a calendar month and end on the last day of the 24th calendar month for a passenger car or light truck that:

(1) is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this state;

(2) has not been previously registered in this or another state;
and

(3) on the date of sale is of the current or preceding model year.

Section 502.360. ADDITIONAL FEE FOR ELECTRIC VEHICLES.

(b) In addition to other fees authorized under this chapter, at the time of application for registration or renewal of registration of an electric vehicle, the applicant shall pay an additional fee of ~~[+]~~

~~(1) \$400, for the registration of a new vehicle to which Section 548.102 applies; or~~
~~(2)] \$200, for the registration or renewal of registration of a vehicle for each 12 months of registration [to which Section 548.101 applies].~~

7. **Clean-up for Dealer Temporary License Plate Fee**

Legal analysis of the enacted language in House Bill 718 (Transportation Code, Section 503.008) determined the \$10 fee for each issued dealer temporary license plate is payable every two years at the time of license renewal. However, legislators, stakeholders, and department staff involved in the bill's deliberations during the 88th Session understood that the fee was to be a one-time fee. The following language would ensure the dealer temporary license plate fee is a one-time \$10 per plate.

Sec. 503.008. FEES FOR LICENSE PLATES.

(a) The fee for:

- (1) a dealer's license plate issued under Section 503.061 is \$20 a year;
and
(2) a dealer's temporary license plate issued under Section 503.062 is \$10 for a new plate and \$0 for renewing the same plate.

8. **Allow denial of access to the dealer-issued license plate database for fraudulent vehicle inspection reports**

The department has the authority under Section 503.0633, Transportation Code, to deny a dealer access to the dealer-issued license plate database if the dealer fraudulently issues license plates or fraudulently uses the database. That authority does not extend to a dealer issuing/obtaining fraudulent vehicle inspection reports. Adding inspection fraud to the instances when the current database access denial process can be used will allow better enforcement of vehicle inspection requirements.

Texas Transportation Code Section 503.0633. DEPARTMENT REGULATION OF DEALER-ISSUED LICENSE PLATES AND ACCESS TO DATABASE OF DEALER-ISSUED LICENSE PLATES.

(f) If the department determines that a dealer is fraudulently obtaining license plates or sets of license plates, or fraudulently using the database of dealer-issued license plates, or obtaining or using fraudulent vehicle inspection reports under Chapter 548, the department may, after giving notice electronically and by certified mail to the dealer, deny access to the database of dealer-issued license plates to the dealer. A dealer denied access to the database of dealer-issued license plates under this subsection may request a hearing on the denial as provided by Subchapter O, Chapter 2301, Occupations Code.

9. **Modify procedure for denying or revoking a vehicle registration in certain circumstances.**

The department has the authority under Chapter 502, Transportation Code, to deny or revoke a vehicle's registration. Specifically, Section 502.048 allows denial or revocation of a vehicle registration if the vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway. The law in general, such as the due process clauses of the Constitution and Chapter 2001 of the Government Code, requires agencies to follow procedural steps to take certain actions on registrations. To expedite enforcement of fraudulent activities, denials and revocations of vehicle registrations could be added to the list of exceptions to contested case requirements in Section 2001.223, Government Code. Also, the requirement for notice and opportunity to respond, but not an actual hearing, could be added to Section 502.048, Transportation Code.

Government Code Section 2001.223. EXCEPTIONS FROM DECLARATORY JUDGMENT, COURT ENFORCEMENT, AND CONTESTED CASE PROVISIONS. Section 2001.038 and Subchapters C through H do not apply to:

(1) except as provided by Subchapter D, Chapter 545, the granting, payment, denial, or withdrawal of financial or medical assistance or benefits under service programs that were operated by the former Texas Department of Human Services before September 1, 2003, and are operated on and after that date by the Health and Human Services Commission or a health and human services agency, as defined by Section 521.0001;

(2) action by the Banking Commissioner or the Finance Commission of Texas regarding the issuance of a state bank or state trust company charter for a bank or trust company to assume the assets and liabilities of a financial institution that the commissioner considers to be in hazardous condition as defined by Section 31.002(a) or 181.002(a), Finance Code, as applicable;

(3) a hearing or interview conducted by the Board of Pardons and Paroles or the Texas Department of Criminal Justice relating to the grant, rescission, or revocation of parole or other form of administrative release; or

(4) the suspension, revocation, or termination of the certification of a breath analysis operator or technical supervisor under the rules of the Department of Public Safety.

(5) the denial, renewal, revocation, suspension, annulment, or withdrawal of a registration under Texas Transportation Code §502 and the rules of the Department of Motor Vehicles.

Transportation Code Section 502.048. REFUSAL TO REGISTER UNSAFE VEHICLE. The department may refuse to register a motor vehicle and may cancel, suspend, or revoke a registration after notice and an opportunity to respond but without a hearing if the department determines that a motor vehicle is unsafe, improperly equipped, or otherwise unfit to be operated on a public highway.

Previous Board Recommendations

10. Clarify certain specialty license plate fees.

- a. Eligible customers are issued one set of Legion of Merit license plates, authorized under Section 504.316, Transportation Code, without having to pay registration fees. This matches the treatment of similar types of military-related license plates. However, the statute needs clarification under Section 504.3015 regarding the fee exemption. This change was included in Senate Bill 1182 (88R) & House Bill 3531 (87R).

Section 504.3015: (a) A person applying for a set of license plates under this subchapter shall pay the registration fee required under Chapter 502 and the applicable special plate fee required under this section, except that one set of license plates shall be issued without the payment of the registration fee under:

- (1) Section 504.308;
- (2) Section 504.310(b);
- (3) Section 504.315, other than Subsections (c) and (q) of that section; ~~and~~
- (4) Section 504.316; and
- (5) Section 504.319.

- b. Transportation Code Section 504.512 is not clear that the Gold Star license plate is issued with no plate fee. The other license plates in the subchapter are expressly stated to have no fee for issuance; amendment provides clarity and consistency. This change was included in Senate Bill 1182 (88R).

Sec. 504.512:

(c) There is no fee for issuance of the license plates.

- c. Transportation Code Sections 504.513 is not clear that the Firefighter license plate is issued with no plate fee. The other license plates in the subchapter are expressly stated to have no fee for issuance; amendment provides clarity and consistency. The proposal also corrects the related association name, which has changed since the statute was enacted. This change was included in Senate Bill 1182 (88R).

Sec. 504.513. FIREFIGHTERS. (a) The department shall issue specialty license plates for:

- (1) volunteer firefighters certified by:
 - (A) the Texas Commission on Fire Protection; or
 - (B) the State Firefighter's [Firemen's] and Fire Marshals' Association of Texas; and
- (2) fire protection personnel as that term is defined by Section 419.021, Government Code.

(c) There is no fee for issuance of the license plates.

- d. Transportation Code Section 504.516 is not clear that the Rental Trailer and the Travel Trailer license plates are issued with no plate fee. The other license plates in the subchapter are expressly stated to have no fee for issuance; amendment provides clarity and consistency. This change was included in Senate Bill 1182 (88R).

Sec. 504.516:

(c) There is no fee for issuance of the license plates.

