



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



TxDMV Board Meeting

9:00 a.m.

Thursday, August 13, 2026

AGENDA
BOARD MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR CONFERENCE ROOM
AUSTIN, TEXAS 78731
PARKING IS AVAILABLE IN THE PARKING LOT ADJACENT TO BUILDING 1
THURSDAY, AUGUST 13, 2026
9:00 A.M.

The presiding officer of the Board of the Texas Department of Motor Vehicles (Board) will be physically present at 4000 Jackson Avenue, Austin, Texas 78731. Some Board members may attend via videoconferencing.

Link to August 13, 2026, 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 (BRIEFING ONLY)**
- 4. Executive Director's Reports - Daniel Avitia (BRIEFING ONLY)**
 - A. [Introduction of Deputy Executive Director Larry Gaddes](#)
 - B. [Introduction of Chief Financial Officer/Finance and Operations Division Director Chris Hayden](#)
 - C. [Introduction of Deputy Chief Financial Officer Eric Horn](#)
 - D. [Introduction of Consumer Relations Director Katie Drummond](#)
 - E. [Recognition of Years of Service](#)
- 5. Legislative and Public Affairs**
 - A. [Status Update on Implementation of 89th Session Legislation](#) - Keith Yawn (BRIEFING ONLY)
 - B. [Report on Interim Legislative Activity](#) - Keith Yawn (BRIEFING ONLY)
 - C. [Proposed Statutory Recommendations for 90th Texas Legislature](#) - Keith Yawn (BRIEFING ONLY)

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CONTESTED CASE

- 23 6. **Consideration and Approval of Proposed Final Order on Enforcement Case**
Texas Department of Motor Vehicles v. Owono Motors, LLC; Enforcement Docket No. 22-0015552; SOAH Docket No. 608-25-05623.ENF - Laura Moriaty (ACTION ITEM)

RULE ADOPTIONS

- 65 7. **Chapter 215, Motor Vehicle Distribution** - Monique Johnston (ACTION ITEM)
Amendments: Subchapters A, B, C, D, E, F, and G
New: §§215.107, 215.153, and 215.159
Repeals: §§215.1, 215.81, 215.101, 215.131, 215.171, 215.241, 215.243, and 215.269
(*Relating to Enhancing the Enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; and Cleanup*)
- 238 8. **Rule Review**
Rule Review Adoption under Government Code, §2001.039: Chapter 215, Motor Vehicle Distribution - Laura Moriaty (ACTION ITEM)
- 240 9. **Chapter 221, Salvage Vehicle Dealers** - Monique Johnston (ACTION ITEM)
Amendments: §221.17
(*Relating to License Processing for Military Service Members, Spouses, and Veterans; and Cleanup*)

RULE PROPOSALS

- 248 10. **Chapter 218, Motor Carriers** - Tricia Ueckert (ACTION ITEM)
Amendments: §218.16
(*Relating to Safety Ratings for Self-insurance; and Cleanup*)
- 260 11. **Chapter 219, Oversize and Overweight Vehicles and Loads** - Tricia Ueckert (ACTION ITEM)
Amendments: §§219.3, 219.11, 219.12, and 219.15
(*Relating to Modernization of Bond Certification; Updates and Clean-up for General, Single-trip, and Portable Building Unit Permits*)
- 296 12. **Rule Review**
Rule Review Proposal under Government Code, §2001.039: Chapter 221, Salvage Vehicle Dealers - Laura Moriaty (ACTION ITEM)
- 298 13. **Chapter 221, Salvage Vehicle Dealers** - Monique Johnston (ACTION ITEM)
Amendments: §§221.13 - 221.15, 221.19, 221.20, 221.44, 221.71 - 221.73, 221.111 and 221.112
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Repeals: §§221.1, 221.11, and 221.49

(Relating to Enhancing the Enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; Reducing Signage Requirements for Licensees; and Cleanup)

BRIEFING AND ACTION ITEMS

- 333 14. [Specialty Plate Design](#) - Annette Quintero (ACTION ITEM)
Oklahoma State University - Redesign Proposed under Transportation Code §504.851
- 336 15. [Appointment of Members to the Automated Vehicle Regulation Advisory Committee \(AVRAC\) and Household Goods Rules Advisory Committee \(HGRAC\)](#) - Laura Moriaty (ACTION ITEM)
- 340 16. **Finance and Audit Committee Update** - Committee Chair Brett Graham
- 353 A. [FY 2027 Recommended Operating Budget for the Fiscal Year that Begins September 1, 2026, and ends August 31, 2027](#) (ACTION ITEM)
- 354 B. [FY 2028 - 2029 Legislative Appropriations Request Update](#) (BRIEFING ONLY)
- C. [Internal Audit Division Status Update](#) (BRIEFING ONLY)
- i. Internal Engagements
- a. Dealer Licensing Process (Advisory)
- b. Travel and Training (Audit)
- c. Network Security (Audit)
- d. Q4 Internal Audit Recommendation Follow-up
- ii. External Engagements
- Criminal Justice Information System (CJIS) Audit
- 355 D. [FY 2027 Annual Audit Plan](#) (ACTION ITEM)
- 357 E. [Presentation of the Internal Audit Division's Fraud, Waste, and Abuse Poster](#) (BRIEFING ONLY)

CLOSED SESSION

17. **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 Attorney.

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;
- 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.*;

Court of Appeals Docket No. 25-50319; in the U.S. Court of Appeals for the Fifth Circuit

Section 551.074 - Personnel Matters.

- Deliberation relating to the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of personnel.
- Hearing a complaint or charge against an officer or employee.

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

Deliberation regarding:

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

Section 551.0761 - Deliberation Regarding Critical Infrastructure Facility.

Deliberation regarding a cybersecurity measure, policy, or contract solely intended to protect a critical infrastructure facility located in Texas.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

Deliberation regarding:

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

18. Action Items from Closed Session

19. Public Comment

20. 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 the 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: 8/13/2026

BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.A
Subject: Executive Director's Report - Introduction of Deputy Executive Director Larry Gaddes

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Introduction of Deputy Executive Director for the Texas Department of Motor Vehicles (TxDMV), Larry Gaddes. His appointment reflects the department's continued commitment to operational excellence, innovation, and customer service.

Prior to his current position, Larry served as Williamson County Tax Assessor-Collector (TAC), Chief Deputy in Williamson County, and has extensive experience in private sector leadership. Under his tenure, the Williamson County Tax Office earned numerous accolades including multiple TxDMV Performance Quality Recognition Program (PQRP) awards.

Throughout his career, Larry's depth of experience, commitment to public service and proven management make him an outstanding addition to our executive team. Throughout his career, Larry has focused his professional efforts on delivering high quality responsive service and finding effective solutions. His leadership will play a key role in advancing our mission and enhancing service to Texans.

Larry earned a Bachelor of Business Administration from Texas State University - San Marcos and currently serves as president of the Texas State Alumni Association Board of Directors.

Choose an item. **Meeting Date: 8/13/2026**
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.B
Subject: Executive Director's Report - Introduction of Chief Financial Officer/Finance and Operations Division Director, Chris Hayden

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Introduction of the Chief Financial Officer (CFO) and Finance and Operations (FAO) Division Director for the Texas Department of Motor Vehicles (TxDMV), Chris Hayden. His appointment reflects the department's continued commitment to continuously improving processes and support its long-term success.

Chris has extensive expertise in governmental finance which will serve him in his role as CFO/FAO Director, overseeing all activities of the department's financial and operational services, including Accounting Operations (revenue processing, payroll, travel reimbursements, and accounts payable), Budget and Revenue Forecasting, Purchasing, Facilities and Fleet Services, Asset Management, Imaging & Mail Services, and Safety & Risk Management.

In his distinguished 35 year career in governmental finance, Chris has held senior leadership roles across multiple state agencies and positions at local, county and municipal levels of government. Most recently, Chris served as the TxDMV Deputy CFO.

Chris holds a Bachelor of Arts in Economics from the University of Missouri - Columbia. He is a graduate of both the Texas Fiscal Officers' Academy (TFOA) and the LBJ School Senior Management Program.

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.C
Subject: Executive Director's Report - Introduction of Deputy Chief Financial Officer, Eric Horn

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Introduction of Deputy Chief Financial Officer for the Texas Department of Motor Vehicles (TxDMV), Eric Horn. Eric's appointment reflects the department's continued commitment to financial and operational excellence.

Since 2021, Eric has served as Director of Accounting, leading key initiatives to modernize and strengthen the department's financial operations. In addition to his public-sector experience, Eric brings private-sector expertise and 20 years of military service in the Air National Guard. He is a proven leader whose dedication to operational excellence and innovation will continue to benefit TxDMV.

Eric holds both a Master of Accountancy and Bachelor of Accountancy from the University of Illinois Springfield and is a graduate of the Texas Fiscal Officer's Academy.

Choose an item. **Meeting Date: 8/13/2026**
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4.D
Subject: Executive Director's Report - Introduction of CRD Division Director Katie Drummond

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Introduction of Consumer Relations Division (CRD) Director for the Texas Department of Motor Vehicles (TxDMV), Katie Drummond. Her appointment reflects the department's continued commitment to premier customer service.

Katie brings more than 12 years of experience within TxDMV and has demonstrated exceptional leadership in customer service delivery, operational management, and cross-functional collaboration. During her tenure with the department, she has served as Staff Attorney, Mediator and Administration Director within the Motor Vehicle Division. As a mediator, Katie mediated complex disputes between manufacturers, distributors, and franchised motor vehicle dealers. In her role as Administration Director, her leadership spanned Customer Service, Financial Operations, Open Records and Records Management, Information Technology, and Metal License Plate Distribution. Katie played an integral leadership role in implementing House Bill 718 for the Motor Vehicle Division, successfully overseeing the distribution of approximately 145,000 dealer temporary plates between May and August 2025.

Prior to joining TxDMV, Katie was an attorney with the Texas Ethics Commission, where she focused on campaign finance regulation.

Katie holds a Bachelor of Arts in English from The University of Texas at Austin, a Master of Public Administration from St. Mary's University, and a Juris Doctor from St. Mary's University School of Law. While pursuing her MPA, she was inducted into Pi Alpha Alpha, the national honor society for public affairs and administration. During law school, she served as Executive Editor of The Scholar Law Review.

She is a licensed attorney with the State Bar of Texas and a Certified Mediator through the University of Texas Center for Public Policy Dispute Resolution.

Board Meeting Date: 8/13/2026
BRIEFING ITEM

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

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The Executive Director acknowledges employees who have achieved significant state service milestones of 20 years or more and those who have retired from the agency. The Texas Department of Motor Vehicles (TxDMV) recognizes the following individuals:

State Service Milestones:

20 years:

- Sharon Ruszczyk – Enforcement Division

25 years:

- Sherry Flemming – Consumer Relations Division
- Joyce Juarez – Vehicle Titles and Registration Division
- Ana Ramirez – Information Technology Services Division
- Sue Russell – Motor Carrier Division

30 years:

- Dion Arnold – Information Technology Services Division
- James Mangawang – Motor Carrier Division

Retirements:

- Kenny Corzine – Information Technology Services Division, 41 years of state service
- Joi Dinolfo – Enforcement Division, 22 years of state service
- Mary Lou Cardenas – Enforcement Division, 35 years of state service
- Tiffany Roybal – Motor Carrier Division, 26 years of state service

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 5.A
Subject: Status Update on Implementation of 89th Session Legislation

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Government and Strategic Communications (GSC) Division staff will provide a briefing on department implementation of legislation passed by the 89th Texas Legislature.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The 89th Texas Legislature enacted 40 bills with an impact on department programs. GSC staff will provide an update on the implementation status for these bills. Department staff have completed the implementation of 36 of these bills. Two of the remaining bills are in the final stages of implementation, and two are pending action needed by external entities.

A report listing the specific bills included in each category is provided as supplemental material for this agenda item.

89R Legislative Implementation Status Report

August 3, 2026

Chamber	Bill	Caption	Author	Bill Effective	Completion
Completed Implementations					
Senate	1816	Relating to the titling, registration, and operation of a miniature vehicle.	Hancock, Kelly	6/20/2025	6/20/2025
House	2029	Relating to vehicle safety inspections of certain travel trailers.	Noble, Candy	5/29/2025	9/1/2025
House	2522	Relating to fingerprinting requirements for the issuance of dealer general distinguishing numbers to certain persons.	Dean, Jay	9/1/2025	9/1/2025
House	4226	Relating to an exemption from the taxes imposed on the sale, use, or rental of a motor vehicle for a vehicle purchased, used, or rented by a nonprofit food bank.	Morales Shaw, Penny	9/1/2025	9/1/2025
House	5129	Relating to the security of certain personal identifying information submitted to or retained by a state agency.	Noble, Candy	6/20/2025	9/1/2025
Senate	14	Relating to reforming the procedure by which state agencies adopt rules and impose regulatory requirements and the deference given to the interpretation of laws and rules by state agencies in certain judicial proceedings.	King, Phil	9/1/2025	9/1/2025
Senate	2064	Relating to the exemption of motor vehicles transferred from a decedent's estate.	Perry, Charles	9/1/2025	9/1/2025
Senate	1464	Relating to a hearing on the refusal to issue or the revocation or suspension of a vehicle title.	Hinojosa, Chuy	9/1/2025	9/4/2025
House	5061	Relating to prohibiting certain activities by contractors and vendors of state agencies.	Leach, Jeff	9/1/2025	9/15/2025
House	1672	Relating to the appeal of certain actions by the Texas Department of Motor Vehicles related to motor carriers.	Ashby, Trent	5/24/2025	9/18/2025
House	4214	Relating to the public information law	Curry, Pat	6/20/2025	9/26/2025
House	5196	Relating to telework for state employees.	Capriglione, Giovanni	9/1/2025	10/1/2025
Senate	1902	Relating to the administration of the dealer-issued license plates database and to the removal and transfer of license plates.	Nichols, Robert	7/1/2025	10/9/2025
Senate	2587	Relating to access to and use of certain criminal history record information.	Zaffirini, Judith	9/1/2025	10/9/2025
House	791	Relating to the issuance of Central Catholic High School specialty license plates.	Cortez, Phillip	9/1/2025	12/8/2025
House	3135	Relating to the issuance of specialty license plates for retired firefighters.	Smithee, John	9/1/2025	12/8/2025
House	3815	Relating to issuance of specialty license plates for certain United States Army Rangers.	Orr, Angelia	9/1/2025	12/8/2025
Senate	927	Relating to the issuance of Navy and Marine Corps Achievement Medal specialty license plates.	Hancock, Kelly	9/1/2025	12/8/2025
Senate	1227	Relating to fees for the issuance of certain military specialty license plates.	Flores, Pete	9/1/2025	12/8/2025
Senate	1568	Relating to the issuance of Animal Friendly specialty license plates.	Zaffirini, Judith	9/1/2025	12/8/2025
Senate	2001	Relating to the registration of vehicles, the issuance of disabled parking placards, and certain benefits associated with that registration or issuance for certain peace officers with disabilities.	King, Phil	9/1/2025	12/8/2025
Senate	2141	Relating to issuance of specialty license plates for state and federal judges.	Zaffirini, Judith	9/1/2025	12/8/2025
House	2686	Relating to the registration of frac tanks.	Dean, Jay	9/1/2025	12/12/2025
House	5436	Relating to an exception to the titling requirement for certain motor vehicles.	Bell, Keith	9/1/2025	1/1/2026
Senate	8	(89-2) Relating to the designation and use of certain spaces and facilities according to sex; authorizing a civil penalty and a private civil right of action.	Middleton, Mayes	12/4/2025	1/27/2026
House	5629	Relating to the occupational licensing of military service members, military veterans, and military spouses.	Wilson, Terry	9/1/2025	2/2/2026
Senate	1818	Relating to the issuance of a license or provisional license to certain military service members, military veterans, and military spouses to engage in business or occupation in this state.	Hancock, Kelly	9/1/2025	2/2/2026
Senate	1080	Relating to the revocation of an occupational license from certain license holders and the issuance of an occupational license to certain applicants with criminal convictions.	West, Royce	5/27/2025	5/1/2026
House	150	Relating to the establishment of the Texas Cyber Command as a component institution of The University of Texas System and the transfer to it of certain powers and duties of the Department of Information Resources.	Capriglione, Giovanni	9/1/2025	5/4/2026
Senate	2807	Relating to the considerations when determining whether an operator of a motor vehicle is an employee of a motor carrier or an independent contractor. (Amended to include SB 2425 - AV Regulations)	Hagenbuch, Brent	9/1/2025	5/22/2026
Senate	2007	Relating to the voluntary disclosure by an applicant for registration of a motor vehicle of the applicant's military status.	Hagenbuch, Brent	9/1/2025	5/27/2026
House	3512	Relating to artificial intelligence training programs for certain employees and officials of state agencies and local governments.	Capriglione, Giovanni	9/1/2025	6/1/2026
House	3928	Relating to providing notice of a vehicle towed to a vehicle storage facility by publication on a third-party Internet website.	Thompson, Senfronia	9/1/2025	6/8/2026
House	5195	Relating to the modernization of state agency systems, including the improvement of online access to services and the reduction of paperwork requirements.	Capriglione, Giovanni	9/1/2025	8/3/2026
House	500	(RTS Modernization) Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.	Bonnen, Greg	6/22/2025	Ongoing
Senate	1	General Appropriations Bill.	Huffman, Joan	9/1/2025	Ongoing

89R Legislative Implementation Status Report

August 3, 2026

Implementation Work in Progress

Senate	1964	Relating to the regulation and use of artificial intelligence systems and the management of data by governmental entities.	Parker, Tan	9/1/2025
House	149	Relating to the regulation of the use of artificial intelligence systems in this state.	Capriglione, Giovanni	1/1/2026

Implementation Work Pending External Action

House	5033	Relating to elimination of the motor vehicle emissions inspection and maintenance program.	Bell, Keith	9/1/2025
Senate	1729	Relating to the registration and inspection of vehicles.	Miles, Borris	5/24/2025

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 5.B
Subject: Report on Interim Legislative Activity

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Government and Strategic Communications (GSC) Division staff will provide a briefing on department involvement in interim activities of the 89th Texas Legislature.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Lieutenant Governor Dan Patrick released interim charge assignments for the Texas Senate in two rounds, the first on January 30, 2026, and the second on April 17, 2026. The Senate Committee on Transportation received three charges, one of which directly involves department operations or data:

“Studying the Deployment of Autonomous Vehicle Technology: Study the deployment of autonomous vehicle technology as authorized by SB 2807, (89th Session), including rule-making adopted by the Texas Department of Public Safety, the Texas Department of Motor Vehicles and the Texas Department of Licensing and Regulation. Quantify the impact on traffic-related collisions. Make recommendations to ensure that the continued deployment of autonomous vehicles prioritizes public safety and aligns with the evolving technological landscape on Texas roads.”