11. Clarifications to the registration of farm trailers less than 4,000 pounds, and related vehicles

Farm trailers less than 4,000 lbs., farm tractors, and implements of husbandry have long been exempted from registration requirements. The statute that made the exemption explicit was inadvertently repealed several sessions ago. The amendment would make the long-standing exemption clear in statute. The TxDMV board recommended this amendment in a past legislative session. This change was included in Senate Bill 1182 (88R).

Sec. 502.147. CERTAIN FARM TRAILERS, FARM SEMITRAILERS, FARM TRACTORS, AND IMPLEMENTS OF HUSBANDRY. An owner is not required to register a farm trailer or farm semitrailer that has a gross weight of 4,000 pounds or less or a farm tractor or an implement of husbandry, if the trailer, semitrailer, tractor, or implement is operated only temporarily on the highways.

Oversize/Overweight Permit Items

Previous Board Recommendations

12. Clarify fee references for certain oversize/overweight permits

- a. Oversize/overweight permits must be obtained by governmental entities, including the military, for moving oversize/overweight equipment or loads. The vehicle moving the load must have either state or federal exempt license plates and the governmental entity does not currently pay permit fees. The proposed statute clarifies that the department can waive the permit fee and surety bond requirements in such cases by rule.

Section 623.009. SURETY REQUIREMENTS AND PERMIT FEES FOR GOVERNMENTAL AGENCIES. The department by rule may waive fees and surety requirements, including requirements for a bond or letter of credit, for permits issued by the department to governmental agencies. The department by rule may also waive any surety requirements for governmental agencies under Sections 622.134 and 623.163.

- b. The annual envelope permit described by Section 623.071, Transportation Code can be issued to either a vehicle or a company. The highway maintenance fee in Section 623.077 is not charged to either permit under current operations. The proposed amendment clarifies that the fee does not apply to either annual envelope permit.

Section 623.077: (a) An applicant for a permit under this subchapter, other than a permit under Section 623.071(c)(3) or (d), must also pay a highway maintenance fee in an amount determined according to the following table: ...

DRAFT

To: Texas Department of Motor Vehicles Board
From: Glenna Bowman, Chief Financial Officer
Agenda Item: 19.D
Subject: Preliminary FY 2026 – 2027 Legislative Appropriations Request

RECOMMENDATION

Action Item. Recommend to the full board that staff be directed to prepare the FY 2026-2027 Legislative Appropriations Request (LAR) to include items presented by staff.

PURPOSE AND EXECUTIVE SUMMARY

The LAR is the department's biennial budget request that is submitted to the Texas Legislature, which convenes in regular session in January of each odd-numbered year. The current LAR will provide funding for the FY 2026-2027 biennium, which begins September 1, 2025, and ends August 31, 2027.

The LAR is divided into two components:

Baseline Funding — funding necessary to maintain existing operations and capital projects, plus adjustments for essential operational needs that can be supported by revenues and available balances within TxDMV Fund 0010.

Exceptional items — for funding requests that exceed the General Revenue (GR) baseline limit established by the Legislative Budget Board (only applies to MVCPA), or that promote transparency and provide visibility with the Legislature into the department's highest priority needs that are funded from TxDMV Fund 0010.

The LAR also includes requests to establish, update or amend various appropriation riders that govern how the department may spend funds within its larger appropriations, e.g., capital budget authority, performance measure targets, unexpended balance authority, and special project directives.

The LAR is expected to be due in early August.

FINANCIAL IMPACT

TxDMV is a revenue-generating agency for the state, collecting revenues from registrations, licenses, titles, permits, and credentials. The majority of TxDMV collected revenue is directed to the Texas Highway Fund for use in constructing and maintaining the state's transportation networks and highway system. The department's operations are also supported by these collections. Department staff estimate that \$426.4 million will be deposited to TxDMV Fund 0010 for the FY 2026-2027 biennium, which provides funding for the majority of the department's appropriations request. Expenditures for the Motor Vehicle Crime Prevention Authority (MVCPA) are paid from General Revenue with amounts collected on motor vehicle insurance policies and statutorily directed to efforts to detect and prevent motor vehicle theft and, more recently, catalytic converter theft.

BACKGROUND AND DISCUSSION

Baseline Increases

The department is completing the process of identifying potential increases to its baseline funding requests and evaluating them to determine which items will be approved, reduced, or eliminated. With the current economy, costs continue to increase, which is driving the cost of numerous items in the baseline budget. We are working to ensure that items in the proposed baseline budget are essential to the efficient operation of the TxDMV and are well within projected revenue levels and available cash balances in the TxDMV Fund 0010. The total of any baseline increase is expected to be less than 5% of the FY 2024-2025 baseline amount for TxDMV Fund 0010.

Exceptional Items

At this time, staff proposes to submit a total of two (2) exceptional items:

- **Registration and Title System (RTS) Modernization Phase Two.** This exceptional item will request appropriation authority for Phase 2 of the RTS Modernization effort. The 88th Texas Legislature appropriated \$6.75 million to TxDMV for FY 2024-25 to implement RTS Replacement Phase 1, which includes assessment of both the internal and external system environments, definition of the future system specifications, and projected costs. Phase 1 will continue into FY 2026, and the information gathered will be used to refine the cost estimate for Phase 2. The current estimated cost for this project is \$125,000,000.
- **Enhance and Improve Core Services and Customer Support.** As the population of Texas continues to grow, so does the number of customers served by the TxDMV. At the same time, the department has taken on new responsibilities and adjusted operating procedures and systems to adapt to changing needs and customer expectations. This exceptional item will address ongoing operational needs to enhance and improve the core services and customer support provided by the department, including additional compliance activities and investigations, license processing and background checks, revenue processing, customer relations, information technology, administrative hearings, and customer support in the regional service centers. This exceptional item is currently estimated at \$8.7 million and would support 50.0 full-time equivalent positions (FTEs).

Texas Department of Motor Vehicles



Preliminary FY 2026–2027 Legislative Appropriations Request

Legislative Appropriations Request Process

Legislative Appropriations Request (LAR) - The LAR is the department's biennial budget request that is submitted to the Texas Legislature, which convenes in regular session in January of each odd-numbered year.

- The current LAR will provide funding for the FY 2026-2027 biennium, which begins September 1, 2025, and ends August 31, 2027.
- The LAR is divided into two components:

Baseline Funding — funding necessary to maintain existing operations and capital projects, plus adjustments that can be supported by revenues and available balances within TxDMV Fund 0010; and

Exceptional items — for funding requests that exceed the General Revenue (GR) baseline limit established by the Legislative Budget Board (only applies to MVCPA), or that promote transparency and provide visibility with the Legislature into the department's highest priority needs that are funded from TxDMV Fund 0010.

- The LAR also includes requests to establish, update or amend various appropriation riders that govern how the department may spend funds within its larger appropriations, e.g., capital budget authority, performance measure targets, unexpended balance authority, and special project directives.

Due Date

- The LAR is expected to be due in early August.

FY 2026-2027 Estimated Revenue Collections

TxDMV is a revenue-generating agency for the state, collecting revenues from registrations, licenses, titles, permits, and credentials. The majority of TxDMV collected revenue is directed to the State Highway Fund for use in constructing and maintaining the state's transportation networks and highway system. The department's operations are also supported by these collections. Department staff estimate that \$426.4 million will be deposited to TxDMV Fund 0010 for the FY 2026-2027 biennium, which provides funding for the majority of the department's appropriations request. Expenditures for the Motor Vehicle Crime Prevention Authority (MVCPA) are paid from General Revenue with amounts collected on motor vehicle insurance policies and statutorily directed to efforts to detect and prevent motor vehicle theft and, more recently, catalytic converter theft.

Estimated TxDMV Fund 0010 revenue collections are shown in the following table.

Estimated TxDMV Revenue Collections by Fund				
Fund Type	FY 2024	FY 2025	FY 2026	FY 2027
TxDMV Fund 0010	191,082,000	193,640,000	209,596,000	216,847,000
Total	191,082,000	193,640,000	209,596,000	216,847,000

Deposits to TxDMV Fund 0010 are on track to exceed FY 2023 amounts by 3.4%, with additional increases projected for the four-year period beginning in FY 2024. Major revenue categories in Fund 0010 are shown below.

Estimated TxDMV Fund 0010 Revenue Collections				
Category	FY 2024	FY 2025	FY 2026	FY 2027
Motor Vehicle Certificates of Title	49,609,000	50,209,000	50,817,000	51,432,000
Motor Vehicle Registration	43,170,000	49,374,000	63,750,000	69,281,000
Motor Carrier - Oversize/Overweight	14,868,000	15,070,000	15,296,000	15,601,000
Motor Vehicle Business Licenses	6,472,000	6,472,000	6,472,000	6,472,000
Processing and Handling Fee	58,315,000	58,606,000	59,192,000	59,784,000
Miscellaneous Fees	18,648,000	13,909,000	14,069,000	14,277,000
Total	191,082,000	193,640,000	209,596,000	216,847,000

Legislative Appropriations Requests

Baseline Increases

The department is completing the process of identifying potential increases to its baseline funding requests and evaluating them to determine which items will be approved, reduced, or eliminated. With the current economy, costs continue to increase, which is driving the cost of numerous items in the baseline budget. We are working to ensure that items in the proposed baseline budget are essential to the efficient operation of the TxDMV and are well within projected revenue levels and available cash balances in the TxDMV Fund 0010. The total of any baseline increase is expected to be less than 5% of the FY 2024-2025 baseline amount for TxDMV Fund 0010.

Exceptional Items

Exceptional Item 1 – Registration and Title System (RTS) Modernization Phase Two	FTEs	FY 2026-27 Estimated Cost
This exceptional item will request appropriation authority for Phase 2 of the RTS Modernization effort. The 88th Texas Legislature appropriated \$6.75 million to TxDMV for FY 2024-25 to implement RTS Replacement Phase 1, which includes assessment of both the internal and external system environments, definition of the future system specifications, and projected costs. Phase 1 will continue into FY 2026, and the information gathered will be used to refine the cost estimate for Phase 2.	N/A	\$125,000,000
Exceptional Item 2 – Enhance and Improve Core Services and Customer Support	FTEs	FY 2026-27 Estimated Cost
As the population of Texas continues to grow, so does the number of customers served by the TxDMV. At the same time, the department has taken on new responsibilities and adjusted operating procedures and systems to adapt to changing needs and customer expectations. This exceptional item will address ongoing operational needs to enhance and improve the core services and customer support provided by the department, including additional compliance activities and investigations, license processing and background checks, revenue processing, customer relations, information technology, administrative hearings, and customer support in the regional service centers.	50.0	\$8,660,560

FY 2026-2027 Capital Budget Project Summary

The following table presents the preliminary FY 2026-2027 capital budget, including proposed changes to naming conventions and the deletion of line items that are not necessary for the effective administration of the department's capital budget.

Capital Budget	Biennial Appropriation	Preliminary Biennial Base Request
	FY 2024-2025	FY 2026-2027
Regional Service Center Expansion	931,606	-
Camp Hubbard Renewal Project	143,000,000	-
RSC Maintenance and Repair	700,000	1,000,000
TxDMV Automation System	10,500,000	10,500,000
PC Replacement	1,212,000	1,400,000
Technology Replacement and Upgrades - Regional Support for County Tax Assessor-Collector Offices	10,000,000	10,000,000
Registration and Title System (RTS) Replacement Phase One	4,421,489	-
Registration and Title System (RTS) Modernization Phase Two	-	125,000,000
House Bill 718 Implementation	15,500,000	-
Data Center Consolidation	29,722,977	29,722,977
Cybersecurity Initiative Projects	400,000	400,000
Total Capital Budget	216,388,072	178,022,977
Method of Finance		
Debt Proceeds Fund 7805	143,000,000	-
Texas Department of Motor Vehicles Fund 0010	73,388,072	178,022,977
Total Method of Finance	216,388,072	178,022,977

Board Meeting Date: 6/27/2024
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Glenna Bowman, Chief Financial Officer
Agenda Item: 20.A
Subject: Pending HB 718 Procurements

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Texas Government Code § 2261.255 requires that the procurement director or contract management office of the department submit information to the board on the solicitation process for any contract that has a value exceeding \$5,000,000. This agenda item will provide the board with information about two pending procurements related to the implementation of House Bill (HB) 718, which each have an estimated value exceeding \$5 million dollars.

FINANCIAL IMPACT

Requests for Information were conducted for each procurement to gather additional information for the formal solicitation and estimate the financial impact to the department, one for an inventory management system and the other for the warehousing and distribution of metal plates. The department's estimates for any potential resulting contract are as follows:

Inventory Management System – The estimated contract value is expected to be over \$5 million over the life of the contract.

Warehousing and Distribution Services – The estimated contract value is expected to be over \$5 million over the life of the contract.

BACKGROUND AND DISCUSSION

The department has two pending procurements to award multi-year contracts for an inventory management system, and warehousing and distribution services, related to the implementation of HB 718. Each of these contracts is anticipated to have a lifetime value exceeding \$5 million dollars over the term of the contract, if any extension or renewal options are exercised. Therefore, the Director of Purchasing has reviewed the pending solicitations including all documents attached thereto and verified "that the solicitations and purchasing methods and contractor selection process [therein] comply with state law and agency policy," as required by Texas Government Code § 2261.255. At this time, staff do not anticipate any potential issues arising during the procurement process or any contracts that may result therefrom.

Board Meeting Date: 6/27/2024
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Salem Chuah, Internal Audit Division Director
Agenda Item: 20.B
Subject: Internal Audit Division Status Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This status update provides information on current Internal Audit Division (IAD) activities.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Internal Engagements

IAD is currently conducting an enterprise-wide risk assessment to identify topics and projects for inclusion in the Fiscal Year 2025 Internal Audit Plan. As part of this process, IAD is meeting with each division director to identify and risk areas within the Department. Risks are evaluated based on operational, reputational, financial, and compliance impact, as well as process complexity, maturity, and mitigating controls. The risk assessment is anticipated to be completed by the end of July 2024.