Two other Senate committees received charges with potential secondary involvement of, or impact to, department programs or data:

1. Senate Finance Committee: **“Evaluating Transportation Resources:** Study current transportation funding from all sources and the long-term needs of Texas drivers. Assess the implementation of funding appropriated by the 89th Legislature and make recommendations to ensure the effective and efficient use of transportation funding.”
2. Senate Select Committee on Homeland and Border Security: **“Combating Criminal Activities on Oversize and Overweight Routes:** Evaluate the movement of oversize and/or overweight commercial vehicles transporting hazardous materials throughout the Texas Border region. Review past accidents related to overweight fuel trucks and determine their overall impact on public safety, both on and off roadways. Make recommendations to deter transportation companies from overloading fuel trucks and to enhance public safety along oversize and overweight routes in Texas.”

The Senate Committee on Transportation is scheduled to meet in a public hearing on August 27, 2026, and the department has been asked to testify about the implementation of Senate Bill 2807 and ongoing operations related to the regulation of automated vehicle use in Texas. The department has also been asked to testify on oversize and overweight permitting operations during an August 13, 2026 hearing of the Senate Select Committee on Homeland and Border Security.

House Speaker Dustin Burrows released interim charge assignments for the Texas House in March 2026. The House Committee on Transportation received eight charges, two of which directly involve department operations or data:

1. **Texas Department of Motor Vehicles Review:** Evaluate the Texas Department of Motor Vehicles' statutory authority, duties, programs, and functions. Identify opportunities to increase efficiency and eliminate duplicative services provided by other state agencies.
2. **Agency Oversight:** Pursuant to the broad oversight responsibilities granted to the Committee under Section 301.014, Government Code, and the House Rules of Procedure, monitor the agencies under the Committee's jurisdiction, including for fraud, waste, and abuse, where applicable.

The House Committee on Transportation's intended hearing schedule is not yet public.

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 5.C
Subject: Proposed Statutory Recommendations for 90th Texas Legislature

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Government and Strategic Communications (GSC) Division staff will provide a briefing on department proposals for statutory revisions to be presented for consideration by the 90th Texas Legislature.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The 90th Texas Legislature convenes in regular session on January 12, 2027. Transportation Code Section 1001.025 authorizes the board to recommend statutory changes that would improve department operations to the legislature. The board has made recommendations for statutory change prior to each legislative session since the department was created.

GSC staff worked with internal subject matter experts to identify potential statutory change proposals during the first half of the year. 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 department will distribute the proposals to external stakeholders for review and comment following this board meeting.

As previously discussed with the board, department leadership is attempting to reduce the number of legislative requests following several sessions of significant policy deliberations and budget requests impacting department programs. There remains significant ongoing work underway by the department, as directed by the legislature.

In that context, department staff propose two recommendations for statutory revisions in the upcoming legislative session. The first recommendation is to clarify language authorizing the department's fingerprinting and background check process for license applications. The second recommendation is to clarify language authorizing enforcement actions related to dealer violations of advertising regulations. GSC staff will present these items in more detail during the meeting and provide draft language prepared for each proposal.

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 October.

Revisions to Statutory Authorization for Licensee Fingerprinting Background Check Process

Background: The passage of Senate Bill 2587 (89R) revised the authorizing statute (Texas Government Code, §411.12511) allowing the Texas Department of Motor Vehicles to access the FBI's fingerprinting and background check program. Following the bill's passage, the FBI reviewed the new law for compliance with federal requirements and standards. On May 28, 2026, the Texas Department of Public Safety notified TxDMV that the FBI review determined the statutory revisions do not meet the requirements of Pub. L. 92-544 due to the use of overly broad language and additional statutory revisions are necessary to allow the department to continue accessing the program. Per the FBI review, "the statute contains the following overly broad categories:

1. Person as defined in TxTC § 2301.002, specifically, the language 'trust,' 'association,' and 'any other legal entity
2. Authorized representative
3. Principal
4. Trustee
5. Trust beneficiary of an applicant
6. General distinguishing number."

The FBI has provided Texas with a grace period through April 1, 2028, to continue accessing the program for other applicant categories previously approved while seeking necessary corrections to the statute by the Texas Legislature. The department will no longer have access to the fingerprinting program for any applicants at the end of the grace period if the statute is not addressed to comply with federal standards.

Change Recommendation: The proposal revises statute to preserve as much of the existing fraud mitigation operations as possible, while addressing federal concerns that the statutory language identifying categories of individuals for fingerprint-based background checks is overly broad.

Fiscal Impact: This recommendation would have no fiscal impact on department or state operations. The recommendation is intended to clarify law allowing the department to continue applying licensing program application review operations in furtherance of fraud detection and consumer protection.

Proposed Statutory Language:

Texas Government Code §411.12511

Sec. 411.12511. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: TEXAS DEPARTMENT OF MOTOR VEHICLES. (a) In this section:

(1) "Applicant" means an applicant for a general distinguishing number or license described by Subsection (b).

(2) "Covered individual" means a natural person who:

(A) is an applicant;

(B) holds a general distinguishing number or license described by Subsection (b);

(C) acts as an owner, officer, director, member, manager, principal, partner, or trustee of a person described by Paragraph (A) or (B), and, if the person is serving as a trustee of a trust that holds an ownership interest in a person described by Paragraph (A) or (B), exercises managerial control over the applicant's, holder's, or license holder's business operations, and whose act or omission would be cause for denying, revoking, or suspending the general distinguishing number or license; or

(D) is formally designated in writing on an application described by Subsection (b) as an authorized representative of a person described by Paragraph (A) or (B), and whose act or omission in the course or scope of that representation would be cause for denying, revoking, or suspending the general distinguishing number or license.

(b) The Texas Department of Motor Vehicles is entitled to obtain criminal history record information as provided by Subsection (b-c) that relates to a covered individual in connection with a general distinguishing number issued under Section 503.029, 503.0295, or 503.030, Transportation Code, or a license issued under Section 2301.251, 2301.253, 2301.257, 2301.258, or 2301.261, Occupations Code, or Section 2302.101, Occupations Code.~~person:~~

~~(1) who is an applicant for or holds a general distinguishing number under Chapter 503, Transportation Code;~~

~~(2) who is an applicant for or holds a license under Chapter 2301 or 2302, Occupations Code;~~

~~(3) who is an owner, officer, director, member, manager, principal, partner, trustee, or trust beneficiary of an applicant, general distinguishing number holder, or license holder; or~~

~~(4) who is an employee designated as an authorized representative by an applicant, general distinguishing number holder, or license holder and whose act or omission in the course or scope of the person's representation would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Chapter 503, Transportation Code, or Chapter 2301 or 2302, Occupations Code.~~

~~(b-c)~~ Subject to Section 411.087 and consistent with the public policy of this state, the Texas Department of Motor Vehicles is entitled to:

Revisions to Statutory Authorization for Licensee Fingerprinting Background Check Process

(1) obtain through the Federal Bureau of Investigation criminal history record information maintained or indexed by that bureau that pertains to a person described by Subsection (~~a-b~~); and

(2) obtain from the department or any other criminal justice agency in this state criminal history record information maintained by the department or that criminal justice agency that relates to a person described by Subsection (~~a-b~~).

(~~c-d~~) The Texas Department of Motor Vehicles may not release or disclose to any person criminal history record information obtained from the Federal Bureau of Investigation under Subsection (b)(~~1~~). Criminal history record information obtained by the Texas Department of Motor Vehicles under Subsection (b)(~~2~~) may not be released or disclosed to any person except on court order, with the written consent of the person who is the subject of the criminal history record information, or as provided by Subsection (~~d-e~~).

(~~d-e~~) The Texas Department of Motor Vehicles is not prohibited from disclosing criminal history record information obtained under Subsection (b)(~~2~~) in a criminal proceeding or in a hearing in which the Texas Department of Motor Vehicles is a party.

(~~e-f~~) The Texas Department of Motor Vehicles shall destroy criminal history record information that is obtained under this section after the information is used for its authorized purpose.

Revisions to Statutory Authorization for Advertising Enforcement

Background: Texas Occupations Code §2301.203(c) outlines the department's ability to file a complaint (Notice of Department Decision or NODD) against a license holder for an advertising violation. As a precedent condition, the statute requires the department to first provide the involved license holder with notice and an opportunity to cure the advertising violation. The department's operating practice has been to send Notice and Opportunity to Cure letters (warning letters) to license holders for advertising violations, consistent with the requirement in §2301.203(c) that the board provide notice and an opportunity to cure before filing a complaint. If the license holder committed a subsequent violation of the same advertising provision following a previous warning letter, the department would file a complaint through a Notice of Department Decision.

A recent advertising case was dismissed at the State Office of Administrative Hearings (SOAH) after a license holder argued the department had failed to comply with Occupations Code §2301.203(c). In the Dismissal Order, the Administrative Law Judge (ALJ) interpreted §2301.203, relying on *Cont'l Imports, Ltd. v. Brunke* as persuasive authority, to require a separate notice and an opportunity to cure for each individual advertisement that is alleged to violate the statute or administrative rules. *Cont'l Imports, Ltd. v. Brunke*, No. 03-10-00719-CV, 2011 WL 6938489, at *1 (*Tex. App.—Austin Dec. 30, 2011, pet. denied*).

Enforcement and legal staff have reviewed this ruling and determined that if other SOAH ALJs find it persuasive, this interpretation could effectively eliminate the department's ability to enforce state vehicle advertising laws. Individual vehicle advertisements are temporary or transitory in nature. By the time the department's Enforcement division receives a complaint about the advertisement and sends a notice to cure, the advertisement has likely already been removed by the dealer because the advertised vehicle has been sold. Without statutory clarification, department attorneys will only be able to send out Notice and Opportunity to Cure Letters continually without resolution unless the respondent violates the exact same provision for the exact same vehicle multiple times, thereby undermining the consumer protection intent of law.

Change Recommendation: The proposal revises the statute related to violation notice and cure processes to allow the department to pursue enforcement of violations when the license holder has previously been provided notice of a violation of the same board rule relating to advertising but continues to violate regulatory requirements, regardless of whether the subsequent violation involves the same vehicle.

Fiscal Impact: This recommendation is not expected to have a material fiscal impact on department or state operations because it clarifies existing enforcement authority rather than expanding program scope. The recommendation is intended to allow the department to properly enforce advertising regulations applicable to motor vehicle dealers and support consumer protection efforts. Advertising violation penalties are generally set at \$4,000 per violation under current penalty guidelines and are intended to deter repeat offenders and support consumer protection. These cases frequently settle, and in some instances department attorneys have been able to structure settlement payments providing refunds to affected consumers.

Proposed Statutory Language:

Texas Occupations Code §2301.203(c)

(c) The board may not file a complaint alleging a violation of this chapter or a board rule relating to advertising until the board has notified the license holder involved of the alleged violation and given the license holder an opportunity to cure the violation without further proceedings or liability.

(d) If the board has previously notified the license holder involved of an alleged violation of this chapter or a board rule relating to advertising, and the license holder is alleged to have engaged in a subsequent violation of the same provision of this chapter or the same board rule relating to advertising, then the board may file a complaint alleging a violation of this chapter or the board rule allegedly violated.

Board Meeting Date: 8/13/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriarty, General Counsel
Agenda Item: 6
Subject: Consideration and Approval of Proposed Final Order on Enforcement Case
Texas Department of Motor Vehicles v. Owono Motors, LLC; Enforcement Docket No. 22-0015552; SOAH Docket No. 608-25-05623.ENF

RECOMMENDATION

Action Item. For board consideration.

PURPOSE AND EXECUTIVE SUMMARY

The State Office of Administrative Hearings (SOAH) issued a Proposal for Decision (PFD) on April 8, 2026. The Texas Department of Motor Vehicles Enforcement Division staff (Enforcement) filed Exceptions to the PFD on April 21, 2026. The Administrative Law Judge (ALJ) issued a letter ruling on Enforcement's Exceptions, granting Enforcement's request to make several factual corrections to the PFD but rejecting Enforcement's argument that the proper sanction in the case was \$135,000. The board is required to issue a final order in this case.

FINANCIAL IMPACT

There will be no significant fiscal impact.

BACKGROUND AND DISCUSSION

On July 22, 2024, Enforcement issued a Notice of Department Decision (NODD) to Owono Motors, L.L.C. (Owono Motors). Enforcement later issued a First Amended NODD on April 1, 2025. The First Amended NODD alleged that Owono Motors misused buyer's temporary tags between January, 2023, and June 2024, by issuing 127 more buyer's temporary tags than vehicles reported sold, issuing four buyer's temporary tags for motor vehicles that were not in Owono Motors' inventoryⁱ, issuing four buyer's temporary tags for vehicles that had not received a passing state inspection within 180 days of the sale, issuing three dealer's temporary tags to motor vehicles not in Owono Motors' inventory, failing to keep complete purchase and sales records for two vehicles, and failing to remit motor vehicles sales tax and apply for title and registration in connection with the sale of a motor vehicle on May 10, 2024.

The First Amended NODD recommended a \$135,000 civil penalty and the revocation of Owono Motors' GDN, due to the nature and number of violations alleged. Owono Motors filed a request for an administrative hearing. The matter was referred to SOAH for a contested case hearing.

A SOAH ALJ conducted the hearing on the merits on February 11, 2026, and the record closed on March 19, 2026. The ALJ issued the PFD on April 8, 2026. The ALJ found that Owono Motors violated statutes and TxDMV rules by:

- issuing 127 more buyer's temporary tags than vehicles reported sold,
- issuing three buyer's temporary tags for motor vehicles that were not in Owono Motors' inventory,

- issuing four buyer's temporary tags for vehicles that had not received a passing state inspection within 180 days of the sale,
- issuing three dealer's temporary tags to motor vehicles that were not in Owono Motors' inventory,
- failing to keep complete purchase and sales records for two vehicles, and
- failing to remit motor vehicles sales tax and apply for title and registration in connection with the sale of a motor vehicle on May 10, 2024.

The ALJ recommended that the board assess a total civil penalty of \$22,500, consisting of:

- \$19,500 for improperly issuing 130 buyer's tags;
- \$300 for issuing four buyers tags for motor vehicles that had not passed an inspection within 180 days;
- \$450 for issuing three dealer's tags improperly;
- \$300, for two recordkeeping violations; and
- \$2,000 for one title and registration violation.

The ALJ further recommended that Owono Motors' GDN be revoked.

Enforcement timely filed exceptions on April 21, 2026. Enforcement urged the ALJ change its recommended sanctions and argued that the proper sanction for the violations should be a civil penalty of \$135,000. Enforcement requested the ALJ to correct clerical errors contained in Finding of Fact No. 9 and Conclusions of Law Nos. 1, 13, and 19.

The ALJ declined to modify the recommended sanctions, but incorporated the requested corrections to Finding of Fact No. 9, and Conclusion of Law Nos. 1, 13, and 19 into the PFD.

BOARD AUTHORITY

- The board has jurisdiction to consider the contested case and enter a final order in accordance with Texas Occupations Code §2301.709.
- Under Texas Occupations Code §2301.651, the board may revoke a license for a violation of board rules and statutes.
- Texas Transportation Code §503.095 allows for a civil penalty of up to \$1,000 for each violation, or per day for a continuing violation, of Transportation Code, Chapter 503 and the related rules.
- Texas Occupations Code §2301.801 also authorizes civil penalties of up to \$10,000 per violation, or per day for a continuing violation, for violations of Occupations Code, Chapter 2301, the rules adopted under it, or Transportation Code §503.038(a), which includes misuse or allowing the misuse of dealer's or buyer's temporary tags. In determining the amount of a penalty, Texas Occupations Code §2301.801(b) states:

...[T]he board shall consider:

- (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited act, and the harm or potential harm to the safety of the public;
 - (2) the economic damage to the public caused by the violation;
 - (3) the history of previous violations;
 - (4) the amount necessary to deter a future violation;
 - (5) efforts to correct the violation; and
 - (6) any other matter that justice may require.
- Texas Government Code §2001.058(e) authorizes the board to change a finding of fact or a conclusion of law made by the ALJ in a PFD only if the ALJ:
 - a. misapplied or misinterpreted applicable law, agency rules, written policies provided to the ALJ by the agency, or prior administrative decisions,



Texas Department of Motor Vehicles

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- b. relied on a prior administrative decision that is incorrect or should be changed, or
- c. made a technical error in a finding of fact that should be changed.

The board must state in writing the specific reason and legal basis for any change it makes to a finding of fact or conclusion of law.

ATTACHMENTS

The following documents are attached to the Executive Summary for consideration by the board:

1. SOAH ALJ's PFD, dated April 8, 2026
2. TxDMV's Exceptions, dated April 21, 2026
3. SOAH ALJ's Exceptions Letter, dated May 13, 2026
4. Petitioner's Written Materials: Proposed Final Order, filed July 23, 2026

ⁱ The ALJ found three of the four alleged violations in the PFD>

FILED TxDMV Board Meeting eBook
608-25-05623
4/8/2026 10:25 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

August 13, 2026

ACCEPTED
608-25-05623
4/8/2026 10:41:25 am26
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

April 8, 2026

Denise Le
For Petitioner

VIA EFILE TEXAS

Jose Owono Mikue
For Respondent

VIA EFILE TEXAS

**RE: SOAH Docket Number 608-25-05623.ENF;
TxDMV No. 22-0015552.ENF;
Texas Department of Motor Vehicles v. Owono Motors, LLC**

Dear Parties:

Please find attached a Proposal for Decision in this case.

Exceptions and replies may be filed by any party in accordance with 1 Texas Administrative Code section 155.507(b), a SOAH rule which may be found at www.soah.texas.gov.

CC: Service List

SOAH Docket No. 608-25-05623**Suffix: ENF**

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

**TEXAS DEPARTMENT OF MOTOR VEHICLES,
PETITIONER
v.
OWONO MOTORS, LLC,
RESPONDENT**

PROPOSAL FOR DECISION

Alleging violations of the Texas Transportation Code (Code) and Title 43 of the Texas Administrative Code, the staff (Staff) of the Texas Department of Motor Vehicles—Enforcement Division (Department) seeks to assess \$135,000 in administrative penalties and revoke the dealer license of Owono Motors, LLC (Respondent). The Administrative Law Judge (ALJ) finds Staff proved all the alleged violations and recommends that the Department impose an administrative penalty of \$22,550 and revoke Respondent’s dealer general distinguishing number (GDN), license number P148170.

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

There are no contested issues of jurisdiction or notice in this proceeding; therefore, those matters are addressed solely in the Findings of Fact and Conclusions of Law.

On February 11, 2026, ALJ Linda Brite of the State Office of Administrative Hearings (SOAH) convened the hearing via videoconference. Staff was represented by attorney Denise Le. Respondent appeared through and was represented by its owner, Jose Owono Mikue. The record closed on March 19, 2026, when the transcript was submitted to SOAH.

II. APPLICABLE LAW

A dealer is a person, including a corporation, who regularly and actively buys, sells, or exchanges vehicles at an established and permanent location.¹ A dealer must hold a GDN license issued by the Department under Code chapter 503.² A dealer must comply with the requirements of Code chapter 503, Texas Occupations Code chapter 2301, and 43 Texas Administrative Code chapter 215.³

¹ Code § 503.001(4); *see also* Tex. Occ. Code §§ 2301.002(7), .251(a).

² Tex. Occ. Code § 2301.002(7), (17), (27).

³ *See* Code ch. 503; Tex. Occ. Code § 2301.351.

A. BUYER’S AND DEALER’S TEMPORARY TAGS

For each vehicle sold, a dealer must issue one temporary buyer tag to the purchaser.⁴ A dealer may only issue one temporary buyer tag for each vehicle sale.⁵ Dealers must enter information into the Department’s database for persons to whom temporary tags are issued and obtain a specific number for the tag before a temporary tag may be issued and printed.⁶ A dealer may not misuse or allow the misuse of a temporary tag.⁷ The dealer is responsible for the safekeeping and distribution of each buyer’s tag the dealer obtains.⁸

A dealer may issue a buyer’s temporary license plate only on a vehicle: from the selling dealer’s inventory; that can be legally operated on the public streets and highways; for which a sale or lease has been consummated; and that has a valid inspection in accordance with Code chapter 548.⁹ A used motor vehicle sold by a dealer must be inspected in the 180 days preceding the date the dealer sells the vehicle.¹⁰ A dealer’s temporary tag may be issued to a specific motor vehicle in the dealer’s inventory.¹¹

⁴ Code § 503.063(a). Many provisions relating to temporary tags have been amended or repealed. This Proposal for Decision cites to the statutes and rules in effect in June 2024.

⁵ Code § 503.063(a).

⁶ Code § 503.0631; 43 Tex. Admin. Code §§ 215.150, .152, .155.

⁷ Code § 503.038(a)(12).

⁸ Code § 503.063(d).

⁹ 43 Tex. Admin. Code § 215.155(a).

¹⁰ Code § 548.101(2).

¹¹ 43 Tex. Admin. Code § 215.154(h); *see* Code § 503.062.

B. RECORDKEEPING

A dealer must maintain a complete record of vehicle purchases and sales, including the copies of the auction receipt or purchase record, front and back of title, and purchaser photo identification.¹²

C. APPLICATION FOR REGISTRATION AND TITLE

A dealer must, within 30 days of the vehicle sale date, remit motor vehicle sales tax and apply for registration and title of the motor vehicle in connection with the sale of a vehicle.¹³

D. SANCTIONS

A person who violates chapter 503 of the Code, or any rule adopted under that chapter, is subject to a penalty of \$50 to \$1,000.¹⁴ Further, if after a hearing the Department finds that a person has violated Code section (§) 503.038(a) (addressing certain violations related to the GDN), the Texas Occupations Code authorizes the Department to impose a penalty of up to \$10,000 per violation.¹⁵ Under both Code chapter 53 and the Texas Occupations Code, each act of violation and each day of a continuing violation is a separate violation.¹⁶ The following factors must be

¹² 43 Tex. Admin. Code § 215.144(a), (e)(8)(D), (L), (j).

¹³ Code § 501.0234; Tex. Tax Code § 152.0411; 43 Tex. Admin. Code § 215.144(f)(3)(A).

¹⁴ Code § 503.095(a).

¹⁵ Tex. Occ. Code § 2301.801(a).

¹⁶ Code § 503.095(b); Tex. Occ. Code § 2301.801(a).

considered in determining the amount of the penalty under the Texas Occupations Code:

1. the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited act, and the harm or potential harm to the safety of the public;
2. the economic damage to the public caused by the violation;
3. the history of previous violations;
4. the amount necessary to deter a future violation;
5. efforts to correct the violation; and
6. any other matter that justice may require.¹⁷

In addition to these factors, the Department's disciplinary matrix (Matrix) states that the Department will consider the following aggravating factors: (1) history of violations of a similar nature; (2) number of violations or number of consumers harmed by violation; (3) attempted concealment of the violation; (4) intentional, premeditated, knowing, or grossly negligent act constituting a violation; and (5) violation of an order issued by the Department.¹⁸ The Matrix includes the following mitigating factors in determining the amount of civil penalty to assess and whether revocation is appropriate: (1) acknowledgement of wrongdoing; (2) willingness to cooperate with the Department; and (3) efforts to correct the violation.¹⁹ The Matrix includes suggested "low" and "high" sanction amounts.

¹⁷ Tex. Occ. Code § 2301.801(b).

¹⁸ Staff Ex. 37 (Matrix), *also available at*: <https://www.txdmv.gov/sites/default/files/body-files/Motor-Vehicle-Disciplinary-Matrix.pdf> (last viewed Apr. 7, 2026).

¹⁹ Staff Ex. 37 at 170.

The Department may cancel a GDN if the dealer commits any of several acts, including if the dealer:

- fails to assign any basic evidence of ownership, including a certificate of title, for a vehicle the dealer sells;
- uses or permits the use of a dealer's temporary tag on a vehicle that the dealer does not own or control or that is not in stock and offered for sale; or
- misuses or allows the misuse of a temporary tag authorized under Code chapter 503.²⁰

The Department may revoke or suspend a GDN, or may reprimand a GDN holder, if the dealer violates any law relating to the sale and distribution of motor vehicles, Texas Occupations Code chapter 2301, or any rule adopted by the Department's Board.²¹ In determining whether revocation is appropriate, the Matrix states that the Department will consider the following factors:

1. Whether the licensee is unfit under the standards governing the occupation, including the qualifications for a license;
2. Whether the licensee made a material misrepresentation in any information filed according to the Department's statutes or rules;
3. Whether the licensee willfully defrauded a purchaser;
4. Whether the licensee misused license plates or temporary tags, including whether licensee attempted to use an internet-down tag to avoid inspection requirements; and

²⁰ Code § 503.038(a)(4), (5), (12).

²¹ Tex. Occ. Code § 2301.651(a)(3)-(4).

5. Whether the licensee failed to fulfill a written agreement with a retail purchaser of a motor vehicle.²²

Staff has the burden of proving, by a preponderance of the evidence, that Respondent committed the alleged violations and the appropriate sanction for any such violations.²³

III. EVIDENCE

Staff had 61 exhibits²⁴ admitted and presented the testimony of Kyle Komanich, Heather Pierce, and Mr. Mikue. Mr. Mikue testified on behalf of Respondent and offered no exhibits.

A. TESTIMONY OF KYLE KOMANICH

Mr. Komanich is Assistant Chief Investigator of the Enforcement Division at the Department.²⁵ Mr. Komanich explained that a buyer's temporary tag was a piece of paper a dealer would issue when a consumer bought a vehicle from a licensed dealer. To create the temporary tag, the dealer first accesses the Department's e-tag system and enters the consumer's name, vehicle information, date of sale, and information about the vehicle; and then prints the tag from the dealer's printer and the e-tag system. A dealer may issue only one temporary tag per sale, unless the tag

²² Staff Ex. 27 at 170-71.

²³ Tex. Admin. Code § 155.427; *Granek v. Tex. State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).

²⁴ Staff Exhibits 1a through 1c and 2 through 38, and Staff Confidential Exhibits A through U.

²⁵ Transcript (Tr.) at 15.

is destroyed or lost, in which case the dealer can print a second tag, but not more than 60 days after the original date of sale. A dealer may give access to the e-tag system to the dealer's employees, but must make sure to create a unique login and password for each employee. The dealer is responsible for tags created by his or her employees.²⁶

The general public is impacted by temporary tags in that the bad or fake tags are commonly used and placed on stolen vehicles, uninsured vehicles, and unsafe salvage title vehicles. If law enforcement runs the temporary tag, the associated information will not reflect the actual driver or vehicle as described. Fraudulent tags have been sold for a profit, and this has created a \$200 million illicit industry.²⁷ For these reasons, the temporary tag system has been replaced with a metal plate system.²⁸

Dealers must submit reports to the local county tax office under Texas Tax Code § 23.122.²⁹ Respondent's sales reported to the county appraisal district were compared with the Department's temporary tag report and revealed the following:

²⁶ Tr. at 19-20.

²⁷ Tr. at 22-23.

²⁸ Tr. at 83.

²⁹ Tr. at 24.

Month	Vehicles Sales	County Records	Buyer Temporary Tags Issued	Tag Records
Jan. 2023	3	Staff Ex. A at 3	25	Staff Ex. 6 at 58
Feb. 2023	1	Staff Ex. B at 19	15	Staff Ex. 7 at 61
Mar. 2023	2	Staff Ex. C at 26	9	Staff Ex. 8 at 64
Apr. 2023	3	Staff Ex. D at 31	15	Staff Ex. 9 at 67
May 2023	5	Staff Ex. E at 35	18	Staff Ex. 10 at 70
Jun. 2023	3	Staff Ex. F at 40	18	Staff Ex. 11 at 73
Jul. 2023	1	Staff Ex. G at 45	11	Staff Ex. 12 at 76
Aug. 2023	2	Staff Ex. H at 52	8	Staff Ex. 13 at 79
Sep. 2023	2	Staff Ex. I at 57	4	Staff Ex. 14 at 82
Oct. 2023	4	Staff Ex. J at 63	8	Staff Ex. 15 at 85
Nov. 2023	2	Staff Ex. K at 69	0	Staff Ex. 16 at 88
Dec. 2023	0	Staff Ex. L at 74	4	Staff Ex. 17 at 91
Jan. 2024	1	Staff Ex. M at 81	2	Staff Ex. 18 at 94
Feb. 2024	0	Staff Ex. N at 89	5	Staff Ex. 19 at 97
Mar. 2024	0	Staff Ex. O at 95	2	Staff Ex. 20 at 100
Apr. 2024	1	Staff Ex. P at 101	4	Staff Ex. 21 at 103
May 2024	3	Staff Ex. Q at 108	7	Staff Ex. 22 at 104
Jun. 2024	0	Staff Ex. R at 114	5	Staff Ex. 23 at 109
TOTALS	33		160	

Improper temporary tags were created using Carlos Mojica's username, under Respondent's GDN. Respondent is responsible for temporary tags created by its employees.³⁰

Mr. Komanich explained that a dealer cannot issue a tag for a vehicle not in its inventory. On the date of sale, the vehicle exits the inventory.³¹ According to the tag reports, Respondent unlawfully issued temporary tags for the following vehicles that were not in its inventory:

Vehicle Make & Model	Last 4 digits of VIN	Date Tag Issued	Type of Tag
2003 Pontiac Grand AM	3999	9/3/2022	Buyer
2007 Mercedes-Benz CLS	1565	10/21/2022	Buyer
2007 Mercedes-Benz CLS	1565	10/21/2022	Dealer
2007 Mercedes-Benz CLS	1565	1/3/2023	Dealer
2006 Yamaha Motorcycle	1274	9/1/2022	Buyer
2014 Ford Fusion SE	7648	5/10/2024	Dealer

³⁰ Tr. at 21-22.

³¹ Tr. at 38.

According to Mr. Komanich, a buyer's tag may not lawfully be used on a vehicle that has not passed inspection within the previous 180 days.³² Respondent issued buyer's tags for vehicles that had not passed inspection within the previous 180 days for VINs ending in 1565,³³ 6660,³⁴ 1271,³⁵ and 3999.³⁶

Mr. Komanich explained that the dealer has 30 days to transfer title and register the vehicle under Code § 501.0234.³⁷ Additionally, a dealer must maintain sales records, including the bill of sale, title, instrument showing how the vehicle entered inventory, and identification of the consumer.³⁸

The Department requested Respondent's records of a May 10, 2024 sale of a vehicle with VIN ending in 7648. As of February 27, 2025, Respondent had not applied for the registration and title in the name of the purchaser.³⁹ In response to the Department's records request, Respondent provided the front and back of the title and a Louisiana Certificate of Title extension form.⁴⁰ Respondent did not provide a bill of sale, a document showing how the vehicle entered inventory, or the

³² Tr. at 46-47.

³³ Staff Ex. 31 at 146.

³⁴ Staff Ex. 32 at 149.

³⁵ Staff Ex. 33 at 152.

³⁶ Staff Ex. 34 at 155.

³⁷ Tr. at 53.

³⁸ Tr. at 51-52.

³⁹ Tr. at 55.

⁴⁰ See Staff Ex. 29.

consumer's identification.⁴¹ Upon the Department's request, Respondent was also unable to provide sales records (such as the front and back of title, bill of sale, how the vehicle entered inventory, vehicle safety inspections, odometer statement, financing statements, or title application form) for a vehicle with a VIN ending in 5924.⁴²

B. TESTIMONY OF HEATHER PIERCE

Ms. Pierce is a managing attorney at the Department.⁴³ She explained that Respondent was licensed by the Department on May 1, 2018, with GDN license number P14870. Respondent's license status is active with an expiration of May 31, 2026. Mr. Mikue is 100 percent owner of Respondent.⁴⁴ Dealer education is required by 43 Texas Administrative Code § 215.161, and the Department offers free monthly seminars on how to properly run a business.⁴⁵

Staff seeks a \$135,000 civil penalty and revocation of Respondent's license. According to Ms. Pierce, updates to the Matrix have been made to more clearly explain to the public how the Department perceives certain violations and why the Department charges certain penalties. The Matrix includes aggravating and

⁴¹ Tr. at 55-57.

⁴² Tr. at 57-58.

⁴³ Tr. at 64.

⁴⁴ Tr. at 67.

⁴⁵ Tr. at 69.

mitigating factors.⁴⁶ Code § 503.095 allows a civil penalty of up to \$1,000 for each violation.

The Matrix includes aggravating and mitigating factors and describes tag and title violations as an “extraordinary breach of trust.”⁴⁷ The Matrix provides that every misused temporary tag will incur a penalty of no less than \$1,000 per tag, with a maximum of \$200,000 for most cases and \$500,000 for especially egregious cases.⁴⁸

Ms. Pierce recommends a penalty of \$1,000 per tag and revocation. For issuing temporary tags without an inspection within 180 days, Ms. Pierce recommends \$500 penalty per tag. For the failure to timely transfer title, Ms. Pierce recommends a \$10,000 penalty. For the failure to keep required records, Ms. Pierce recommends \$1,000 to \$2,000 penalty.⁴⁹

Ms. Pierce stated that the recommended sanction could be higher. Ms. Pierce opined that the recommended penalty of \$135,000 and revocation was necessary to deter future violations.⁵⁰ The dealer is liable for any act or omission of the dealer that

⁴⁶ Tr. at 73-74.

⁴⁷ Staff Ex. 37 at 170-71, 173.

⁴⁸ Staff Ex. 37 at 173.

⁴⁹ Tr. at 77-79.

⁵⁰ Tr. at 80.

is caused by an employee. A dealer is responsible for all use of and access to the temporary tag database, including access by any user or unauthorized person.⁵¹

C. TESTIMONY OF JOSE OWONO MIKUE

Mr. Mikue has owned the Respondent dealership since 2017. He previously worked for another dealership in 2014. After he graduated from the University of Texas at Tyler, he opened his own small dealership.⁵² He was at his business every day until the beginning of 2023, when he hired two employees, one of whom was manager Carlos Mojica. Both employees had access to the temporary tag database. In September 2025, Mr. Mikue fired Mr. Mojica.⁵³

Mr. Mikue first learned that excessive tags were being issued when the Department initiated its investigation in 2023.⁵⁴ Mr. Mikue testified that he did not know it was Mr. Mojica at the time, and the inspector had Mr. Mikue create a separate account in Mr. Mojica's name so his activity could be tracked. Mr. Mikue testified that he tried to cooperate and provide whatever information he had. He did not want to fire anyone until he could prove the activity.⁵⁵

⁵¹Tr. at 81-82; *see* 43 Tex. Admin. Code § 215.150(d).

⁵²Tr. at 85.

⁵³Tr. at 85-87.

⁵⁴Tr. at 59.

⁵⁵Tr. at 87-88.

Mr. Mikue admitted that 160 buyer's tags were issued under his GDN from 2023 to 2024, while only 33 vehicles were sold under his GDN. Mr. Mikue said he wanted to put together the sales records that were requested, but he did not have time to print an inventory and has not found the requested bill of sale.⁵⁶

IV. ANALYSIS

Record evidence established that, for the period from January 2023 through June 2024, the difference between the vehicle sales reported to the county and the number of buyer's tags issued is 127. The evidence also established three more buyer's tags issued for vehicles not in Respondent's inventory. This brings the total number of improperly issued buyer's tags to 130. Respondent did not substantively refute any allegations.

Based on the evidence presented, the ALJ finds that Respondent:

- improperly issued 130 buyer's tags, in violation of Code § 503.063 and 43 Texas Administrative Code § 215.155(a);
- issued four buyer's tags without a valid inspection within 180 days, in violation of Code § 548.101(2);
- issued three dealer's tags on vehicles not in inventory, in violation of 43 Texas Administrative Code § 215.154(h);
- failed to keep complete sale or purchase records of two vehicles, in violation of 43 Texas Administrative Code § 215.144(a), (e), (j); and

⁵⁶ Tr. at 88-89.

- failed to timely remit sales tax and apply for registration and title in connection with the sale of one vehicle, in violation of Code § 501.0234 and Texas Tax Code § 152.0411.

Under Code § 503.095(a), a dealer is subject to a civil penalty of \$50 to \$1,000 per day for these violations. The Matrix recommends the following penalties for each of these violations:

- \$1,000 per tag to revocation for misuse of buyer's tags;⁵⁷
- \$500 to \$2,000 per tag for issuing buyer's tags without a valid inspection within 180 days;⁵⁸
- \$1,000 per tag to revocation for misuse of dealer's tags;⁵⁹
- \$1,000 to \$4,000 for failure to keep complete sale or purchase records;⁶⁰
- a warning to \$10,000 penalty for failing to timely transfer title.⁶¹

In determining the penalty amount, the ALJ considers the factors of Texas Occupations Code § 2301.801 and the Department's Matrix. The tag violations are serious in that faulty tags have the potential to aid in criminal activity and these violations occurred over a period of 1.5 years, during which Respondent did not notice that excess tags were being issued under its license. The economic damage to

⁵⁷ Staff Ex. 37 at 174.

⁵⁸ Staff Ex. 37 at 174.

⁵⁹ Staff Ex. 37 at 174.

⁶⁰ Staff Ex. 37 at 175.

⁶¹ Staff Ex. 37 at 174.

the public was zero to miniscule, as Staff established Respondent failed to timely remit sales tax and transfer title on just one vehicle. Respondent has no history of previous violations. The penalty amount necessary to deter future violations is diminished, as this is a small dealership with a low volume of sales. Although Respondent is liable for the tag violations of its employees, Respondent fired the employee who improperly issued the tags under Respondent's GDN, albeit more than a year after the Department notified Respondent of the alleged violations and proposed penalty.⁶² The record shows harm to only one consumer, whose vehicle title was not transferred in a timely manner after the sale. Respondent cooperated with the Department, did not attempt to conceal the violations, and acknowledged its responsibility for the tag activity of its employees.

Based on the seriousness and extent of the violations, including the public safety ramifications of faulty tags, the ALJ recommends revocation of Respondent's GDN. In light of this recommendation, and in consideration of the other statutory factors discussed above, the ALJ recommends penalties of: \$150 for each of 130 buyer's tag violations, equaling \$19,500; \$75 for each of four buyer's tags without a valid inspection within 180 days, equaling \$300; \$150 for each of three dealer's tag violations, equaling \$450; \$150 for each of two record keeping violations, equaling \$300; and \$2,000 for one title and registration violation. In total, the ALJ recommends a penalty of \$22,550.

⁶² Staff's Notice of Department Decision is dated July 22, 2024. Staff Ex. 2. Mr. Mikue fired Mr. Mojica in September 2025. Tr. at 86.