The Investigations Processes Audit is currently in the reporting phase. The objective is to evaluate the intake process for complaints, the method used to prioritize investigations, and the actions taken on investigation results. The audit covers various areas, including complaint prioritization, investigation timeliness, investigation uniformity, eLicensing access, uniformity of assessed penalties, and penalty collection. The audit report is anticipated to be completed by the end of July 2024.

Similarly, the Inventory Management Audit is also in the reporting phase. The objective is to evaluate the Department's processes for accounting for, safeguarding, and reporting inventory throughout the State. The audit covers purchasing and receiving segregation of duties, the onsite inventory count process, accuracy of reported information, and the reporting process for missing assets. The audit report is anticipated to be completed by the end of July 2024.

Additionally, IAD completed the License Plate Inventory Process Risk Memorandum. The purpose of the memorandum was to provide timely information and insight for the Department as it progresses its efforts for a new inventory system in alignment with House Bill 718. The memorandum outlines the current license plate inventory process and identified risks in the current state, highlighting opportunities for the Department to implement an enterprise-wide inventory management system which ensures availability of real-time inventory information, integrates systems to track inventory, reduce reliance on manual inputs and controls, and establish a more proactive monitoring approach. A copy of the memorandum has been included in the board materials.

External Engagements


There are no external engagements being tracked by IAD at this time.

Internal Audit Division Status

Internal Engagements

	Planning	N/A
	Fieldwork	FY 2025 Risk Assessment
	Reporting	<ul style="list-style-type: none">Investigation Processes AuditInventory Management Audit
	Completed	License Plate Inventory Process Risk Memorandum

External Engagements

	In-Progress	N/A
	Completed	N/A



Risk Memorandum

DATE: May 24, 2024
TO: Daniel Avitia, Executive Director
THROUGH: Salem Chuah, Internal Audit Director
FROM: Jason Gonzalez, Principal Internal Auditor
SUBJECT: License Plate Inventory Process

EXECUTIVE SUMMARY

Since the passage of House Bill (HB) 718 from the 88th Texas Legislature, Regular Session, the Texas Department of Motor Vehicles (TxDMV or Department) established multiple advisory committees to prepare for a successful implementation of eliminating various temporary tags and timed permits with metal plates. These committees include Technology, License Plate Design & Manufacturing, Compliance, Regulatory Affairs, and Executive Advisory.

The purpose of this risk memorandum is to provide timely information and insight for the Department as it progresses its efforts for a new inventory system in alignment with HB 718. Specifically, this memo outlines the license plate inventory process and identifies potential risks in the current state.

Overall, several sections within the Vehicle Titles & Registration (VTR) Division manage the license plate inventory process with the Enforcement (ENF) Division verifying inventory at Tax Assessor Collector (TAC) offices. VTR managed the license plate inventory process since 2021, which was previously managed by the Finance and Operations (FAO), ENF, and VTR divisions.

The license plate inventory process starts with the TACs and/or Department's Regional Service Centers (RSCs) ordering items. The order is reviewed by the VTR Allocations team, generating an order invoice which populates the Registration and Title System (RTS). Orders are forwarded to the Texas Department of Criminal Justice (TDCJ) warehouse where items are fulfilled and shipped. TACs and RSCs then receive the items in RTS.

At least five systems are used, such as the Allocations Microsoft Access Database, StockQuery, RTS, Excel County Workbook, and Excel Inventory Tracking Worksheet.

Identified risks in the current process include:

1. Real-time inventory information is not available.
2. Multiple systems are used to track inventory.
3. Verification is performed, but there are opportunities to have a more proactive approach and establish escalation processes.

There are opportunities for the Department to adopt an enterprise-wide inventory management system which integrates various existing systems, facilitates real-time inventory monitoring, and reduces reliance on current manual input and controls.

BACKGROUND

The Vehicle Titles and Registration (VTR) Division of the Texas Department of Motor Vehicles (TxDMV or Department) is responsible for managing license plate production, ordering, and shipping. The Enforcement (ENF) Division's Compliance Services Section verifies license plate counts through compliance reviews and inventory counts. TxDMV works with the Texas Department of Criminal Justice (TDCJ) on the manufacturing of license plates and handicap placards.

TxDMV, through its vendors, makes shipments of inventory (includes items such as handicap placards, VTR forms, and TxDMV stickers *in addition to* license plates) to support 254 Tax Assessor Collector (TAC) offices, 235 TAC substations, and 16 TxDMV Regional Service Centers (RSCs).

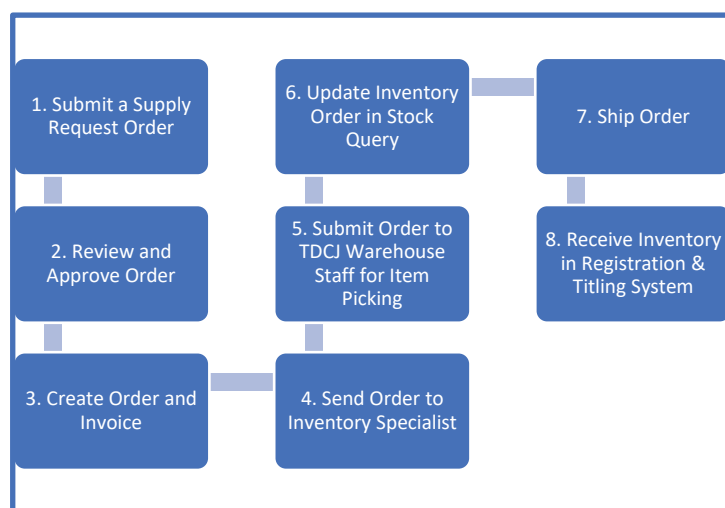
The five counties that issued the most license plates in Fiscal Year 2023 are:

- Harris County: 4,810,569
- Dallas County: 2,864,120
- Bexar County: 2,484,289
- Tarrant County: 2,404,922
- Travis County: 1,402,679

LICENSE PLATE INVENTORY PROCESS (SUMMARY)

Process. The general process for ordering and receiving license plates is explained below and depicted in **Figure 1**:

1. TACs and/or RSCs complete a VTR Supply Request Form and submit the form to the VTR Allocations email.
2. The VTR Allocations team reviews and approves the order.
3. The VTR Allocations team creates an order and invoice using the Allocations Microsoft Access Database.
4. The VTR Allocations team transmits the order to the VTR Inventory Specialist in Huntsville, Texas via the Allocations Microsoft Access Database and emails a copy of the order invoice to the TAC or RSC that submitted the order. RTS is also updated with the inventory items from the invoice so that the items can be received.
5. The VTR Inventory Specialist retrieves and prints the order for the TDCJ warehouse staff for picking and staging.
6. The VTR Inventory Specialist updates the inventory order in StockQuery.
7. TxDMV shipping vendors, FedEx or Southeastern Freight, pick up the prepared orders from the TDCJ warehouse for distribution.
8. TACs and/or RSCs receive the inventory in TxDMV's Registration and Title System and store inventory.

Figure 1: Summary of License Plate Ordering and Receiving Process

Systems. TxDMV uses multiple systems to manage the license plate inventory process from ordering to shipment to receipt:

1. **Allocations Microsoft Access Database** – A database developed by TxDMV that documents orders received from TACs and RSCs and submits orders to Huntsville.
2. **StockQuery** – An external cloud-based inventory system that contains the inventory on-hand and shipped from the TDCJ warehouse. While the system documents inventory located at the TDCJ warehouse, the system has limitations (e.g., it does not allow for tracking shipments or show inventory in transit).
3. **Registration and Title System (RTS)** – TxDMV's system that tracks inventory received and on-hand at TACs and RSCs.
4. **Microsoft Excel** – Different workbooks validate if TACs should be provided more inventory (Excel County Workbook) and what inventory items have been shipped to different locations (Excel Inventory Order Tracking Worksheet).

LICENSE PLATE INVENTORY PROCESS (DETAILED)

Ordering Process. After identifying a need for an inventory item, TACs or TAC sub-stations submit an inventory order using the **VTR Supply Request Form** (see Appendix 1). The request is submitted to the TxDMV Allocations email. The VTR Allocations team reviews the requesting location's usage history, the inventory on hand, and the order amounts on the **Excel County Workbook** which is manually updated (see Appendix 2).

*The Excel County Workbook contains all 254 TAC counties and TAC sub-stations (sub-stations are rolled into the counties) and is updated using the **RTS Inventory Count Report** using Applix Tools (see Appendix 3). On a monthly basis, VTR Allocations manually updates either 128 or 126 (of the 254 total) counties in the Excel County Workbook. The Excel County Workbook contains the following information:*

1. **5-Year Data Average Per Month** – calculated by adding all used inventory from the previous 5 years (2019 through 2023) and dividing by 5 years then by 12 months. This is the average monthly usage.
2. **Recommended 3-Month Supply** – calculated by multiplying the monthly average usage (from step 1) by 3 months.

3. *Recommended 12-Month Supply – calculated by multiplying the monthly average usage (from step 1) by 12 months.*
4. *Months of Inventory On-Hand – calculated by dividing the current inventory balance by the monthly average usage (from step 1).*
5. *Current Number of Items Over/Under – calculated by dividing the current inventory balance by the average monthly usage (from step 1).*

If order amounts are reasonable based on comparison of the current inventory balance and historical usage as compared to the Excel County Workbook, the VTR Allocations team generates an **order invoice** in the Allocations Microsoft Access Database which is transmitted to the VTR Inventory Specialist in Huntsville, Texas and emailed to the inventory requestor (see Appendix 4). The Allocations Microsoft Access Database also interfaces with RTS and updates RTS with information from the order invoice so that inventory can be received in RTS.

RSC orders also start with a VTR Supply Request Form but do not require review using the Excel County Workbook.

Delivery Process. Upon receipt of the order invoice, the VTR Inventory Specialist generates a “**pick list**” using the Allocations Microsoft Access Database (see Appendix 5). The “pick list” compiles all of the orders from different ordering locations and is provided to TDCJ warehouse personnel to retrieve and box. The VTR Inventory Specialist reviews the prepared boxes and generates a shipping label using the vendor’s (FedEx or Southeastern Freight) website. FedEx is generally used for small shipments, Southeastern Freight for large shipments, and Goodwill Industries for specialty plates.

The VTR Inventory Specialist affixes the shipping labels to the shipping boxes for FedEx and Southeastern Freight and the boxes are placed at the TDCJ warehouse shipping staging area to be picked up by the vendor. Upon shipment, the VTR Inventory Specialist updates both **StockQuery** and the **Excel Inventory Tracking Worksheet** (see Appendix 6). The Excel County Order Tracking Worksheet is a manual input that contains the order date, shipping location, invoice number, carrier, tracking number, and shipment date.

*Specialty plates are delivered using Goodwill Industries. Goodwill Industries schedules pickups at the TDCJ warehouse to ship directly to the customer or to a TAC or TAC substation for customer pickup through the United States Postal Service (USPS). Specialty plates ordered from a TAC or TAC substation and registered to a vehicle during the ordering process are shipped directly to the customer while those ordered online are delivered to a TAC or TAC substation for customer pickup and vehicle registration. On a daily basis, Goodwill Industries provides TxDMV with an **Excel Delivery Update Log** which contains manual inputs of the specialty license plate number, shipping method, customer name, customer address, and USPS tracking number (see Appendix 7).*

Receiving Process. Inventory is delivered to the TACs and RSCs by TxDMV’s shipping vendor. Upon delivery, RSCs are required to a) examine shipping packaging for signs of tampering and b) verify sequence number on shipping boxes and c) verify the accuracy of the ordered items including the sequence numbers of license plates, placards, stickers, etc. and the received vs. ordered quantities. It is recommended that TACs also examine received inventory although there is no required policy.

TACs and RSCs will then “receive” the inventory items in RTS (see Appendix 8). Using the order invoice they received upon approval of their order, they will access an inventory tab and manually enter in the invoice number associated with the received inventory items. The inventory items will then come up in the system on the **View Inventory Received Report** screen, where the parties can either delete or add inventory items based on the physical inventory items received (see Appendix 9). If the parties cannot find their invoice, they would contact the VTR Allocations team for a copy of the invoice or they use an alternative method to receive the items through a “manual” invoice process. Upon verifying all received inventory items and inputting into RTS, the inventory items will show in the **RTS Inventory Inquiry Report** (See Appendix 10).

Monitoring Process. Throughout the year, the Department’s ENF Compliance Specialists conduct reviews at TACs, TAC substations, and Full-Service Deputy (FSD) offices. It should be noted that while there are 41 FSDs, the Department does not use its vendor to ship orders directly to FSDs. Instead, FSDs coordinate deliveries with the TACs they have agreements with.

The Compliance Specialist reviews inventory that has been identified as “accountable inventory” by TxDMV which includes various license plate types.

Upon arrival at the TAC, TAC substation, or FSD office, the Compliance Specialist prints the location’s RTS Inventory Inquiry Report and conducts an inventory count of the accountable inventory. The count is conducted with the assistance of a representative at the location being reviewed and is a verification of the physical presence of license plates at the location. The Compliance Specialist examines areas where inventory is readily available within the office, including workstation and storage areas. If the license plates cannot be found, the Compliance Specialist discusses discrepancies with the location representative(s). The Compliance Specialist and the location representative will then sign the RTS Inventory Inquiry Report.

As part of the compliance review process, the Compliance Specialist will provide details on inventory counts through the County Compliance Review Report, which is generated using eLicensing. If any discrepancies are noted during the review, the RSC Manager overseeing the TAC is informed. An exit conference is then held with the TAC, or their representative, to discuss the findings of the review, including inventory results. Recommendations are also provided to reduce potential risks and a results letter is sent to the TAC via email.

TDCJ WAREHOUSE AND MANUFACTURING CONTRACT

As of February 2024, TxDMV has 2,436,989 license plates, placards, and stickers on-hand in the TDCJ warehouse. TxDMV maintains a 6-month supply of inventory items and agrees to a **manufacturing contract with TDCJ** to produce the inventory items (see Appendix 11).

TDCJ manufactures license plates and placards (inventory items) daily with TDCJ manufacturing employees and inmate labor. Upon completion of production and quality assurance review, finished inventory items are boxed and delivered to the TDCJ manufactured goods warehouse.