V. FINDINGS OF FACT

1. Owono Motors, LLC (Respondent) holds General Distinguishing Number (GDN) P148170, a license issued by the Texas Department of Motor Vehicles (Department).
2. Respondent indicated monthly vehicle sales to the county appraisal district and issued buyer's temporary tags in the following numbers:

Month	Vehicles Sales	Buyer Temporary Tags Issued
Jan. 2023	3	25
Feb. 2023	1	15
Mar. 2023	2	9
Apr. 2023	3	15
May 2023	5	18
Jun. 2023	3	18
Jul. 2023	1	11
Aug. 2023	2	8
Sep. 2023	2	4
Oct. 2023	4	8
Nov. 2023	2	0
Dec. 2023	0	4
Jan. 2024	1	2
Feb. 2024	0	5

Month	Vehicles Sales	Buyer Temporary Tags Issued
Mar. 2024	0	2
Apr. 2024	1	4
May 2024	3	7
Jun. 2024	0	5
TOTALS	33	160

3. Respondent issued three additional buyer's temporary tags on vehicles that were not in inventory.
4. On four occasions, Respondent issued a buyer's temporary tag to a motor vehicle that did not receive a passing state inspection within the previous 180 days.
5. On three occasions, Respondent issued a dealer's temporary tag to a motor vehicle that was not in Respondent's inventory.
6. For two vehicles, Respondent failed to keep complete purchase and sales records.
7. As of February 27, 2025, Respondent had neither remitted motor vehicle sales tax nor applied for registration and title of the vehicle in connection with a sale of a vehicle on May 10, 2024.
8. Respondent has no history of previous violations.
9. On July 22, 2024, Department staff (Staff) issued a Notice of Department Decision to Respondent.
10. In September 2025, Respondent fired the employee whose username was associated with the issuance of improper buyer's temporary tags.

11. On April 9, 2025, Staff mailed its Notice of Hearing to Respondent's address of record.
12. Together, the Notice of Hearing and the August 18, 2025 Order Memorializing Schedule contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition.
13. State Office of Administrative Hearings (SOAH) Administrative Law Judge (ALJ) Linda Brite convened the hearing on the merits by videoconference on February 11, 2026. Attorney Denise Le represented Staff, and owner Jose Owono Mikue represented Respondent. The hearing concluded that day. The record closed on March 19, 2026, upon submission of the transcript to SOAH.

VI. CONCLUSIONS OF LAW

1. The Department has jurisdiction and authority to revoke, probate, or suspend a license to sell a motor vehicle, and to reprimand and/or impose a civil penalty against a license holder. Tex. Transp. Code §§ 503.038(a), .095(2); Tex. Occ. Code §§ 2301.651, .801(a).
2. SOAH has jurisdiction over all matters relating to the conduct of a hearing in this case, including the preparation of a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Occ. Code § 2301.704.
3. Respondent received proper and timely notice of the Department's Decision and the hearing on the merits. Tex. Occ. Code § 2301.705; Tex. Gov't Code §§ 2001.051-.052.
4. Staff has the burden to prove by a preponderance of the evidence that Respondent committed the alleged violations and that the sanctions it recommended were appropriate. 1 Tex. Admin. Code § 155.427; *Granek v.*

Tex. State Bd. Of Med. Exam'rs, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).

5. A person who violates any Board rule adopted under chapter 503 of the Texas Transportation Code is subject to a civil penalty of not less than \$50 or more than \$1,000. Tex. Transp. Code § 503.095(a).
6. Each act in violation of chapter 503 of the Texas Transportation Code and each day of a continuing violation is a separate violation. Tex. Transp. Code § 503.095(b).
7. In determining the amount of civil penalties to assess, the Department must consider the following factors: (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited act, and the harm or potential harm to the safety of the public; (2) the economic damage to the public caused by the violation; (3) the history of previous violations; (4) the amount necessary to deter a future violation; (5) efforts to correct the violation; and (6) any other matter that justice may require. Tex. Occ. Code § 2301.801(b).
8. In deciding on the amount of civil penalties and whether or not to revoke a license, the Department must also consider: (1) acknowledgement of wrongdoing; (2) willingness to cooperate with the Department; (3) efforts to correct the violation; and (4) any other matter that justice may require, including rehabilitative potential and present value to the community. Department's Disciplinary Matrix, *available at*: <https://www.txdmv.gov/sites/default/files/body-files/Motor-Vehicle-Disciplinary-Matrix.pdf> (last viewed Apr. 7, 2026).
9. In deciding whether revocation is appropriate, the Department must consider the following factors: (1) whether the licensee is unfit under the standards governing the occupation, including the qualifications for a license; (2) whether the licensee made a material misrepresentation in any information filed according to the Department's statutes or rules; (3) whether the licensee willfully defrauded a purchaser; (4) whether the licensee misused license plates or temporary tags; and (5) whether the licensee failed to fulfill a written agreement with a retail purchaser of a motor vehicle. Department's Disciplinary Matrix.

10. A dealer is allowed to create only one buyer's tag per sale. Tex. Transp. Code § 503.063(a).
11. The dealer is responsible for the safekeeping and distribution of each buyer's tag the dealer obtains. Tex. Transp. Code 503.063(d).
12. Respondent misused the buyer's temporary tags or failed to comply with the requirements for issuance or recordkeeping of the buyer's temporary tags during the period of January 1, 2023, through June 30, 2024, by issuing 127 buyer's tags without corresponding vehicle sales plus an additional three temporary tags on vehicles that were not in inventory.
13. A dealer may issue a buyer's temporary license plate only on a vehicle: from the selling dealer's inventory; that can be legally operated on the public streets and highways; for which a sale or lease has been consummated; and that has a valid inspection in accordance with Code chapter 548. 43 Tex. Admin. Code § 215.155(a).
14. A used motor vehicle sold by a dealer must be inspected in the 180 days preceding the date the dealer sells the vehicle. Tex. Transp. Code § 548.101(2).
15. A dealer's temporary tag may only be issued to a vehicle in the dealer's inventory. 43 Tex. Admin. Code § 215.154(h).
16. A dealer must maintain a complete record of vehicle purchases and sales, including the copies of the auction receipt or purchase record, front and back of title, and purchaser photo identification. 43 Tex. Admin. Code § 215.144(a), (e)(8)(D), (L), (j).
17. A dealer must, within 30 days, remit motor vehicle sales tax and apply for registration and title of the motor vehicle in connection with the sale of a vehicle. Tex. Tax Code § 152.0411; Tex. Transp. Code § 501.0234.
18. Respondent should be assessed a total penalty of \$22,550, consisting of \$19,500 for issuing 130 buyer's temporary tags improperly; \$300 for issuing four buyer's tags without a valid inspection within 180 days; \$450 for issuing three dealer's tags improperly; \$300 for two recordkeeping violations; and \$2,000 for one title and registration violation. Tex. Occ. Code § 2301.801(a).

19. Respondent's GDN should be revoked. Tex. Transp. Code § 503.038(a)(3).

Signed April 8, 2026

ALJ Signature:

A handwritten signature in cursive script that reads "Linda Brite". The signature is written in dark ink and is positioned above a horizontal line.

Linda Brite

Presiding Administrative Law Judge

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Status as of 4/8/2026 10:44 AM CST

Case Contacts

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Denise Le		denise.le@txdmv.gov	4/8/2026 10:25:43 AM	SENT
Jose Owono Mikue		owonomotorsllc@gmail.com	4/8/2026 10:25:43 AM	SENT



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

ENFORCEMENT DIVISION
(512) 465-4169 DIRECT
(512) 465-5650 FAX

April 21, 2026

State Office of Administrative Hearings
Po Box 13025
Austin, Tx 78711-3025
VIA E-FILE

FILED
608-25-05623
4/21/2026 1:50 PM
STATE OFFICE OF
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Jessica Rodriguez, CLERK

RE: **SOAH Docket No. 608-25-05623.ENF;**
TxDmv No. 22-0015552.ENF;
Texas Department of Motor Vehicles v. Owono Motors, LLC

ACCEPTED
608-25-05623
4/21/2026 1:58:35 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jessica Rodriguez, CLERK

Dear Clerk:

Please find enclosed Petitioner's Exceptions to the Proposal for Decision. A copy of this response was forwarded to Respondent in the following manner:

Via Electronic Filing, Certified Mail and Emails

Owono Motors, LLC
805 W Erwin St
Tyler, Texas 75702-4904
Email jowono@ymail.com
Email owonomotorsllc@gmail.com

Should you have any questions, you may reach me at (512) 465-4169 or
denise.le@txdmv.gov.

Sincerely,

Denise Le

Denise Le,
Attorney, Enforcement Division
denise.le@txdmv.gov

SOAH DOCKET NO. 608-25-05623
MVD CAUSE NO. 22-0015552.ENF

TEXAS DEPARTMENT OF MOTOR VEHICLES	§ § § § § §	BEFORE THE STATE OFFICE OF
v.		
OWONO MOTORS, L.L.C.		ADMINISTRATIVE HEARINGS

PETITIONER’S EXCEPTIONS TO THE PROPOSAL FOR DECISION

In accordance with 1 Tex. Admin. Code § 155.507, Petitioner, the Texas Department of Motor Vehicles (TxDMV) requests the following exceptions and corrections to the Proposal for Decision (PFD) issued in this matter by the Administrative Law Judge (ALJ) on April 8, 2026.

I. PROCEDURAL HISTORY

The Notice of Hearing was filed on April 9, 2025, and the hearing took place on February 11, 2026, at the State Office of Administrative Hearings (SOAH) via Zoom videoconference technology. On April 8, 2026, the ALJ provided all parties with the PFD. The ALJ issued Findings of Fact and Conclusions of Law confirming Respondent (1) improperly issued 130 buyer’s temporary tags; (2) issued four buyer’s temporary tags without a valid inspection within 180 days; (3) issued three dealer’s temporary tags on vehicles not in inventory; (4) provided incomplete records upon request of the Department for two vehicles; and (5) failed to timely remit sales tax and apply for registration for one vehicle.¹ The ALJ recommended revocation of Respondent’s GDN and a penalty of \$22,550 for the violations².

¹ See PFD page 18-19, Findings of Fact 2-7. See PFD page 22, Conclusion of Law 18.

² See PFD page 22-23, Conclusions of Law 18 and 19.

II. PROPOSED EXCEPTIONS TO SANCTIONS

Petitioner requests a \$1,000 civil penalty be assessed for each substantiated violation as this is in keeping with the Enforcement - Motor Vehicle Dealers- Disciplinary Matrix (Disciplinary Matrix) and how Respondents are assessed penalties. Petitioner provided sufficient supporting evidence for its recommendation of a \$1,000 civil penalty per substantiated violation throughout the hearing. Petitioner submitted exhibits 35, 36, 37, and 38, which included Managing Attorney Heather Pierce's Penalty Affidavit and her testimony as well as the corresponding disciplinary matrices. The penalty sanctions were addressed during Petitioner's opening and closing statements. Ms. Pierce's affidavit addressed the penalty recommendation as it pertained to the facts and allegations of the current case, outlined the applicable rules and regulations, to include the Texas Occupation Code § 2301.801(b) factors, and previous precedent to illustrate the recommended penalty was appropriate. Petitioner also submitted the agency's disciplinary matrices. The Disciplinary Matrix give dealers an idea of the types of sanctions that may be assessed against them for the most common violations encountered by the Department.

Petitioner respectfully urges reconsideration of the ALJ's suggested sanction of a \$22,550 penalty for the substantiated violations. The ALJ recommended penalties in the amount of: \$150 for each of the 130 buyer's tag violations, equaling \$19,500; \$75 for each of the four buyer's tags without a valid inspection within 180 days, equaling \$300; \$150 for each of the three dealer's tag violations, equaling \$450; \$150 for each of two record keeping violations, equaling \$300; and \$2,000 for one title and registration violation.³ Petitioner argues that these are not appropriate sanctions.

Petitioner excepts to the ALJ's suggested sanction of a \$150 civil penalty for each of Respondent's excessive issuance of buyer's temporary tags. Instead, each extra buyer's temporary tag issued should be assessed at a \$1,000 civil penalty per excess tag, an amount that is firmly within the penalty range provided in the Disciplinary Matrix. Assessing a penalty of \$150 per excess tag issued is not in keeping with the Department's recommended civil penalty for one of the most egregious violations of TxDMV rules. Such a low penalty is insufficient to adequately

³ See PFD page 17.

deter other licensed dealers from misusing temporary tags and/or license plates. Further, it is not in keeping with how dealers in other cases have been assessed penalties. The aggravating factors presented during Petitioner's case in chief outweigh any mitigating factors.

Petitioner requests that a \$1,000 civil penalty be assessed for each substantiated violation and contends that a civil penalty in the amount of \$135,000 is the proper sanction based on the degree and serious nature of the violations. Accordingly, Petitioner requests that page 1 and 17 of the PFD, as well as Conclusion of Law No. 18, be modified to reflect a civil penalty of \$135,000 instead of \$22,550.

III. PROPOSED CORRECTIONS FOR CLERICAL ERROR

Petitioner requests that "license plate" be amended to "tag" to reflect the correct phrase used in 43 Tex. Admin. Code § 215.155(a) in effect in June 2024.⁴

Petitioner requests that "Code chapter 53" be amended to "Code chapter 503" to reflect the correct Code chapter.⁵

Petitioner requests that "Staff Ex. 27 at 170-71" be amended to "Staff Ex. 37 at 170-71" to reflect the correct admitted exhibit.⁶

Petitioner requests that "1271" be amended to "1274" to reflect the correct VIN ending number for Staff Exhibit 33.⁷

Petitioner requests that "P14870" be amended to "P148170" to reflect the correct GDN license number for Respondent.⁸

IV. PROPOSED EXCEPTIONS TO FINDINGS OF FACT

Petitioner requests that the ALJ add in, after Findings of Fact No. 9, an additional statement: "On April 1, 2025, Staff issued a First Amended Notice of Department Decision to Respondent."

⁴ See PFD page 3.

⁵ See PFD page 4.

⁶ See PFD page 7, Footnote 22.

⁷ See PFD page 11.

⁸ See PFD page 12.

The PFD should have a Finding of Fact that reference the First Amended Notice of Department Decision that was attached to the Notice of Hearing.⁹

V. PROPOSED EXCEPTIONS TO CONCLUSIONS OF LAW

A. Petitioner requests a correction to Conclusion of Law No. 1. The citation to Tex. Transp. Code § 503.095(2) should be § 503.095(a).

Conclusion of Law No. 1¹⁰

“The Department has jurisdiction and authority to revoke, probate, or suspend a license to sell a motor vehicle, and to reprimand and/or impose a civil penalty against a license holder. Tex. Transp. Code §§ 503.038(a), .095(2); Tex. Occ. Code §§ 2301.651, .801(a).”

So that Conclusion of Law No. 1 reads:

“The Department has jurisdiction and authority to revoke, probate, or suspend a license to sell a motor vehicle, and to reprimand and/or impose a civil penalty against a license holder. Tex. Transp. Code §§ 503.038(a), .095(a); Tex. Occ. Code §§ 2301.651, .801(a).” (Emphasis added.)

B. Petitioner requests a correction to Conclusion of Law No. 13 to a phrase in which the ALJ cited 43 Tex. Admin. Code § 215.155(a). The phrase “license plate” should be “tag” to reflect the applicable statutory references to the substantiated violation effective at the time of the allegations.

Conclusion of Law No. 13¹¹

“A dealer may issue a buyer’s temporary license plate only on a vehicle: from the selling dealer’s inventory; that can be legally operated on the public streets and highways; for which a sale or lease has been consummated; and that has a valid inspection in accordance with Code chapter 548. 43 Tex. Admin. Code § 215.155(a).”

So that Conclusion of Law No. 13 reads:

“A dealer may issue a buyer’s temporary *tag* only on a vehicle: from the selling dealer’s inventory; that can be legally operated on the public streets and highways; for which a

⁹ See PFD page 20, See Texas Gov’t Code Section 2001.052(a)(4)(B).

¹⁰ See PFD page 20.

¹¹ See PFD page 22.

sale or lease has been consummated; and that has a valid inspection in accordance with Code chapter 548. 43 Tex. Admin. Code § 215.155(a).” (Emphasis added.)

C. Petitioner requests a correction to Conclusion of Law No. 19 to reflect more applicable statutory references to the substantiated violations.

Conclusion of Law No. 19¹²:

“Respondent’s GDN should be revoked. Tex. Transp. Code § 503.038(a)(3).”

So that Conclusion of Law No. 19 reads:

“Respondent’s GDN should be revoked. *Tex. Transp. Code §§ 503.038(a)(12) and 503.038(a)(14).*” (Emphasis added.)

VI. PRAYER

WHEREFORE PREMISES CONSIDERED, Petitioner prays that the ALJ correct any clerical errors and amend the PFD in response to these exceptions. Petitioner prays that the PFD be amended to recommend that Respondent's license be revoked and Respondent be assessed a total penalty in the amount of \$135,000.

Respectfully submitted,



Denise Le,
SBOT # 24057962
Attorney Enforcement Division
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731
(512) 465-4169 Direct
(512) 465-5650 Fax
denise.le@txdmv.gov

¹² See PFD page 23.

CERTIFICATE OF SERVICE

I hereby certify that on April 21, 2026, a true and correct copy of the foregoing document was served on the following individuals and at the location and the manner indicated below.

Via Electronic Filing

Docket Clerk
State Office of Administrative Hearings
300 West 15th #504
Austin, Texas 78701

Via Electronic Filing, Certified Mail and Emails

Owono Motors, LLC
1805 W Erwin St
Tyler, Texas 75702-4904

Email jowono@ymail.com

Email owonomotorsllc@gmail.com



Denise Le, Attorney
Enforcement Division

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Denise Le on behalf of Denise Le

Bar No. 24057962

Denise.Le@txdmv.gov

Envelope ID: 113918902

Filing Code Description: Exceptions to PFD

Filing Description: Petitioner's Exceptions to the PFD

Status as of 4/21/2026 1:59 PM CST

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608-25-05623
5/13/2026 9:54 AM
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ADMINISTRATIVE HEARINGS
Jessica Cisneros, CLERK

August 13, 2026

59

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

May 13, 2026

ACCEPTED
608-25-05623
5/13/2026 10:04:31 am
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ADMINISTRATIVE HEARINGS
Jessica Cisneros, CLERK

Denise Le
For the Petitioner

VIA EFILE TEXAS

Jose Owono Mikue
For the Respondent

VIA EFILE TEXAS

**RE: SOAH Docket Number 608-25-05623.ENF;
TxDMV No. 22-0015552.ENF;
Texas Department of Motor Vehicles v. Owono Motors, LLC**

Dear Parties:

On April 8, 2026, the undersigned Administrative Law Judge (ALJ) issued the Proposal for Decision (PFD) in this case. The staff (Staff) of the Texas Department of Motor Vehicles (Department) timely filed exceptions on April 21, 2026. Owono Motors, LLC did not file a reply to exceptions.

Staff re-urges that a \$1,000 penalty should be assessed for each violation. Their argument along with the applicable consideration factors were considered and addressed in the PFD.