While the production burdens lie on TDCJ, the VTR Inventory Specialist informally monitors production each month to ensure that inventory levels are maintained. A VTR Program

Specialist at TxDMV headquarters inputs the produced items into StockQuery at the end of the month for the previous month's manufactured goods based on the **TDCJ invoice** (see Appendix 12).

Also, TxDMV requires the VTR Inventory Specialist to inspect 1% of the total plates delivered to the TDCJ warehouse each month. The VTR Inventory Specialist opens boxes and inspects license plates to ensure that the sequence numbers on the plates match the box labels. They also check for cosmetic accuracy, duplicate plates, and assess the condition of the box. The **License Plate Inspection Form** documents the 1% review and is saved on the TxDMV Inventory SharePoint site (see Appendix 13).

RISKS

1. Is real time inventory information readily accessible?

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the ability to generate quality information begins with the data sourced. The quality of information depends on various factors, such as whether the information is accessible, correct, current, protected, retained, sufficient, timely, valid, and verifiable.

Also, inventory best practices recommend implementing processes to notify inventory recipients of incoming deliveries so that there can be timely receipt of those inventory items.

Available inventory is updated once a month through manual entry by the VTR Program Specialist using the TDCJ manufactured goods invoice from the previous month. *While inventory is being reduced in StockQuery upon shipping due to a manual process, there is a one-month delay in showing new inventory that is now on-hand and available at the warehouse.* The StockQuery inventory system is used solely to track inventory at the TDCJ warehouse. When inventory is shipped, StockQuery reflects the new inventory levels as inputted by the VTR Inventory Specialist.

After the Department's shipping vendors deliver inventory to the TACs or RSCs, employees at those locations receive the inventory into RTS by comparing the inventory items against the order invoice. *While TACs and RSCs are expected to update inventory in RTS upon receiving inventory shipments, there is no notification to inform them of incoming shipments. There is also limited monitoring of when the inventory items are inputted into RTS. This timeliness factor impacts inventory on-hand at locations reflected in the RTS Inventory Reports used for approving orders and conducting on-site inventory checks.*

2. Is there validation of inventory usage and available quantities prior to approving orders?

Inventory best practices recommend limiting multiple data entries, suggesting achieving data limitation through implementation of a single enterprise system. According to COSO, control activities should include authorization, verification, and controls over standing data. Authorizations should affirm that a transaction is valid. Verifications compare items with each other. Controls over standing data include a master file used to support the processing of transactions within a business process.

The current inventory ordering process includes controls based on comparing requested order requests to recommended inventory minimum and maximum inventory quantities as reflected in the Excel County Workbook. *However, because the on-hand inventory amounts are only updated every other month in the Excel County Workbook, there could be approved orders that relied on outdated inventory numbers as the control to approve additional inventory orders.*

Once orders are approved, VTR Allocations submits the order through the Allocations Microsoft Access Database. *The current approval process does not include stock validation, ensuring that inventory items ordered are included as available stock in StockQuery.*

3. Has clear inventory accountability been established and communicated?

According to the U.S. Government Accountability Office (GAO), a key factor in developing and maintaining accurate physical inventory is establishing accountability. The GAO states that establishing and documenting policies and procedures are essential to an effective and reliable physical count. Well documented policies and procedures include instructions on how to conduct physical inventory counts, the objectives of the counts, the types and timing of the counts, instructions for counting and recording, and researching and adjusting variances.

TxDMV has policies and procedures for ordering inventory, receiving manufactured inventory, and receiving inventory shipped to final locations. TxDMV license plate inventory processes are assigned across multiple business units and each business unit has specific duties that impact the overall process. For example, the VTR Allocations team has the responsibility of reviewing and approving orders. The VTR Inventory Specialist is assigned to manage inventory shipping, the VTR Program Specialist assigned to headquarters adds manufactured license plates into StockQuery, and ENF Compliance Specialists perform inventory counts to ensure proper handling of TxDMV inventory at TACs during scheduled compliance reviews.

While policies and procedures have been developed, there are opportunities for the Department to develop a comprehensive workflow manual that documents each aspect of the license plate inventory process. Overall, multiple divisions and systems are involved in the license plate inventory process. *While there are experts in each sub-process, it is important to have a well-documented and comprehensive understanding of the entire process to assist with the successful implementation of an enterprise system.*

4. Have key segregation of duties been implemented to ensure proper custody of assets?

According to the GAO, segregation of duties reduces the risk of error and fraud so that no single individual can adversely affect the accuracy and integrity of inventory. Segregation of duties include: physical custody of assets, processing and recording transactions, and approval of transactions.

The Department has segregation of duties for inventory ordering, shipping, receiving, recording, and monitoring of inventory. Key functions are performed by different employees as previously mentioned above. For example, a VTR employee approves inventory orders, a separate VTR employee (VTR Inventory Specialist) completes the shipping order, a separate VTR employee (VTR Program Specialist) inputs available inventory in StockQuery, and the person who placed the order does not receive the order in RTS.

5. How proactive is inventory monitoring?

According to COSO, management should assess and oversee the nature and scope of monitoring activities and evaluate remediation of deficiencies. Control activities should include a range and variety of controls that include a balanced approach to mitigate risks, considering both manual and automated controls, and preventative and detective controls. Examples include proactively monitoring inventory levels, monitoring trends in inventory activities, and establishing inventory count procedures.

COSO further states that management should establish escalation procedures to ensure that necessary communication will be made to management responsible for ensuring that timely and proper assessments and actions are completed. Examples include establishing escalation processes for identified inventory trends.

TACs and RSCs monitor their own inventory levels and order as needed. This requires TACs and RSCs to be aware of how much inventory is left before a re-order is necessary. *There is an opportunity for the Department to proactively monitor inventory levels and better serve TACs and RSCs by initiating the inventory ordering process automatically for certain stakeholders when inventory amounts fall below a certain threshold.*

On inventory receiving, RTS inventory items can be received through a “manual” invoice if the invoice number for the order cannot be found in the system. “Manual” invoices allow receipt of inventory that has been delivered in error (not ordered) or inventory that has been received in greater quantities than ordered. The “manual” inventory receiving process deviates from the standard receiving process, but it allows for receipt of inventory RTS requires an invoice to receive inventory items. *Current monitoring may not consider trends in “manual” invoice receiving, which could identify errors in the ordering or shipping process.*

ENF Compliance Specialists also previously used the Excel County Workbooks to identify whether counties were holding too much inventory and used this as an indicator for fraud, waste, or abuse. *Proactively monitoring inventory could improve the inventory ordering process, limiting surplus inventory orders.*

ENF established inventory count policies and procedures that define the frequency of inventory counts, specify the items to be counted, outline the process for researching variances, and detail the documentation requirements of the inventory counts. Inventory counts at TACs are performed by ENF Compliance Specialists, while RSC inventory counts are performed by RSC Customer Service Representatives. If an inventory item is not located during the TAC inventory count, the Compliance Specialist researches the missing item with assistance from the TAC employee(s). Inventory items not located during RSC counts are researched using previous inventory count information and inventory invoices. Any persistent inventory count errors are reported to either Compliance Services Section or RSC management. *Although inventory monitoring processes are established, there is not a clear escalation process or measures that would be taken due to the magnitude of missing inventory items. There is also not a risk-based approach to monitor locations with higher deviations of expected inventory counts verses on-hand counts.*

Also, inventory counts are performed using inventory history reports that show the inventory item and quantity. Therefore, the counts are performed with prior knowledge of inventory on-hand. *Current inventory count practices may not offer the greatest degree of assurance of accurate and reliable inventory counts or on-hand record balances.* The GAO states that blind

counts are the performance of a physical inventory counts without the knowledge of, or access to, the on-hand quantity balance in the inventory records. If the blind count agrees with the on-hand balance records, there is a high level of confidence that both the count and the on-hand record balances are accurate. Blind counts offer the greatest degree of assurance of accurate and reliable counts.