Additionally, Staff recommended corrections, which the ALJ hereby incorporates into the Findings of Fact and Conclusions of Law of the PFD, as follows:

Exceptions Letter

May 13, 2026

Page 2 of 2

- For Finding of Fact No. 9, the following sentence should be added: “On April 1, 2025, Staff issued a First Amended Notice of Department Decision to Respondent.”
- In Conclusion of Law No. 1, the citation to “Tex. Transp. Code §§ 503.038(a), .095(2)” should be changed to “Tex. Transp. Code §§ 503.038(a), .095(a).”
- In Conclusion of law No. 13, “license plate” should be changed to “tag.”
- In Conclusion of Law No. 19, the citation to “Tex. Transp. Code §§ 503.038(a)(3)” should be changed to “Tex. Transp. Code §§ 503.038(a)(12), (14).”

With the changes above, the PFD is ready for the Department’s consideration.

ALJ Signature:



Linda Brite,

Presiding Administrative Law Judge

CC: Service List

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Case Contacts

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Jose Owono Mikue		owonomotorsllc@gmail.com	5/13/2026 9:54:44 AM	SENT

BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

**TEXAS DEPARTMENT OF
MOTOR VEHICLES,
Petitioner**

v.

**Owono Motors, LLC,
Respondent**

§
§
§
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SOAH DOCKET NO. 608-25-05623

ENF CASE NO. 22-0015552

PETITIONER'S PROPOSED FINAL ORDER

The above-referenced case was brought before the Texas Department of Motor Vehicles Board (Board) on August 13, 2026, in the form of a Proposal for Decision (PFD), dated April 8, 2026, modified by an Exceptions Letter dated May 13, 2026, from the State Office of Administrative Hearings. The case involves an enforcement action brought by the Texas Department of Motor Vehicles against Owono Motors, LLC (Respondent).

The Board, after review and due consideration, adopts the findings of fact and conclusions of law from the Administrative Law Judge's (ALJ) April 8, 2026, Proposal for Decision, attached hereto as Exhibit A, as modified by the ALJ's Exceptions Letter dated May 13, 2026, attached hereto as Exhibit B, with the exception of Conclusion of Law No. 18, which is not adopted. Findings of Fact Nos. 1-13 and Conclusions of Law Nos. 1-17, as modified by Exhibit B, are incorporated into this Final Order as if such were fully set out and separately stated in this Final Order. All proposed findings of fact and conclusions of law submitted by any party that are not specifically adopted in this final order are denied.

After considering the administrative record, the Board enters this Final Order.

The changes to the PFD in this Final Order are permissible under Texas Government Code § 2001.058(e) because the ALJ did not properly apply or interpret the factors in Texas Occupations Code § 2301.801 that the Board considers in determining the amount of a civil penalty, including the seriousness of the violation, efforts to correct the violation, and any matter that justice may require (including whether the consumer received a title or whether the act constituting the violation was intentional, premeditated, knowing, or grossly negligent).

Improper Interpretation and Application of Applicable Law

The Board modifies Conclusion of Law No. 18 to read:

Respondent should be assessed a total penalty of \$145,000, consisting of \$130,000 for issuing 130 buyer's temporary tags improperly; \$4,000 for issuing four buyer's tags without a valid inspection within 180 days; \$3,000 for issuing three dealer's tags improperly; \$2,000 for two recordkeeping violations; and \$6,000 for one title and registration violation. Tex. Occ. Code § 2301.801(a).

This modification is necessary because the ALJ did not properly apply or interpret the factors in Texas Occupations Code § 2301.801(b) that the Board considers in determining the amount of a civil penalty including the seriousness of the violation, efforts to correct the violation, and any matter that justice may require (including whether the consumer received a title or whether the act constituting the violation was intentional, premeditated, knowing, or grossly negligent). As is described in more detail below, the Board has determined that the appropriate sanction in this case under Texas Transportation Code § 503.095 and Texas Occupations Code § 2301.801 is revocation and a \$145,000 penalty. Conclusion of Law No. 18 therefore does not reflect the Board's interpretation of the correct penalty under the statutes, so it is necessary for the Board to modify it.

Misuse of temporary tags is a serious offense, a terrible breach of trust that the state puts in a general distinguishing number (GDN) holder when it allows the licensee access to the state's registration and title system. Between January 2023 through June 2024, Respondent issued in excess of 127 temporary buyer's tags than reported vehicles sold, as described in Finding of Fact No. 2. Also, Finding of Fact No. 2 shows that Respondent's misuse was particularly serious because Respondent issued more than 4 times more buyer's temporary tags than vehicles sold. In addition, misuse of temporary buyer's tags is potentially harmful to the safety of the public because the faulty tags have the potential to aid in criminal activity; and these violations occurred over a period of 18 months. Furthermore, on four occasions, Respondent inappropriately issued a buyer's temporary tag to a motor vehicle that did not receive a passing state inspection as required, as described in Finding of Fact No. 4.

Respondent's misuse of a dealer's temporary tag is a serious offense because, on three occasions, Respondent issued a dealer's temporary tag to a vehicle not in Respondent's inventory, as described in Finding of Fact No. 5. On another three occasions, Respondent issued a buyer's temporary tag on a vehicle that was not in Respondent's inventory, as described in Finding of Fact No. 3.

Finding of Fact No. 7 demonstrates Respondent was grossly negligent by failing to timely apply for registration and title for a vehicle. This particular violation was a serious offense because it left a consumer complainant without any means to legally operate the vehicle they had purchased from Respondent for a significant period of time. Additionally,

Respondent's continued failure to keep a complete purchase and sale record is a serious offense, as described in Finding of Fact No. 6, since they were aware of the records requirements yet either intentionally or negligently failed to correct their actions. Specifically, Respondent provided no effort to correct the harm after being notified of the matter by the department after receiving the First Amended Notice of Department Decision on or about April 9, 2025, up to the date of the hearing, February 11, 2026; approximately 10 months and 10 days.

Therefore, to reflect the Board's interpretation of the sanctioning factors in Texas Occupations Code §2301.801(b) when applied to the facts in this case, it is necessary for the Board to modify Conclusion of Law No. 18 to reflect that the appropriate sanction in this case is \$145,000.00.

Further, Conclusion of Law No. 18 is a sanction recommendation that reflects the ALJ's misinterpretation of the sanctioning statutes, rules, and guidelines. "The mere labeling of a recommendation as a conclusion of law or as a finding of fact does not change the effect of the ALJ's recommendation." *Tex. State Bd. of Dental Exam'rs v. Brown*, 281 S.W.3d 692, 697 (Tex. App.—Corpus Christi—Edinburg 2009, pet. denied) (citing *Granek v. Tex. State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 781 (Tex. App.—Austin 2005, pet. denied)). The Board is not required to give presumptively binding effect to recommendations regarding sanctions in the same manner as with other findings of fact and conclusions of law. *Id.* In this case, the Board, and not the ALJ, is the ultimate decision maker regarding sanctions. *See Tex. State Bd. of Dental Exam'rs v. Brown* at 697, 701-04.

ACCORDINGLY, IT IS ORDERED THAT:

1. Respondent is assessed a total penalty of \$145,000.00;
2. Respondent's General Distinguishing Number is revoked; and
3. All remaining motions, exceptions, or objections, of any party, if any, are hereby denied.

Date: _____

Charles Bacarisse, Chair
Board of the Texas Department of Motor Vehicles

Board Meeting Date: 8/13/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Carrier Division
Agenda Item: 7
Subject: Amendments: Subchapters A, B, C, D, E, F, and G
New: §§215.107, 215.153, and 215.159
Repeals: §§215.1, 215.81, 215.101, 215.131, 215.171, 215.241, 215.243, and 215.269
(Relating to Motor Vehicle Distribution and Cleanup)

RECOMMENDATION

Action Item. Adopt amendments, new sections, and repeals in 43 Texas Administrative Code Chapter 215, Motor Vehicle Distribution.

PURPOSE AND EXECUTIVE SUMMARY

The adopted amendments, new sections, and repeals update Chapter 215 to improve clarity and consistency, eliminate unnecessary or duplicative language, incorporate statutory changes, enhance implementation of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730, and modernize licensing, license plate, and enforcement provisions applicable to motor vehicle industry license holders. The amendments also establish requirements governing manufacturer line-make transfers, buyer's provisional license plates, and dealer storage of license plate inventory.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the adoption of amendments, new sections, and repeals to Chapter 215.

BACKGROUND AND DISCUSSION

The department reviewed Chapter 215 in accordance with Government Code §2001.039 and determined that various provisions should be amended, repealed, or replaced to improve clarity, eliminate duplicative or unnecessary language, incorporate statutory changes, and ensure the rules continue to effectively implement and administer applicable law. The adopted amendments update licensing requirements, simplify and modernize rule language, revise dealer premises and signage requirements, update license plate administration requirements, and add violations relating to the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730. The rulemaking also adopts new §215.107 regarding manufacturer and distributor line-make transfers, new §215.153 regarding buyer's provisional license plates, and new §215.159 regarding storage of license plate inventory away from a licensed location. Additionally, the department repeals several purpose-and-scope provisions and other unnecessary or duplicative provisions identified during review.

At adoption, the department modified §215.107 and §215.120, revised §215.159, and determined not to adopt the proposed amendments to §215.264.

COMMENTS

The proposed amendments, new sections, and repeals were published for comment in the April 24, 2026, issue of the *Texas Register*. The department received comments from the Texas Automobile Dealers Association (TADA), the Texas Independent Automobile Dealers Association (TIADA), and the Texas Recreational Vehicle Association (TRVA). After consideration of the comments, the department modified §215.107 and §215.120 at adoption, revised §215.159 after further review of the proposal and operational considerations regarding centralized license plate storage locations, determined not to adopt the proposed amendments to §215.264, and otherwise adopts the amendments, new sections, and repeals as described in the adoption preamble.

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ADOPTION OF AMENDMENTS, NEW SECTIONS, AND REPEALS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §215.1 AND §215.2****SUBCHAPTER B. LICENSES, GENERALLY****43 TAC §§215.81, 215.82, 215.83, 215.84, 215.85, 215.89, AND 215.91****SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS****43 TAC §§215.101, 215.104, 215.105, 215.107, 215.108, 215.110, 215.113, 215.114, 215.115, 215.120,****AND 215.121****SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES****43 TAC §§215.131, 215.132, 215.133, 215.134, 215.137, 215.140, 215.141, 215.144, 215.145, 215.152,****215.153, 215.154, 215.155, 215.157, 215.158, AND 215.159****SUBCHAPTER E. LESSORS AND LEASE FACILITATORS****43 TAC §§215.171, 215.175, 215.177, AND 215.181****SUBCHAPTER F. ADVERTISING****43 TAC §§215.241, 215.242, 215.243, 215.244, 215.246, 215.269, AND 215.270****SUBCHAPTER G. ADMINISTRATIVE SANCTIONS****43 TAC §215.500**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 215, Motor Vehicle Distribution. Specifically, the department adopts amendments to Subchapter A, General Provisions, §215.2 and the repeal of §215.1; adopts amendments to Subchapter B, Licenses, Generally, §§215.82 – 215.85, 215.89, and 215.91 and the repeal of §215.81; adopts amendments to Subchapter C, Franchised Dealers, Manufacturers, Distributors, and Converters, §§215.104, 215.105, 215.108, 215.110, 215.113 – 215.115, 215.120, and 215.121, adopts new §215.107,

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1 and repeals §215.101; adopts amendments to Subchapter D, General Distinguishing Numbers and In-
2 Transit Licenses, §§215.132 – 215.134, 215.137, 215.140, 215.141, 215.144, 215.145, 215.152, 215.154,
3 215.155, 215.157, and 215.158; adopts new §215.153 and §215.159, and repeals §215.131; adopts
4 amendments to Subchapter E, Lessors and Lease Facilitators, §§215.175, 215.177, and 215.181 and
5 repeals §215.171; adopts amendments to Subchapter F, Advertising, §§215.242, 215.244, 215.246, and
6 215.270 and repeals §§215.241, 215.243, and 215.269; and adopts amendments to Subchapter G,
7 Administrative Sanctions, §215.500.

8 The department adopts §§215.2, 215.82 – 215.85, 215.89, 215.91, 215.104, 215.105, 215.108, 215.110,
9 215.113–215.115, 215.132–215.145, 215.152, 215.154, 215.155, 215.157, 215.158, 215.177, 215.181,
10 215.242, 215.244, 215.246, 215.270, and 215.500; adopts new §215.153; and adopts the repeal of
11 §§215.1, 215.81, 215.101, 215.131, 215.171, 215.241, 215.243, and 215.269 without changes to the
12 proposed text as published in the April 24, 2026, issue of the Texas Register (51 TexReg 2638). The text of
13 these rules will not be republished. The department adopts new §215.107 and §215.159, and
14 amendments to §§215.120, 215.121, 215.141, and 215.175, with changes to the proposed text as
15 published in the April 24, 2026, issue of the Texas Register (51 TexReg 2638). The department does not
16 adopt the proposed amendments to §215.264 and retains the existing rule text. The text of §§215.107,
17 215.120, 215.121, 215.141, 215.159, and 215.175 will be republished.

18 **REASONED JUSTIFICATION.** The department is reviewing Chapter 215 in accordance with
19 Government Code, §2001.039, which requires state agencies to periodically review existing rules and
20 determine whether the reasons for initially adopting the rules continue to exist. Notice of the
21 department's intent to review and readopt Chapter 215 is published elsewhere in this issue of the Texas
22 Register. As part of that review, the department determined that certain provisions should be amended,
23 repealed, or replaced to improve clarity and consistency, eliminate unnecessary or duplicative language,

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1 incorporate statutory changes, and ensure the rules continue to effectively implement and administer
2 applicable law. The department therefore adopts the amendments, new sections, and repeals described
3 in the following paragraphs.

4
5 Subchapter A. General Provisions

6 §215.1

7 This section describing the purpose and scope of the chapter is repealed because the section is
8 unnecessary, as relevant statutory references are incorporated into the applicable rules throughout the
9 chapter.

10 §215.2

11 Adopted amendments to §215.2(a) add a reference to Transportation Code, Chapter 730, the
12 Motor Vehicle Records Disclosure Act, to clarify that the definitions in Chapter 730 apply to Chapter 215
13 because the chapter includes rules implementing and enforcing that Act. The amendments also update
14 related punctuation. An amendment to §215.2(b)(7) clarifies that the definition of standard license plate
15 does not include a dealer's temporary license plate issued under Transportation Code, §503.062. A
16 dealer's temporary license plate may only be used for the purposes authorized by Transportation Code,
17 §503.062, whereas a dealer's standard license plate authorized by Transportation Code, §503.061 may be
18 used for a broader range of authorized purposes.

19
20 Subchapter B. Licenses, Generally

21 §215.81

22 This section describing the purpose and scope of the chapter is repealed because it is unnecessary, as
23 relevant statutory references are incorporated into the applicable rules throughout the chapter.

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1 §215.82

2 Adopted amendments to §215.82 add “and Dealer’s Temporary” to the title of the section and
3 add a dealer’s temporary license plate to the rule text to include this license plate type among the license
4 plates for which a dealer may receive a replacement license plate or sticker at no charge if the dealer did
5 not receive the original license plate ordered and requests a replacement within 45 days after the
6 department mails the license plate in the department-designated system. Adopted amendments also
7 delete unnecessary references to specific types of license holders eligible to receive a standard license
8 plate because the phrase “standard license plate” is already defined in §215.2(b)(7) of this title (relating
9 to Definitions; Conformity and Statutory Requirements) as a license plate issued to a license holder.
10 Additional adopted amendments delete “standard” from the description of the license plate in §215.82(1)
11 and (2) because those provisions apply to both standard license plates and dealer’s temporary license
12 plates. These amendments allow a dealer to receive a replacement at no charge if a dealer’s temporary
13 license plate is lost in the mail and the dealer promptly requests a replacement.

14 §215.83

15 Adopted amendments to §215.83 create new paragraph §215.83(a) to document existing
16 requirements for a new applicant to register for an account in the department-designated licensing
17 system through the department’s website. These amendments require an applicant to designate an
18 account administrator, provide the name and email address for that person, provide the business
19 telephone number, name, business type, and social security number or employer identification number,
20 as applicable, and specify that the applicant’s licensing account administrator must be an owner, officer,
21 manager, or bona fide employee. These amendments reflect existing requirements for establishing an
22 account that an applicant may use to submit a license application. The remaining paragraphs are
23 renumbered to accommodate new §215.83(a).

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1 §215.84

2 Adopted amendments to §215.84 delete subsection (a) and reletter the remaining subsections because
3 the text in subsection (a) unnecessarily duplicates language in Occupations Code, §2301.002(3) and
4 §2301.006. The adopted amendments also make a minor wording change to subsection (b), as relettered.

5 §215.85

6 Adopted amendments to §215.85 streamline language throughout the section to improve
7 readability without changing meaning, delete language found in statute, and clarify the requirements for
8 buyer referrals. Amendments to §215.85(a) streamline the subsection by moving a descriptive phrase to
9 eliminate unnecessary words and punctuation and by deleting an unnecessary phrase and sentence
10 because that language is included in statute. Amendments to §215.85(b) substitute a phrase to clarify that
11 a referral service, program, plan, or club must satisfy each listed criterion to be considered compliant.
12 Amendments to §215.85(b)(1) through (7) streamline those paragraphs by deleting unnecessary words
13 without changing meaning. Amendments to §215.85(c) substitute “under” for “pursuant to” to modernize
14 the phrase and add “motor” to more accurately describe the type of vehicles that a GDN holder under
15 Transportation Code, §503.029(a)(6)(B) is authorized to sell.

16 §215.89

17 Adopted amendments to §215.89(a) delete an unnecessary phrase to streamline the subsection
18 language. An amendment to §215.89(b)(2) updates, for ease of reference, a citation to the criminal
19 offense guidelines for the motor vehicle industry in 43 TAC Chapter 211. An amendment to §215.89(b)(5)
20 adds a modifying phrase identifying consumer harm as a factor that the department may consider when
21 evaluating whether a license holder or applicant is unfit to hold a license due to insolvency or failure to
22 obtain or maintain financial resources sufficient to meet financial obligations. Consideration of consumer
23 harm is important because a license holder may reorganize finances due to a business setback but may

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1 not be considered unfit if no consumer harm resulted. An amendment to §215.89(b)(8) deletes an
2 unnecessary introductory verb and connector and updates a citation to reflect the renumbering of
3 provisions in Chapter 211.

§215.91

5 Occupations Code, §55.004(b-1), as amended by Senate Bill 1818, 89th Texas Legislature, Regular
6 Session, requires all state licensing agencies, including the department, to issue a provisional license to
7 military service members, military veterans, and military spouses while the agency processes a license
8 application. Adopted amendments to §215.91(b) clarify the application process for a military service
9 member, military spouse, or military veteran to obtain a provisional license. These clarifications are
10 necessary for the department to identify and process these applications on an expedited basis as required
11 by Occupations Code, §55.0041, as amended by House Bill 5629, 89th Legislature, Regular Session.