Lastly, VTR Inventory Warehouse policies and procedures state that the VTR Inventory Specialist is required to count 1% of warehouse inventory monthly. If an inventory item is not located during the inventory count, the Inventory Specialist reviews inventory invoices to determine whether the inventory item was received in StockQuery. *However, if count errors persist after the initial research, there is not a developed escalation process.*

CC: Roland Luna, Deputy Executive Director
Shelly Mellott, Deputy Executive Director
Annette Quintero, VTR Division Director
Corrie Thompson, ENF Division Director

APPENDICES

EXAMPLE ONLY

Appendix 1 – VTR Supply Request Form

ITEM	ITEM #	DESCRIPTION	ORDER BY	ORDER AMOUNT	QUANTITY ON HAND	URGENT YES/NO	YOU WILL GET
1.							
2.							#N/A
3.							#N/A
4.							#N/A
5.							#N/A
6.							#N/A
7.							#N/A
8.							#N/A
9.							#N/A
10.							#N/A
11.							#N/A
12.							#N/A
13.							#N/A
14.							#N/A
15.							#N/A

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EXAMPLE ONLY

Appendix 3 – RTS Inventory Count Report

Take control Pop out

Applix Tools
File Tools Options Window Help
RTS Invent...

PREVIEW SCREEN: RTS Inventory Count Report

Applix.014

Applix Tools
RTS Inventory Count Report

ItemCd	Item Description	Quantity	Year
	144-HOUR PERMIT		
	CITY BUS PLT		
	COMBINATION PLT		
	DISABLED FARM TRUCK PLT		
	DISABLED MOTORCYCLE PLT		
	DISABLED PERSON PLT		
	DP PRIVATE BUS PLT		
	DISASTER RELIEF PLT		
	EXEMPT DOUBLE PLT		
	EXEMPT MOTORCYCLE PLT		
	EXEMPT SINGLE PLT		
	EXEMPT TEXAS HWY PATROL PLT		
	FACTORY DELIVERY PERMIT		
	FERTILIZER PLT		
	FARM TRLR PLT		
	FARM TRUCK PLT		
	FARM TRK TRACTOR PLT		
	GOLF CART PLT		
	MACHINERY PLT		
	MOTOR BUS PLT		
	MOTORCYCLE PLT		
	MOPED PLT		
	OFF-HIGHWAY PLT		
	PRIVATE BUS PLT		
	BLUE DISABLED PLACARD		
	PACKAGE DELIVERY PLT		
	PERMIT PLT		
	PASSENGER-TRUCK PLT		
	RED DISABLED PLACARD		
	TRLR PLT		
	TOW TRUCK PLT (LARGE)		
	TRACTOR PLT		
	TOKEN TRLR PLT		
	TRAVEL TRLR PLT		

... END OF REPORT ...

☒ Print All ☐ Print Current ☐ Print Selected

Print Enter Cancel Done Prev Next First Last

EXAMPLE ONLY

Appendix 4 – Order Invoice



Texas Department of Motor Vehicles
Administrative Services Division

MAILING ADDRESS:

--

INVOICE #:

INVOICE DATE

--

YEAR	DESCRIPTION	QUANTITY	BeginNum	EndNum
	APPORTION TRUCK TRACTOR (SINGLE)			
	Apportioned Truck Tractor (Double)			
	FORM 271-A			
	FORM 41A DEALER REASSIGN			
	TITLE 30-CCO - CERT COPY ORIGINAL TITLE			

EXAMPLE ONLY

Appendix 5 – Pick List

Report Printed:		DAILY PLATES REPORT FOR			
Page Number: 1 of 3					
		AMOUNT	BEGIN NUMBER	END NUMBER	INV #
	COUNTY				
	BUS PRIVATE PLATE	25			
	S COUNTY				
	PASSENGER	1875			
	SUBSTATION				
	PASSENGER	750			
	TRAILER PLATE	200			
	K COUNTY				
	DISABLED PERSON PLT	18			
	EXEMPT, DOUBLE	100			
	PASSENGER	2999			
	Y COUNTY				
	EXEMPT, DOUBLE	25			
	OFF-Highway PLT	10			
	OUNTY				
	ED PERSON PLT	18			
	T, DOUBLE	50			
	NGER	250			
	R PLATE	50			
	UNTY				
	NGER	50			
	R PLATE	50			
	N COUNTY				
	Combination Plates	50			
	FARM TRUCK PLATE	25			
	PASSENGER	25			

EXAMPLE ONLY

Appendix 6 – Excel County Inventory Tracking Worksheet

Date	Type	Product Number	Product Name	Number of Units	Batch Id	Transaction Notes	Transaction Amount	Unit of Measure
			LICENSE PLATE Golf Cart License Plate					
			License Plate Combination (Multi Year)					
			LICENSE PLATE DISABLED PERSON					
			LICENSE PLATE FARM TRAILER					
			LICENSE PLATE MOTORCYCLE					
			LICENSE PLATE PRIVATE BUS					
			LICENSE PLATE TOKEN TRAILER (County Stock)					
			LICENSE PLATE TRAILER					
			LICENSE PLATE TRAVEL TRAILER					
			LICENSE PLATE NEW PASSENGER					

Appendix 7 – Excel Delivery Update Log

[illegible]

Appendix 8 – RTS Receiving Screens

REGISTRATION & TITLE SYSTEM

Accounting **Inventory** Funds Exit Help

- Allocate
- Receive Invoice**
- Inquiry
- Profile
- Profile Report
- Hold/Release
- Delete
- Inventory Action Report
- PLP Request Rejection Report
- Inventory History

EXAMPLE ONLY

Appendix 9 – View Inventory Received Report

Invoice No: Destination:

Receive Into:

☒ Central

☐ Stock

Invoice No: Order Date: 04/09/2024 ☒ View Inventory Received Report

Destination: Receive Into: Central

	Item Description	Year	Quantity	Begin No	End No
✓	APPORTIONED TRK SINGLE PLT				
✓	ASSIGNED TR TRAILERS				

Selected item detailed status:

ITEM VERIFIED AND MATCHES THE INVOICE.