12 Adopted amendments to §215.91(b)(1) align the rule with Occupations Code, §55.004, as amended by
13 Senate Bill 1818, to require licensing agencies to issue a provisional license while reviewing the application
14 of a military service member, military spouse, or military veteran who is currently licensed and in good
15 standing in another state or who was licensed in Texas within the prior five years. The amendments
16 establish streamlined application requirements for a provisional license, as specified by Occupations Code,
17 §§55.004 and 55.0041, and clarify that a military service member, military spouse, or military veteran may
18 apply for a provisional license by downloading and completing the application form from the department
19 website or by contacting the department. The amendments also require the applicant to submit the
20 completed provisional license application to the department at the email address designated in the
21 application form, delete the requirement to submit the more comprehensive online application specified
22 in §215.83, and reletter the required attachments that must accompany the provisional license
23 application. The amendments add new §215.91(b)(1)(C) and amend relettered §215.91(b)(1)(A) to clarify

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1 and separate documentation requirements applicable to military veterans from documentation required
2 of active-duty military personnel and military spouses. Amendments to §215.91(b)(1)(D) clarify that the
3 affidavit required by Occupations Code, §55.0041(b)(3), for applicants previously licensed in another state
4 applies to military veterans as well as military service members and military spouses.

5 Adopted amendments to §215.91(b)(2) add the phrase “provisional license” to describe the
6 application type and align the rule with Occupations Code, §55.004. Amendments to §215.91(b)(2)(A) add
7 a reference to military veterans and update related punctuation and conjunctions. Amendments to
8 §215.91(b)(2)(B) change a verb to “confirm” for consistency with §215.91(b)(2)(C). Amendments to
9 §215.91(b)(2)(C) provide that, if the department confirms the information required by subparagraphs (A)
10 and (B), the department will notify the applicant to submit a sufficient application as described in §215.83
11 at the time the department issues the provisional license, consistent with Occupations Code, §55.0041(b-
12 1).

13 Adopted amendments to §215.91(b)(3) clarify that the department will issue a license within 10
14 days after receiving a sufficient application, or notify the applicant why a license cannot currently be
15 issued, as required by Occupations Code, §55.0041(b-1), when the applicant holds a provisional license,
16 is licensed in good standing in another state with substantially similar licensing requirements, or was
17 licensed in good standing in Texas during the preceding five years. Another amendment to §215.91(b)(3)
18 moves the final sentence to new §215.91(c) and reletters current §215.91(c) as §215.91(d) to improve
19 readability. These amendments streamline the process for military service members, military spouses,
20 and military veterans to apply for and obtain a provisional license consistent with Occupations Code,
21 Chapter 55, without requiring substantial licensing-system modifications.

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1 Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters

2 §215.101

3 This section describing the purpose and scope of the chapter is repealed because it is
4 unnecessary, as relevant statutory references are incorporated into the applicable rules throughout the
5 chapter.

6

7 §215.104

8 Adopted amendments to §215.104(a) and (b) modernize and simplify text to improve readability
9 without changing meaning. An amendment to §215.104(a)(2) removes a typographical error.
10 Amendments to §215.104(c) add a requirement for a franchised dealer to file a license amendment
11 application within 10 days if the person responsible for the dealer's business activities changes due to the
12 appointment of a receiver or the filing of bankruptcy and make related changes in punctuation and
13 conjunction placement. These amendments help ensure that the appropriate representative receives
14 department licensing and enforcement notices and may act within the time limits established by statute
15 and rule. Amendments to §215.104(d) modernize and simplify text to improve readability without
16 changing meaning.

17 §215.105

18 Adopted amendments throughout §215.105 modernize and simplify text to improve readability
19 without changing meaning.

20 §215.107

21 Adopted new §215.107 establishes licensing requirements when a manufacturer or distributor
22 transfers an existing line-make to another person. Section 215.107(a) requires the person acquiring the
23 line-make to either apply for a manufacturer or distributor license and add the line-make to the license

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1 or amend an existing license to add the line-make. Section 215.107(b) requires the acquiring person to
2 identify the effective date of the transfer, identify the franchised dealers authorized to sell and service
3 the line-make, identify the person responsible for warranty and franchised dealer obligations incurred
4 prior to the transfer, and certify compliance with Occupations Code, Chapter 2301, Subchapter J, including
5 manufacturer or distributor obligations to existing dealers if a franchise agreement is changed or
6 terminated. These requirements assist the department in administering line-make transfers, promote
7 continuity in manufacturer and distributor obligations, and provide clarity regarding the party responsible
8 for obligations arising before and after a transfer.

9 At adoption, the department revised §215.107(a) to remove the phrase “sells, licenses, or
10 otherwise” and instead refer generally to the transfer of a line-make. The department determined that
11 the revised language more accurately describes the transactions addressed by the rule and avoids
12 potential confusion identified by public commenters while preserving the purpose and effect of the
13 proposal.

§215.108

15 Adopted amendments to §215.108 modernize and simplify text to improve readability without
16 changing meaning and add “or relocated” for consistency.

§215.110

18 An adopted amendment to §215.110(b) clarifies that the information described is located in
19 subsection (a), rather than elsewhere in the section, to avoid potential confusion.

§215.113

21 Adopted amendments to §215.113(c) update the subchapter designation in 43 TAC Chapter 224
22 and delete “License” from a referenced section title to correct the title and subchapter reference.

§215.114

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1 Adopted amendments to §215.114 modernize and simplify text to improve readability without
2 changing meaning.

3 §215.115

4 Adopted amendments to §215.115(e) add “if applicable” and related punctuation because certain
5 records identified in the subsection may not be relevant to every license holder’s business.

6 §215.120

7 Adopted amendments to §215.120(d) substitute “license holder” for “manufacturer, distributor,
8 or converter” where that term clearly refers to a manufacturer, distributor, or converter and simplify the
9 rule text without changing meaning. An amendment to §215.120(d)(2) substitutes “secured” for “affixed”
10 for consistency in terminology. Amendments to §215.120(g) clarify that requests for additional standard
11 license plates and supporting business justifications are submitted by manufacturers, distributors, and
12 converters and remove language that could create uncertainty regarding the scope of the subsection. The
13 amendments to §215.120(g) prevent any confusion or conflict with 43 TAC §215.139, relating to Dealer’s
14 Standard License Plate Allocation. An amendment to §215.120(g)(1) clarifies that the department may
15 consider the number of vehicles assembled or modified during the prior 12 months at facilities in or
16 serving the Texas market when evaluating requests for additional standard license plates. These
17 amendments clarify the information the department may consider and address common issues raised by
18 manufacturers requesting additional standard license plates.

19 At adoption, the department did not adopt the proposed amendments to §215.120(a) and (b).
20 Those subsections retain the existing references to manufacturer and converter standard license plates.
21 The department determined that retaining the existing terminology more clearly communicates the scope
22 of the section and avoids potential confusion regarding the use of standard license plates. The department
23 also revised §215.120(g) and (h) at adoption to expressly identify manufacturers, distributors, and

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converters as the persons subject to those provisions and to conform terminology throughout the section and to correct a capitalization error.

§215.121

Adopted amendments to §215.121(a) delete that subsection because the sanction actions available to the board or department are already provided by statute in Occupations Code, Chapter 2301, and remove the resulting orphaned subsection designation. Additional amendments revise the introductory enforcement language to clarify that the board or department may deny a license application, sanction a license holder, or take action against a person engaged in a business requiring licensure, and add “if the person:” before the list of violations to improve readability. These amendments preserve the full range of enforcement actions authorized by statute while improving readability. Amendments to unlettered §215.121(10) update references to relevant Transportation Code chapters that may result in sanctions if violated. An amendment to unlettered §215.121(11) updates a citation to the criminal offense guidelines in 43 TAC Chapter 211. At adoption, the department reworded the first paragraph of amended §215.121 to more accurately reflect the department’s statutory authority in the summary of the sanctioning actions the department may take without changing the meaning of the paragraph.

Adopted amendments add new §215.121(19) to enforce Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, by establishing a sanction for violations of the Act by a manufacturer, distributor, converter, franchised dealer, or an employee or agent of those persons. The amendments also make related punctuation and conjunction changes. These license holders and their employees and agents have access to motor vehicle records protected by the Motor Vehicle Records Disclosure Act, and unauthorized disclosure may result in significant consumer harm.

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1 Subchapter D. General Distinguishing Numbers and In-Transit Licenses

2 §215.131

3 This section describing the purpose and scope of the chapter is repealed because it is
4 unnecessary, as relevant statutory references are incorporated into the applicable rules throughout the
5 chapter.

6

7 §215.132

8 Adopted amendments update definitions consistent with other adopted changes in Subchapter
9 D. Amendments delete the definition of “barrier” in §215.132(1) because adopted amendments to
10 §215.140 remove that term and renumber the remaining definitions accordingly. An amendment to
11 renumbered §215.132(1) deletes the final sentence referencing a buyer’s provisional license plate to align
12 with the new definition of “buyer’s provisional license plate” in renumbered §215.132(2). Amendments
13 to renumbered §215.132(2) define a buyer’s provisional license plate as a license plate a dealer may use
14 when a general issue license plate for the vehicle or vehicle type is not available in the dealer’s inventory,
15 an exempt license plate application is pending department approval, or a retail purchaser requires a
16 commercial fleet specific-use license plate that will be obtained through a department system. These
17 amendments clarify the authorized uses of buyer’s provisional license plates and facilitate retail vehicle
18 transactions involving those circumstances.

19 §215.133

20 Adopted amendments to §215.133 delete subsections (a) and (b) and reletter the remaining
21 subsections because the deleted provisions unnecessarily duplicate statutory requirements. Amendments
22 to relettered §215.133(a) add “license” to clarify the application type referenced and clarify that a dealer
23 or wholesale motor vehicle auction reapplying for a GDN after the GDN expires or is closed must enter or

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1 verify current information, provide documentation necessary to satisfy new or revised requirements, and
2 pay all required fees, including any outstanding civil penalties owed under a final order. An amendment
3 to relettered §215.133(b) updates a citation to Chapter 211. Amendments also delete §215.133(i) because
4 that provision unnecessarily duplicates statutory language, and reletter the remaining subsections
5 accordingly. Additional amendments delete an unnecessary reference to former §215.133(i) in relettered
6 §215.133(g).

§215.134

8 Adopted amendments to §215.134 delete subsection (a) and reletter the remaining subsections
9 because the deleted provision unnecessarily duplicates statutory requirements. An amendment to
10 relettered §215.134(e) updates a citation to Chapter 211.

§215.137

12 Adopted amendments delete §215.137(f) because Transportation Code, §503.033 identifies the
13 GDN holders subject to the security requirement, making a description of license holders to whom the
14 surety bond requirement does not apply unnecessary.

§215.140

16 Adopted amendments to §215.140(a)(3)(A), §215.140(a)(4)(A)(i), and §215.140(b)(3)(A) add the
17 term “legible” to clarify sign-lettering requirements and ensure that the public and the department can
18 readily identify the GDN holder. Amendments to §215.140(a)(3)(B), §215.140(a)(4)(A)(ii), and
19 §215.140(b)(3)(B) provide additional flexibility for dealer and auction signage by recognizing signs
20 permanently affixed or etched on an exterior window, wall, or door as an alternative to signs permanently
21 installed in the ground. Amendments to §215.140(a)(5)(F) add “licensed” to describe a dealer’s physical
22 location and authorize the department to mail or deliver license plates to another physical location
23 identified in the dealer’s license record and approved by the department. This change provides

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operational flexibility for dealers with multiple locations and complements new §215.159 regarding license plate storage.

Amendments to §215.140(a)(6)(E) delete unnecessary license plate descriptors to improve readability without changing meaning. Amendments to §215.140(a)(11)(B)(iv) and (vii) replace the requirement for physical barriers separating display space with a requirement for permanent signage identifying a dealer's reserved display area. The department received feedback that the prior barrier requirement was difficult to implement and maintain in shared locations. The adopted amendments provide a simpler and less costly method of identifying dealer inventory areas while continuing to allow the department and the public to determine which display space belongs to a particular dealer.

§215.141

Adopted amendments to §215.141(a) delete that subsection because the actions available to the board and department are provided by statute and remove the resulting orphaned subsection designation. Additional amendments revise the introductory enforcement language to clarify that the board or department may deny a license application, sanction a license holder, or take action against a person engaged in a business requiring licensure, and add "if the person:" before the listed violations to improve readability. These amendments preserve the full range of enforcement actions authorized by statute while improving readability. Amendments to unlettered §215.141(16) and (21) update references to Transportation Code chapters to include relevant chapters and remove references to chapters a license holder could not violate in this context. An amendment to unlettered §215.141(17) updates a citation to Chapter 211. At adoption, the department reworded the first paragraph of amended §215.141 to reflect the department's statutory authority more accurately in the summary of the sanctioning actions the department may take without changing the meaning of the paragraph.

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1 Amendments to unlettered §215.141(26), (28), and (34) delete outdated references that are no
2 longer necessary because of changes in law and the passage of time. Amendments add new
3 §215.141(36) to enforce Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act,
4 by providing a sanction for violations committed by a GDN holder or its employee or agent. These
5 license holders and their employees and agents have access to protected motor vehicle record
6 information, and unauthorized disclosure may result in significant consumer harm. At adoption, the
7 department retained the parenthetical following the citation to Transportation Code, §501.100 in
8 §215.141(31). The department determined that retaining the parenthetical improves clarity and is
9 consistent with other statutory citations within the rule.

10 Amendments also add new §§215.141(37)–(39) to specify violations involving issuance and
11 assignment of license plates. These provisions address issuance of an incorrect license plate type, failure
12 to assign a secured license plate to the vehicle in the department-designated system, and voiding and
13 reissuing the same license plate to extend a title or registration filing deadline. Department investigations
14 of complaints received after elimination of temporary tags identified conduct of this nature, which may
15 lead to unnecessary law-enforcement stops and delay proper titling and registration.

§215.144

17 Adopted amendments to §215.144(e)(8)(L) clarify that a dealer is not required to copy a
18 purchaser's photo identification document when doing so would violate federal law. Amendments to
19 §215.144(e)(8)(M) require that the odometer disclosure statement be properly executed by the seller and
20 acknowledged by the purchaser and delete the phrase "signed by the buyer" for consistency with
21 §217.4(d)(2) of this title. Amendments to §215.144(e)(8)(M) and (N) modify punctuation and conjunctions
22 to accommodate new §215.144(e)(8)(O), which requires retention of the dealer's copy of the buyer's
23 license plate receipt. This requirement helps ensure that a complete transaction record is available if the

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1 department investigates a complaint. An amendment to §215.144(l)(1) removes redundant language, and
2 an amendment to §215.144(l)(2) corrects the title of the referenced section.

3 §215.145

4 Adopted amendments to §215.145(d)(1) and (e)(1) simplify terminology by replacing longer
5 references with the term “amendment application.” Amendments also add new subsection (h), requiring
6 a dealer to file a license amendment application within 10 days when responsibility for management of
7 the business changes because of appointment of a receiver or a bankruptcy filing. These amendments
8 help ensure that the appropriate representative receives department notices and may act on behalf of
9 the license holder within applicable statutory and regulatory deadlines.

10 §215.152

11 An amendment to §215.152(e) revises wording to improve readability without changing meaning.
12 An amendment to §215.152(h) deletes an extraneous word. Amendments to §215.152(i)(6) require a
13 delivery service to notify the department that a license plate shipment is undeliverable before a dealer
14 becomes ineligible to receive a quarterly allocation delivered to the licensed location. Amendments add
15 new §215.152(i)(8), which makes an applicant or dealer ineligible for a quarterly allocation delivered to a
16 licensed location if the person has filed a change of address and the department has not yet approved the
17 proposed location. Related punctuation and conjunction changes accommodate that addition.

18 Amendments to §215.152(l) and (m) replace the term “general issue plates” with “buyer’s license
19 plates” because buyer’s license plates include more than general issue plates, and replace “buyer” with
20 the possessive form “buyer’s” for consistency. An amendment to §215.152(n) replaces “receive” with
21 “request” for consistency in terminology. An amendment to §215.152(o)(1) substitutes “dealer’s” for
22 “requestor’s” because dealer license plate activity is a relevant factor the department may consider when
23 evaluating an allocation request. An amendment to §215.152(p) corrects a cross-reference.

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1 §215.153

2 Adopted new §215.153 describes a dealer's responsibilities when issuing a buyer's provisional
3 license plate, a type of buyer's license plate used when another appropriate license plate is not available
4 or cannot yet be assigned at the time of sale. The rule facilitates retail transactions involving depleted
5 inventories of general issue license plates, pending exempt license plate applications, and commercial
6 fleet vehicles.

7 Section 215.153(a) provides that a dealer is responsible for managing buyer's provisional license
8 plate inventory within the dealer's allocation and authorizes the department to require supporting
9 documentation for requests involving those plates. Section 215.153(b) requires issuance of a buyer's
10 provisional license plate when a suitable general issue plate is unavailable and the purchaser does not
11 have an eligible plate available for reassignment. Section 215.153(c) authorizes use of a buyer's
12 provisional license plate while an exempt plate application is pending. Section 215.153(d) addresses
13 vehicles eligible for commercial fleet license plates.

14 Section 215.153(e) requires a dealer, except in commercial fleet transactions, to promptly obtain
15 and assign the appropriate permanent plate. Section 215.153(f) establishes expiration requirements for
16 buyer's provisional license plates. Section 215.153(g) requires destruction of an expired buyer's
17 provisional license plate consistent with §215.158. Collectively, these provisions facilitate vehicle sales
18 while maintaining accountability and reducing opportunities for license plate fraud.

19 §215.154

20 Adopted amendments to the graphic in §215.154(b) increase initial allocations of dealer's
21 temporary license plates for GDN holders that sell trailers and semitrailers and for wholesale motor
22 vehicle dealers that also hold a wholesale auction GDN. The department received a significant number of
23 requests for additional dealer's temporary license plates from these license holders during

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1 implementation of the dealer license plate program, indicating that larger initial allocations are
2 warranted. The amendments increase the allocation for trailer and semitrailer dealers from five to 15
3 plates and establish a new allocation category of 40 plates for wholesale motor vehicle dealers that also
4 operate wholesale auctions.

5 Amendments also delete §215.154(c) and reletter the remaining subsections and graphic title
6 because dealers licensed on July 1, 2025, have already received the initial allocations contemplated by
7 that subsection. Amendments to relettered §215.154(f) require proof of the number of vehicles
8 transported during the prior 12-month period, if applicable, when requesting a waiver for additional
9 dealer's temporary license plates. This information assists the director in evaluating requests and
10 minimizing unnecessary accumulation of unassigned license plates.

§215.155

12 Adopted amendments to §215.155(b) delete the term "general issue" because buyer's license
13 plates include provisional license plates. Amendments to §215.155(e) delete language requiring
14 registration fees to be remitted with the title transfer application because those transactions are
15 processed separately.

§215.157

17 Adopted amendments to §215.157 streamline the rule by deleting language that restates statute
18 and instead referencing Transportation Code, §503.0631(d) and §215.156, relating to Buyer's License
19 Plate Receipt.

§215.158

21 Adopted amendments to §215.158 delete the phrase "buyer's license plate or buyer's temporary"
22 to clarify that loss, theft, or destruction of any license plate must be reported to the department.

§215.159

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1 Adopted new §215.159 establishes options and requirements for a dealer to store and manage
2 license plate inventory away from the licensed location, including at centralized storage locations used by
3 multiple dealers. The rule provides operational flexibility while maintaining appropriate safeguards for
4 license plate security and department oversight.

5 Section 215.159(a) requires a dealer to disclose the address of a license plate storage location and
6 certify compliance with the rule. Section 215.159(b)(1) provides that a licensed location used for plate
7 storage must comply with the premises requirements in §215.140. Section 215.159(b)(2) establishes
8 requirements applicable to a storage location that is not itself a licensed location, including requirements
9 concerning the physical structure, equipment, inventory organization, accessibility, posted business
10 hours, staffing, security, and permissible locations.

11 These requirements ensure that license plate inventory remains secure, that dealers can access
12 the department's systems and communicate with the department, and that the department may
13 effectively monitor compliance with Transportation Code, §§503.063, 503.0631, and 503.0633. The rule
14 also accommodates the operational needs of dealers while reducing opportunities for theft, diversion, or
15 misuse of license plates.

16 Section 215.159(c) informs dealers that the department may inspect a license plate storage
17 location before approving the location and during the license term to monitor compliance with applicable
18 statutes and rules.

19 At adoption, the department revised the language of §215.159(a) and (b) to allow multiple dealers
20 to use the same storage location, and to exempt storage locations from the limitation under
21 §215.140(a)(7) that only four dealers can use the same location. The department made these revisions in
22 response to feedback from independent dealers that have separate GDN licenses but share common
23 ownership and preferred to store plates in one centralized location. These revisions provide additional

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flexibility for dealers and could reduce overhead costs for dealers that are able to share a common location.

Subchapter E. Lessors and Lease Facilitators

§215.171

This section describing the purpose and scope of the chapter is repealed because it is unnecessary, as relevant statutory references are incorporated into the applicable rules throughout the chapter.

§215.175

Adopted amendments to §215.175(a) delete that subsection because the actions available to the board and department are provided by statute, and reletter the remaining subsections accordingly. Additional amendments revise the introductory enforcement language to clarify that the board or department may deny a license application, sanction a license holder, or take action against a person engaged in a business requiring licensure, add related punctuation, and add “if the person:” before the listed violations to improve readability. These amendments preserve the full range of enforcement actions authorized by statute while improving readability. An amendment to relettered §215.175(a)(10) updates a reference to the applicable criminal offense guidelines in Chapter 211 of this title. Amendments add new §215.175(a)(14) to enforce Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, by providing a sanction for violations committed by a vehicle lessor, vehicle lease facilitator, or their employee or agent. The amendments also make related punctuation and conjunction changes. Vehicle lessors, vehicle lease facilitators, and their employees and agents have access to motor vehicle records protected by the Motor Vehicle Records Disclosure Act, and unauthorized disclosure may result in significant consumer harm.

§215.177

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1 An adopted amendment to §215.177(a)(2) adds the term “legible” to clarify sign-lettering
2 requirements and ensure that the public and the department can readily identify the license holder.

3 §215.181

4 Adopted amendments to §215.181 revise a sentence to modernize the rule and improve
5 readability without changing meaning.

6 Subchapter F. Advertising

7 §215.241

8 This section describing the purpose and scope of the chapter is repealed because it is
9 unnecessary, as relevant statutory references are incorporated into the applicable rules throughout the
10 chapter.

11
12 §215.242

13 Adopted amendments to §215.242 delete unnecessary phrases to improve readability without
14 changing meaning.

15 §215.243

16 This section is repealed because it is unnecessary and redundant to treat a violation of an
17 advertising rule as a prima facie violation of Occupations Code, Chapter 2301. Occupations Code,
18 §2301.263 provides that a license issued under Chapter 2301 is subject to both Chapter 2301 and
19 applicable board rules. Accordingly, treating an advertising rule violation as a separate prima facie
20 violation of Chapter 2301 is unnecessary because the rule merely restates existing statutory authority.

21 §215.244

22 Adopted amendments to §215.244 add and modify definitions used in the advertising rules. An
23 amendment to §215.244(1)(A)(ii) adds business cards to the list of items that constitute an advertisement.

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1 Amendments add §215.244(1)(A)(vi) and (vii) to modernize the definition of advertisement by expressly
2 including statements or representations displayed on internet websites, social media platforms, other
3 digital applications or platforms, and electronic communications such as email. Electronic forms of
4 advertising have evolved significantly, and these amendments update the rule to reflect the most
5 common methods of digital advertising. Additional amendments modify punctuation and conjunctions to
6 accommodate new §215.244(1)(A)(vi) and (vii).

7 Adopted new §215.244(6) defines the term “cure” for purposes of Occupations Code, §2301.203,
8 which requires the department to provide a license holder an opportunity to cure an alleged advertising
9 violation before issuing a notice of violation and recommended sanction. The new definition provides that
10 a cure consists of a license holder’s agreement not to violate the cited advertising rule for a two-year
11 period and correction of any consumer harm resulting from the alleged violation. Defining “cure”
12 establishes a consistent process for resolving alleged advertising violations and avoiding issuance of a
13 notice of violation and sanction.

14 Adopted amendments renumber subsequent definitions to accommodate new §215.244(6) and
15 update related cross-references. Amendments to renumbered §215.244(18) revise the definition of
16 “subsequent violation” to mean a violation of the same advertising rule identified in a prior opportunity-
17 to-cure notice within a two-year period. This change aligns the definition with the new definition of “cure”
18 and the requirements of Occupations Code, §2301.203.

§215.246

20 Adopted amendments to §215.246 delete a redundant sentence because the requirement that
21 an advertisement not be false, deceptive, or misleading is already provided by §215.242 of this title.

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1 §215.264

2 The department proposed amendments to §215.264(h) and (j) to modernize options for providing
3 required disclosures in radio and television advertisements for leased vehicles. After consideration of
4 comments received, the department determined not to adopt those amendments in order to preserve
5 flexibility in advertising for vehicle lessors and retains the existing rule text.

6 §215.269

7 This section is repealed because procedures governing the determination of violations under
8 department rules have been moved to 43 TAC Chapter 224. The section is therefore redundant and no
9 longer necessary.

10 §215.270

11 Adopted amendments to §215.270(a)(1) streamline rule language and modernize methods by
12 which the department may communicate with license holders by expressly including email. Amendments
13 to §215.270(a)(2) add subparagraphs (A) and (B) and related punctuation to provide that the department
14 may issue a Notice of Department Decision to a license holder that fails to timely respond to an
15 opportunity-to-cure notice or agrees to cure a violation but fails to complete the cure process by failing
16 to correct consumer harm or committing a subsequent violation.

17 Additional amendments to §215.270(a)(2) delete language concerning subsequent violations for
18 consistency with the adopted definitions of “cure” and “subsequent violation” in §215.244. Amendments
19 to §215.270(b), including §215.270(b)(3), modify related language, punctuation, and conjunctions for
20 consistency with those same definitions.

21 Adopted amendments delete §215.270(c) and reletter the remaining subsection accordingly
22 because publication of a retraction notice in a local newspaper is no longer an effective or efficient
23 method of informing the public or curing an alleged advertising violation.

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2 Subchapter G. Administrative Sanctions

3 §215.500

4 Adopted amendments to §215.500 clarify that an administrative sanction may consist of one or

5 more penalties authorized by statute or rule and add references to applicable sanction authorities in

6 Occupations Code, Chapter 2301, Transportation Code, Chapter 503, and §215.504 of this title (relating

7 to Buyer or Lessee Refund). The amendments also delete paragraphs (1) – (5) because those provisions

8 duplicate requirements already established by statute or elsewhere in the rule and remove unnecessary

9 punctuation.

10

11 **CHANGES AT ADOPTION.** The department received comments on proposed §§215.107, 215.120,

12 and 215.264. After consideration of the comments, the department modified §§215.107 and 215.120 at

13 adoption and determined not to adopt the proposed amendments to §215.264. After further review of

14 the proposal and operational considerations relating to license plate storage, the department revised the

15 language of §215.159 at adoption to allow multiple dealers to use the same centralized license plate

16 storage location. These changes clarify the intended application of the affected provisions without altering

17 the overall purpose of the rulemaking.

18 The department revised §215.107(a) to remove the phrase “sells, licenses, or otherwise” and

19 instead provide that the rule applies when a manufacturer or distributor transfers an existing line-make

20 to another person. The department determined that the revised language more accurately describes the

21 transactions addressed by the rule and avoids potential confusion regarding the types of transactions

22 covered by the section.

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1 The department also revised §215.120 in response to comments regarding standard license
2 plates. The department did not adopt the proposed amendments to §215.120(a) and (b) and retained the
3 existing references to manufacturer and converter standard license plates. The department determined
4 that retaining the existing terminology more clearly communicates the scope of the section and avoids
5 potential confusion regarding the use of standard license plates. The department also revised §215.120(g)
6 and (h) to expressly identify manufacturers, distributors, and converters as the persons subject to those
7 provisions and to conform terminology throughout the section.

8 The department revised §§215.121, 215.141, and 215.175 at adoption to clarify the introductory
9 enforcement language. The department modified those sections to provide expressly that the board or
10 department may deny a license application, sanction a license holder, or take action against a person
11 engaged in business for which a license is required if the person commits one of the listed violations. The
12 department determined that these revisions improve clarity and more accurately describe the
13 enforcement actions authorized by statute and rule.

14 The department revised the amendments to §215.159(a) and (b) at adoption to allow multiple
15 dealers to use the same license plate storage location, and to exempt storage locations from the limitation
16 under §215.140(a)(7) that only four dealers can use the same location. The department made these
17 revisions in response to feedback from independent dealers who requested to be able to store license
18 plates in one centralized location, to reduce costs by allowing the dealers to share the costs of a common
19 storage location.

20 The department also revised §215.141(31) at adoption to retain the parenthetical following
21 Transportation Code, §501.100 for clarity and consistency with other statutory citations appearing in the
22 rule.

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1 After consideration of comments received regarding lease advertising disclosures, the
2 department determined not to adopt the proposed amendments to §215.264. The department concluded
3 that the existing provisions continue to provide an effective framework for compliance and therefore
4 retained the current rule text.

5 Except as described in this section, the department adopts the rules as proposed. The department
6 also made nonsubstantive grammatical, formatting, and conforming revisions throughout the adoption
7 text to improve clarity and consistency.

8 9 SUMMARY OF COMMENTS.

10 The department received three timely written comments on the proposal from the Texas Automobile
11 Dealers Association (TADA), the Texas Independent Automobile Dealers Association (TIADA), and the
12 Texas Recreational Vehicle Association (TRVA).

13
14 **Comment.** TADA and TIADA commented in opposition to adoption of the proposed rule amendments in
15 §§215.84, 215.85, 215.101, 215.105, 215.108, 215.114, 215.121, 215.133, 215.134, 215.137, 215.141,
16 215.157, and 215.175, which were identified as part of the Texas Regulatory Efficiency Office's review of
17 the department's rules. The commenters asserted that the amendments are unnecessary and would
18 create confusion or add unnecessary complexity and could disrupt established reliance on existing rule
19 language without addressing a demonstrated need.

20
21 **Response.** The department disagrees. As part of the Texas Regulatory Efficiency Office's review, the
22 department identified rules that contained unnecessary or unenforceable language, required
23 modernization, or duplicated statutory provisions. Although applicable statutes establish general

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1 requirements, they do not always address how those requirements are implemented through rule or
2 ensure that regulatory language remains clear, consistent, and enforceable. The department recognizes
3 the importance of maintaining consistency in rule language but has determined that the amendments will
4 not disrupt reliance interests and will instead improve clarity and consistency without changing
5 substantive requirements. The amendments and deletions clarify and implement statutory requirements
6 where appropriate, eliminate outdated or redundant provisions, and improve the clarity and consistency
7 of the rules. The amendments do not create confusion as suggested. The department adopts the
8 amendments.

9
10 **Comment.** TADA opposed adoption of the proposed amendments to §215.107 because manufacturers
11 and distributors are aware of their licensing requirements. TADA stated that the rule should not include
12 information required for a license amendment application because it does not need to be in a rule and
13 the department may want to change it in the future. TADA also stated that the discussion of manufacturer
14 licensing requirements in the department's eLicensing User Guide eliminates the need for the department
15 to make a rule. TADA further noted that portions of the proposed language could create confusion and
16 that no clear regulatory gap has been identified.

17
18 **Response.** The department disagrees. Texas Government Code §2001.004 requires state agencies to
19 adopt rules reflecting all formal and informal procedures, including license application requirements.
20 Under Government Code, Chapter 2001, such requirements must be adopted through notice-and-
21 comment rulemaking or are subject to being voidable. While Occupations Code, Chapter 2301 establishes
22 the general requirement for licensing, it does not provide the level of procedural detail necessary to
23 ensure consistent implementation and enforcement. The proposed amendments to §215.107 clarify how

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1 those statutory requirements apply in the context of a line-make transfer, including what information
2 must be provided and how responsibilities are to be identified. Including this information in a
3 manufacturer license application form or the eLicensing User Guides does not constitute notice-and-
4 comment rulemaking under Government Code, Chapter 2001. The department does not agree that the
5 proposed language creates confusion; rather, the revised rule clarifies requirements for licensees.

6
7 **Comment.** TADA and TRVA opposed adoption of the term “licenses” in §215.107(a), stating that
8 manufacturers and distributors do not typically license line-makes to each other. TADA commented that
9 it is not aware of a situation in which manufacturers and distributors license line-makes to each other,
10 and both commenters asserted that such arrangements are not anticipated by statutes requiring
11 manufacturers to sell through franchise dealers.

12
13 **Response.** The department agrees. At adoption, the department revised §215.107(a) to remove the
14 phrase “sells, licenses, or otherwise” to clarify that the rule applies whenever a manufacturer or
15 distributor transfers an existing line-make to another person, regardless of the means of transfer. The
16 department determined that the revised language more accurately describes the transactions addressed
17 by the rule, avoids potential confusion, and clarifies when the licensing and amendment requirements
18 apply.

19
20 **Comment.** TADA opposed adoption of proposed new §215.107(b)(3), and requested that the department
21 revise it to read, “identify the person responsible for warranty payment to the franchised dealer and the
22 franchised dealer obligations incurred prior to the transfer,” because this wording would clarify a dealer’s
23 obligation to perform and receive payment for warranty work.

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1

2 **Response.** The department disagrees. The provision describes manufacturer warranty obligations
3 associated with a line-make transfer, including those involving Lemon Law claims, not just warranty work
4 for which a manufacturer pays a dealer. In these transactions, the existing manufacturer or distributor
5 may cease supporting the line-make, and it is necessary to clearly identify responsibility for ongoing
6 obligations to franchised dealers and consumers arising before the transfer, to ensure there is no gap in
7 responsibility during the transition. The department does not agree that the requested revision would
8 improve clarity, and is concerned it could be read to narrow the scope of obligations addressed by the
9 rule.

10

11 **Comment.** TADA opposed adoption of amendments to §215.120 that remove the modifiers specifying
12 “manufacturer” and “converter” plates, because doing so could create confusion about whether standard
13 license plates are interchangeable. TADA recommended amending §215.120(g) to clarify that it applies
14 only to manufacturers or converters.

15

16 **Response.** The department agrees that the removal of references to “manufacturer” and “converter”
17 license plates could create confusion. To avoid confusion, the department is not adopting the proposed
18 amendments to §215.120(a) and (b), and those subsections retain the current references to manufacturer
19 and converter standard license plates. The rule, when read as a whole, applies to manufacturers,
20 distributors, and converters. The department agrees that §215.120(g) prior to amendment could be read
21 in isolation to apply more broadly. At adoption, the department revises subsection (g) to expressly
22 reference manufacturers, distributors, and converters as the parties both requesting additional standard
23 license plates and providing the supporting business justification for the request. The department also

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1 revises subsection (h) to similarly reference manufacturers, distributors and converters to better define
2 the scope of the rule. These revisions clarify the intended scope of §215.120 and eliminate potential
3 ambiguity and confirm that standard license plates are not interchangeable with other plate types.

4
5 **Comment.** TADA opposed adoption of the amendments to §215.121, and requested that TxDMV amend
6 the rule to explicitly limit its application to manufacturers, distributors, and converters.

7
8 **Response.** The department disagrees. These violations apply to all license holders addressed in this
9 subchapter and under Occupations Code, Chapter 2301, including dealers. Section 215.121 expressly
10 applies to a license applicant, license holder, or a person engaged in a business for which a license is
11 required, and is not limited to manufacturers, distributors, or converters. References in prior rulemaking
12 materials to specific license types only explained specific amendments related to those license types and
13 do not limit the scope of the rule.

14
15 **Comment.** TADA commented in support of proposed amendments to §215.140, which allow dealers to
16 affix signs to doors or windows without requiring permanent installation in the ground and to store license
17 plates at a physical location listed in the license record other than a licensed sales and service location.

18
19 **Response.** The department agrees that the proposed amendments to §215.140 provide dealers with
20 greater flexibility by allowing signage to be affixed to doors or windows without permanent installation
21 and by allowing license plate storage at approved locations listed in the license record.

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1 **Comment.** TADA commented in support of new §215.159, stating that it will allow dealers greater
2 flexibility in storing and managing plate inventory.

3
4 **Response.** The department agrees that new §215.159 provides dealers with greater flexibility in storing
5 and managing license plate inventory while maintaining appropriate oversight of plate control.

6
7 **Comment.** TADA commented in opposition to the proposed amendments to §215.244 that define “cure”
8 to establish a two-year period during which a license holder may be subject to enforcement for a
9 subsequent violation of the same advertising provision. TADA argued that the statute requires the
10 department to give a separate opportunity to cure each advertising violation.

11
12 **Response.** The department disagrees. Occupations Code, §2301.155, authorizes the board to adopt rules
13 necessary to administer Occupations Code, Chapter 2301. The proposed amendments clarify the meaning
14 of “cure” in Occupations Code, §2301.203(c) and prevent licensees from avoiding sanction for improper
15 advertising by repeatedly using the same noncompliant advertising content. Due to the short-lived nature
16 of many advertisements and the quick sale of many advertised vehicles, allowing a licensee to cure a
17 violation simply by fixing or removing a specific advertisement for a specific vehicle would enable the
18 licensee to regularly, if not constantly, repeat the same violation with each new ad the licensee posts.
19 Thus, to administer the prohibitions on false and misleading advertising in Occupations Code, Chapter
20 2301 so as to effectively punish and deter the statutorily prohibited conduct, it is necessary for the
21 department to adopt rules defining “cure” as a dealer’s promise to not violate the same advertising
22 provision again within two years.

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1 **Comment.** TADA opposed adoption of the proposed amendments to §215.264. TADA stated that the rule
2 should be amended to track Federal Regulation M, 12 C.F.R. §213.7(f), to ensure consistency with federal
3 lease disclosure requirements and avoid potential inconsistencies.

4
5 **Response.** The department agrees that removing the option to publish information in a written
6 advertisement would remove an option for dealers that remains possible despite the decline of print
7 media. The potential revision to §215.264(h)–(j) was identified as part of the TREO review as an
8 opportunity to modernize and streamline the rule language. However, the department understands that
9 dealers are familiar with the current language and prefer to maintain it as an option. Accordingly, the
10 department is not adopting amendments to these subsections and will retain the existing language.