Report Text:

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EXAMPLE ONLY

Appendix 10 – RTS Inventory Inquiry Report



Texas Department of Motor Vehicles

☐
INVENTORY INQUIRY REPORT
MA

WORKSTATION ID
REQUESTED BY
INQUIRY BY

ITEM DESCRIPTION	ITEM YEAR	BEGIN NUMBER	END NUMBER	ON HAND QUANTITY	STATUS	CODE	ID
BLUE DISABLED PLACARD				23 ✓		C	
BLUE DISABLED PLACARD				50 ✓		C	
TOTAL QUANTITY				73 ✓			
COMBINATION PLT				41 ✓		C	
COMBINATION PLT				50 ✓		C	
TOTAL QUANTITY				91 ✓			
COTTON PLT				50		C	
TOTAL QUANTITY				50			
DISABLED MOTORCYCLE PLT				3		C	
				3			
DISABLED PERSON PLT				18		C	
DISABLED PERSON PLT				6		C	
				24			
EXEMPT DOUBLE PLT				13		C	
				13 ✓			
EXEMPT SINGLE PLT				29		C	
				29 ✓			
FARM TRK TRACTOR PLT				8		C	
				8			
FARM TRLR PLT				60		C	
FARM TRLR PLT				49		C	
				109			
FARM TRUCK PLT				73		C	
				73			
FERTILIZER PLT				4 ✓		C	
FERTILIZER PLT				4 ✓		C	
				8 ✓			
GOLF CART PLT				4 ✓		C	
GOLF CART PLT				50 ✓		C	
				54 ✓			

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Appendix 11 – Texas Department of Criminal Justice Manufacturing Contract (Inventory Items and Counts)

Contract Items, Quantities, and Budget Amounts for Fiscal Year 2024					
License Plates Pricing and Totals					
Contract Line No.	Contract Items	Quantity	Unit Price	Est. TxDMV Amount	Est. TDCJ Amount
1A	12.0 Digital Pre-Printed	8,818,367	\$1.61831	\$14,842,193.50	
1B	12.0 Digital Pre-Printed	1,099,162	\$1.61831		\$1,849,999.56
2	12.0 Digital one/two color	300,000	\$1.8518	\$555,540.00	
3	12.0 Digital three/four color	280,000	\$2.0552	\$575,456.00	
4	7.0 Motorcycle one/two color	182,000	\$0.9427	\$171,571.40	
5	7.0 Motorcycle three/four color	12,000	\$1.1430	\$13,716.00	
6	Handicap Placards	1,200,000	\$0.7000	\$840,000.00	
7	2024 Annual Permit Stickers	500	\$1,7800	\$890.00	
8	Dealer Plate Stickers	60,000	\$0.2700	\$16,200.00	
	Total Plates	10,691,529	-	\$16,158,476.90	\$1,849,999.56
	Total Placards and Stickers	1,260,500	-	\$857,090.00	\$0.00

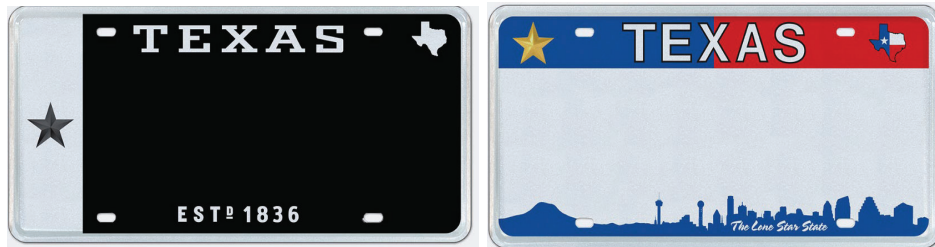
Contract line items 1A and 1B are the required annual production for general issue license plates. They are listed as separate line items because the Texas Legislature appropriated additional funding for increased license plate production. However, the funds were appropriated to TDCJ instead of to TxDMV. TDCJ and TxDMV agreed to document the production amounts as 1B (Established TDCJ Amount).



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Contract line items 2 and 3 are the required production amounts for general issue non-passenger license plates or specialized personal license plates. Example plates include Lone Star 1836 and New Texas license plates.



Contract line items 4 and 5 are the required production amounts for general issue non-passenger motorcycle license plates (specialized personal license plates).

Contract line item 6 is the required production amounts for disabled parking placards. Red placards are for a person who has a temporary disability (6 months or less). Blue placards are for a person who has a permanent disability (placards are renewable every 4 years).



Contract line item 7 is the production requirements for License Plate Validation Stickers for Annual Permits. These stickers are issued primarily to motor carriers from Mexico who can legally operate in the U.S. as a result of trade agreements. The stickers are only sold in Pharr and El Paso RSCs.

Contract line item 8 is the Dealer Plate Stickers placed on all motor vehicle dealers, including in-transit, manufacturer, and converter dealers. Stickers correspond to the month and year the license expires. Every two years, license holders renew their plates at the time they renew their license.

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Appendix 12 – Texas Department of Criminal Justice Invoice

EXAMPLE ONLY



Texas Department of Criminal Justice

Invoice

Date	<input type="text"/>
Invoice #	<input type="text"/>
S.O. No.	07507
P.O. No.	<input type="text"/>
Customer Ref No	0000013782

Bill To
Texas Department of Motor Vehicles 4000 Jackson Avenue Austin, TX 78731
<input type="text"/>

Ship To
Texas Department of Motor Vehicles
<input type="text"/>

Item Code	Description	QTY	Price	U/M	Amount
570-33-120000	License Plates, 12.0 Digital, Pre-Printed Type: No. Sequence:	987,925	1.6831	ea	1,662,776.57
570-33-120012	License Plates, 12.0 Digital, Pre-Printed, 1 or 2 Color Type: No. Sequence:	29,277	1.8518	ea	54,215.15
570-33-120034	License Plates, 12.0 Digital, Pre-Printed, 3 or 4 Color Type: No. Sequence:	20,871	2.0552	ea	42,894.08
570-33-700012	License Plates, 7.0 Motorcycle, 1 or 2 Color Delete above color # not being invoiced No. Sequence:	339	0.9427	ea	319.58
570-33-700034	License Plates, 7.0 Motorcylce, 3 or 4 Color Delete above color # not being invoiced No. Sequence	308	1.143	ea	352.04
Invoice is due 30 days after receipt of goods.			Total	\$1,760,557.42	


Remit To:

Terms: Net 45 Days from Date of Invoice

Receipt of any item on the open market is a violation of §497.010, Texas Government Code.

Appendix 13 – License Plate Inspection Form

EXAMPLE ONLY


Texas Department of Motor Vehicles

License Plate Inspection Form

Inspection Date(s): _____		Inspected By: _____		Quantity of Plates Invoiced: _____	
Plate Type Invoiced: <u>Passenger</u>		Plate Sequence Inspected: _____			

DHT Number	Number Sequence/ Box Number	DHT Number	Number Sequence/ Box Number	DHT Number	Number Sequence/ Box Number	DHT Number	Number Sequence/ Box Number
<i>Comments:</i>							
<i>Comments:</i>							
<i>Comments:</i>							
<i>Comments:</i>							
<i>Comments:</i>							
<i>Comments:</i>							
<i>Comments:</i>							

X

Brad Beatty
Warehouse Lead



Texas Department
of Motor Vehicles