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SUBCHAPTER A. GENERAL PROVISIONS.

STATUTORY AUTHORITY. The department adopts 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 license holder who is unfit, makes a material misrepresentation, violates Occupations Code, Chapter 2301 or a board rule or order, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, fails to maintain qualifications for a license, willfully defrauds a purchaser, fails to fulfill a written agreement with a retail purchaser of a motor vehicle, or violates the requirements of Transportation Code, §503.0361; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature (2025), which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,

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1 Chapters 2301 and 2302; Occupations Code, §55.004, as amended by House Bill (HB) 5629, 89th
2 Legislature, Regular Session, which requires the department to adopt rules for the issuance of a license to
3 military service members, military veterans, or military spouses that allow licensure if the applicant holds
4 a current license issued by another state that is similar in scope to the license in Texas and is in good
5 standing with that state's licensing authority, or has held a license in Texas within the preceding five years;
6 Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer
7 Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt
8 rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which
9 authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.0296, which
10 requires the board to adopt a rule requiring that an applicant for an original or renewal general
11 distinguishing number who proposes to be an independent motor vehicle dealer complete web-based
12 education and training developed or approved by the department; Transportation Code, §503.033, which
13 authorizes the board to adopt rules to prescribe the form of the notice of a surety bond and the procedure
14 by which a claimant may recover against the surety bond; Transportation Code, §503.061, which allows
15 the board to adopt rules regulating the issuance and use of dealer's license plates; Transportation Code,
16 §503.063, which establishes requirements governing dealer-issued buyer's license plates and authorizes
17 actions to be taken in accordance with department rules; Transportation Code, §503.0631, which requires
18 the department to adopt rules to implement and manage the department's database of dealer-issued
19 buyer's license plates; Transportation Code, §503.0633, which authorizes the department by rule to
20 establish the maximum number of license plates or sets of license plates that a dealer may obtain under
21 Transportation Code, §§503.063 and 503.065; Transportation Code, §730.014, which authorizes state
22 agencies to adopt rules to implement and administer the Motor Vehicle Records Disclosure Act;
23 Transportation Code §1001.002, which provides that the department shall administer and enforce

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Occupations Code, Chapter 2301; 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.

The department also adopts amendments under the authority of Transportation Code, §§501.0041 and 502.0021, and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to review and readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. The adopted amendments, new sections, and repeals implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, 730, 1001, and 1002.

Text.

§215.2. Definitions; Conformity with Statutory Requirements.

(a) The definitions contained in Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 520, 730, and 1001-1005 govern this chapter. In the event of a conflict, the definition or procedure referenced in Occupations Code, Chapter 2301 controls.

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

(1) Board--The Board of the Texas Department of Motor Vehicles, including department staff to whom the board delegates a duty.

(2) Day--The word "day" refers to a calendar day.

(3) Director--The director of the division that regulates the distribution and sale of motor vehicles, including any department staff to whom the director delegates a duty assigned under this chapter.

(4) Employee--A natural person employed directly by the license holder for wages or a salary.

(5) GDN--General distinguishing number, a license issued under Transportation Code, Chapter 503.

(6) Governmental agency--A state agency other than the department, all local governmental agencies, and all agencies of the United States government, whether executive, legislative, or judicial.

(7) Standard license plate--A motor vehicle license plate issued by the department to a license holder for use by the license holder that is not a personalized prestige dealer's license plate issued under Transportation Code §503.0615 or a dealer's temporary license plate issued under Transportation Code, §503.062.

STATUTORY AUTHORITY. The department adopts a repeal 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;

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1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
14 (2025), which authorizes the department to obtain criminal history record information from DPS and the
15 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
16 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
17 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
18 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
19 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
20 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
21 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
22 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
23 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which

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1 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
2 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
3 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
4 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
5 dealer complete web-based education and training developed or approved by the department;
6 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
7 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
8 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
9 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
10 implement and manage the department's database of dealer-issued buyer's license plates; and
11 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
12 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
13 throughout this preamble.

14 The department also adopts a repeal under the authority of Government Code, §2001.039, in
15 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
16 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
17 the rule.

18 **CROSS REFERENCE TO STATUTE.** This repeal implements Government Code, Chapters 411 and 2001;
19 Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

20
21 ~~[\$215.1. Purpose and Scope.]~~

22 ~~[Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 504, 520,~~
23 ~~and 1001–1005 require the Texas Department of Motor Vehicles to license and regulate the vehicle~~

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~~industry to ensure a sound system of distributing and selling vehicles; provide for compliance with manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and other abuses of the people of this state in connection with the distribution and sale of vehicles. This chapter describes licensing requirements and the rules governing the vehicle industry.]~~

SUBCHAPTER B. LICENSES, GENERALLY.

STATUTORY AUTHORITY. The department adopts 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; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature (2025), which authorizes the department to obtain criminal history record information from DPS and the

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1 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
2 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
3 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
4 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
5 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
6 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
7 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
8 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
9 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
10 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
11 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
12 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
13 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
14 dealer complete web-based education and training developed or approved by the department;
15 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
16 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
17 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
18 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
19 implement and manage the department's database of dealer-issued buyer's license plates; Transportation
20 Code, §730.014, which authorizes state agencies to adopt rules to implement and administer the Motor
21 Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt
22 rules that are necessary and appropriate to implement the powers and the duties of the department, as
23 well as the statutes referenced throughout this preamble.

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The department also adopts amendments under the authority of Transportation Code, §§501.0041 and 502.0021, and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, 730, 1001, and 1002.

Text.

§215.82. Replacement Standard and Dealer's Temporary License Plates and Stickers.

A license holder may receive a replacement [~~dealer's, converter's, drive-a-way in transit, or manufacturer's~~] standard license plate or a dealer's temporary license plate or assigned sticker, as applicable, at no charge if the license holder:

(1) did not receive the applicable [~~standard~~] license plate or sticker;

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1 (2) makes the request within 45 days of the date the applicable [standard] license plate
2 or sticker was mailed to the license holder; and

3 (3) submits a request electronically in the licensing system designated by the
4 department.

5

6 §215.83. License Applications, Amendments, or Renewals.

7 (a) An applicant for a new license must register for an account in the department-designated
8 licensing system by:

9 (1) accessing the licensing system through the department's website;

10 (2) designating the account administrator, which must be an owner, officer, manager, or
11 bona fide employee;

12 (3) providing the name and email address for the account administrator; and

13 (4) providing the applicant's business telephone number, name, business type, and
14 social security number or employer identification number, as applicable.

15 (b) An application for a new license, license amendment, or license renewal filed with the
16 department must be:

17 (1) filed electronically in the department-designated licensing system on a form
18 approved by the department;

19 (2) completed by the applicant, license holder, or authorized representative who is an
20 employee, a licensed attorney, or a certified public accountant;

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(3) accompanied by the required fee, paid by credit card or by electronic funds transfer, drawn from an account held by the applicant or license holder, or drawn from a trust account of the applicant's attorney or certified public accountant; and

(4) accompanied by proof of a surety bond, if required.

(c) ~~[(b)]~~ An authorized representative of the applicant or license holder who files an application with the department on behalf of an applicant or license holder may be required to provide written proof of authority to act on behalf of the applicant or license holder.

(d) ~~[(e)]~~ The department will not provide information regarding the status of an application, application deficiencies, or pending new license numbers to a person other than a person listed in subsection (a)(2) of this section, unless that person files a written request under Government Code, Chapter 552.

(e) ~~[(d)]~~ Prior to the expiration of a license, a license holder or authorized representative must electronically file with the department a sufficient license renewal application. Failure to receive notice of license expiration from the department does not relieve the license holder from the responsibility to timely file a sufficient license renewal application. A license renewal application is timely filed if the department receives a sufficient license renewal application on or before the date the license expires.

(f) ~~[(e)]~~ An application for a new license, license amendment, or license renewal filed with the department must be sufficient. An application is sufficient if the application:

(1) includes all information and documentation required by the department; and

(2) is filed in accordance with subsection (a) of this section.

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1 (g) ~~(f)~~ If an applicant, license holder, or authorized representative does not provide the
2 information or documentation required by the department, the department will issue a written notice
3 of deficiency. The information or documentation requested in the written notice of deficiency must be
4 received by the department within 20 calendar days of the date of the notice of deficiency, unless the
5 department issues a written extension of time. If an applicant, license holder, or authorized
6 representative fails to respond or fully comply with all deficiencies listed in the written notice of
7 deficiency within the time prescribed by this subsection, the application will be deemed withdrawn and
8 will be administratively closed.

9 (h) ~~(g)~~ The department will evaluate a sufficient application for a new license, license
10 amendment, or license renewal in accordance with applicable rules and statutes to determine whether
11 to approve or deny the application. If the department determines that there are grounds for denial of
12 the application, the department may pursue denial of the application in accordance with Subchapter G
13 of this chapter (relating to Administrative Sanctions).

14 (i) ~~(h)~~ The department will process an application for a new license, license amendment, or
15 license renewal filed by a military service member, military spouse, or military veteran in accordance
16 with Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military
17 Service Members, Spouses, and Veterans).

18 (j) ~~(i)~~ A license holder who timely files a sufficient license renewal application in accordance
19 with subsection (d) of this section may continue to operate under the expired license until the license
20 renewal application is determined in accordance with Government Code §2001.054.

21 (k) ~~(j)~~ A license holder who fails to timely file a sufficient license renewal application in
22 accordance with subsection (d) of this section is not authorized to continue licensed activities after the

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1 date the license expires. A license holder may dispute a decision that a license renewal application was
2 not timely or sufficient by submitting evidence to the department demonstrating that the license
3 renewal application was timely and sufficient. Such evidence must be received by the department within
4 15 days of the date the department issues notice that a timely or sufficient license renewal application
5 was not received by the department.

6 (l) ~~[(k)]~~ The department shall accept a late license renewal application up to 90 days after the
7 date the license expires. In accordance with subsection (j) of this section, the license holder is not
8 authorized to continue licensed activities after the date the license expires until the department
9 approves the late license renewal application. If the department grants a license renewal under this
10 section, the licensing period begins on the date the department issues the renewed license. The license
11 holder may resume licensed activities upon receipt of the department's written verification or upon
12 receipt of the renewed license.

13 (m) ~~[(h)]~~ If the department has not received a late license renewal application within 90 days
14 after the date the license expires, the department will close the license. A person must apply for and
15 receive a new license before that person is authorized to resume activities requiring a license.

16 (n) ~~[(m)]~~ A dealer's standard license plate issued in accordance with Transportation Code,
17 Chapter 503, Subchapter C expires on the date the associated license expires, is canceled, or when a
18 license renewal application is determined, whichever is later.

19
20 §215.84. Brokering, New Motor Vehicles.

21 ~~[(a) Unless excluded from the definition of "Broker" in Occupations Code, §2301.002, a person~~
22 ~~may not act, offer to act, or claim to be a broker.]~~

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1 (a) ~~[(b)]~~ For purposes of this chapter, the phrase "arranges or offers to arrange a transaction," as
2 used in the definition of broker in Occupations Code, §2301.002, includes the practice of arranging or
3 offering to arrange a transaction involving the sale of a new motor vehicle for a fee, commission, or
4 other valuable consideration. Advertising is not acting as a broker, provided the person's business
5 primarily is broadcasting, printing, publishing, or advertising for others in their own names.

6 (b) ~~[(c)]~~ A buyer referral service, program, plan, club, or any other entity that accepts a fee for
7 arranging a transaction involving the sale of a new motor vehicle is a broker. The payment of a fee to
8 such entity is aiding and abetting brokering. However, a referral service, program, plan, club, or other
9 entity that forwards a referral to a franchised dealership may lawfully operate in a manner that includes
10 all ~~[of]~~ the following conditions:

11 (1) There is no exclusive market area offered to a dealer by the program. All dealers are
12 allowed to participate in the program on equal terms.

13 (2) Participation by a dealer in the program is not restricted by conditions, such as
14 limiting the number of line-makes or discrimination by size of dealership or location. The total number
15 of participants in the program may be restricted if the program is offered to all dealers at the same time,
16 with no regard to the line-make.

17 (3) All participants pay the same fee for participation in the program. The program fee
18 shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes sold by the
19 franchised dealer.

20 (4) A person is not to be charged a fee on a per referral fee basis or any other basis that
21 could be considered a transaction-related fee.

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(5) The program does not set or suggest to the dealer any price of a motor vehicle or a trade-in.

(6) The program does not advertise or promote its plan in a manner that implies that the buyer, as a customer of that program, receives a special discounted price that cannot be obtained unless the customer is referred through that program.

(7) A program must comply with Subchapter F of this chapter (related to Advertising).

(c) ~~(d)~~ This section does not apply to a person who is not a broker as defined in Occupations Code, §2301.002.

§215.85. Brokering, Used Motor Vehicles.

(a) Transportation Code, §503.021 prohibits a person from directly or indirectly engaging in business as a dealer ~~[, directly or indirectly, including by consignment]~~ without a GDN. Except as provided by this section, "directly or indirectly" includes the practice of arranging or offering to arrange a transaction involving the sale of a used motor vehicle for a fee, commission, or other valuable consideration. ~~[A person who is a bona fide employee of a dealer holding a GDN and acts for the dealer is not a broker for the purposes of this section.]~~

(b) A buyer referral service, program, plan, club, or any other entity that accepts a fee for arranging a transaction involving the sale of a used motor vehicle is required to meet the requirements for and obtain a GDN, unless the referral service, program, plan, or club meets each of the following criteria ~~[is operated in the following manner]:~~

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(1) ~~No~~ ~~[There is no]~~ exclusive market area is offered to a dealer ~~[by the program]~~. All dealers are allowed to participate ~~[in the program]~~ on equal terms.

(2) Dealer participation ~~[Participation by a dealer in the program]~~ is not restricted by conditions, such as limiting the number of line-makes or discriminating ~~[discrimination]~~ by dealer size ~~[of dealer]~~ or location. The ~~[total]~~ number of participants ~~[in the program]~~ may be restricted if ~~[the program is]~~ offered to all dealers at the same time, with no regard to the line-make.

(3) All participants pay the same participation fee ~~[for participation in the program]~~. The ~~[program]~~ fee shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes sold by the dealer.

(4) A person is not ~~[to be]~~ charged a fee on a per referral fee basis or any other basis that could be considered a transaction-related fee.

(5) No motor vehicle or trade-in price is set or suggested to the dealer. ~~[The program does not set or suggest to the dealer any price of a motor vehicle or a trade-in.]~~

(6) Advertisements or promotions do not imply that a buyer ~~[The program does not advertise or promote its plan in a manner that implies that the buyer, as a customer of that program,] receives a special discounted price by being referred. [that cannot be obtained unless the customer is referred through that program.]~~

(7) Advertising ~~[A program]~~ complies with Subchapter F of this chapter (relating to Advertising).

(c) A dealer holding a GDN under ~~[pursuant to]~~ Transportation Code, §503.029(a)(6)(B), may pay a referral fee in cash or value to an individual who has purchased a motor vehicle from the dealer within

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the four-year period preceding the referral. The fee may be paid contingent upon either the new referred individual:

(1) purchasing a motor vehicle from the dealer; or

(2) the referral of a new potential purchaser.

§215.89. Fitness.

(a) In determining a person's fitness for a license [~~issued or to be issued by the department~~] under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, the board will consider:

(1) the requirements of Occupations Code, Chapter 53;

(2) the provisions of Occupations Code, §2301.651 and Transportation Code §503.034;

(3) any specific statutory licensing criteria or requirements;

(4) mitigating factors; and

(5) other evidence of a person's fitness, as allowed by law, including the standards identified in subsection (b) of this section.

(b) The board may determine that a person is unfit to perform the duties and discharge the responsibilities of a license holder and may, following notice and an opportunity for hearing, deny a person's license application or revoke or suspend a license if the person:

(1) fails to meet or maintain the qualifications and requirements of licensure;

(2) is convicted, or considered convicted under Occupations Code §53.021(d), by any local, state, federal, or foreign authority of an offense that directly relates to the duties or

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responsibilities of the licensed occupation as described in §211.10 ~~§211.3~~ of this title (relating to Criminal Offense Guidelines) or is convicted, or considered convicted under Occupations Code §53.021(d), of an offense that is independently disqualifying under Occupations Code §53.021;

(3) omits information or provides false, misleading, or incomplete information on an initial application, renewal application, or application attachment, for a license or other authorization issued by the department or by any local, state, or federal regulatory authority;

(4) is found to have violated an administrative or regulatory requirement based on action taken on a license, permit, or other authorization, including disciplinary action, revocation, suspension, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or any local, state, or federal regulatory authority;

(5) is insolvent or fails to obtain or maintain financial resources sufficient to meet the financial obligations of the license holder causing consumer harm;

(6) is a corporation or other legal entity that fails to maintain its charter, certificate, registration, or other authority to conduct business in Texas;

(7) is assessed a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or a local, state, or federal regulatory authority, for violation of a requirement governing or impacting the distribution or sale of a vehicle or a motor vehicle, or the acquisition, sale, repair, rebuild, reconstruction, or other dealing of a salvage motor vehicle or nonrepairable motor vehicle, and fails to comply with the terms of a final order or fails to pay the penalty pursuant to the terms of a final order;

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(8) ~~was or~~ is a person described in §211.9 of this title (relating to Application of Subchapter B) ~~[\$211.2 of this title (relating to Application of Subchapter)]~~ whose actions or omissions could be considered unfit, who is ineligible for licensure, or whose current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority has been subject to disciplinary action including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment;

(9) has an ownership, organizational, managerial, or other business arrangement, that would allow a person the power to direct or cause the direction of the management, policies, and activities, of an applicant or license holder, whether directly or indirectly, when the person could be considered unfit, ineligible for licensure, or whose current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority, has been subject to disciplinary action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or any local, state, or federal regulatory authority;

(10) is found in a final order issued after a contested case hearing to be unfit or acting in a manner detrimental to the system of distribution or sale of motor vehicles in Texas, the economy of the state, the public interest, or the welfare of Texas residents.

§215.91. License Processing for Military Service Members, Spouses, and Veterans.

(a) The department will process a license, amendment, or renewal application submitted for licensing of a military service member, military spouse, or military veteran in accordance with Occupations Code, Chapter 55. A license holder who fails to timely file a sufficient renewal application

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1 because the license holder was on active duty is exempt from any increased fee or penalty imposed by
2 the department.

3 (b) A military service member, ~~[or]~~ military spouse, or military veteran may engage in a business
4 or occupation for which a department-issued license is required if the person ~~[military service member~~
5 ~~or military spouse]~~ meets the requirements of Occupations Code, \$55.004 or \$55.0041 and this section.

6 (1) To receive a provisional license a [A] military service member, ~~[or]~~ military spouse, or
7 military veteran must submit to the department a completed provisional license application. The
8 applicant may download the provisional license application form from the department website or
9 contact the department to request the form. The applicant must submit the completed application to
10 the department email address listed in the application form and attach the following:

11 ~~[(A) a sufficient application as described in §215.83(e) of this title (relating to~~
12 ~~License Applications, Amendments, or Renewals);]~~

13 (A) [(B)] if the applicant is a military service member or a military spouse, proof
14 of the military service member being stationed in Texas and a copy of the military service member or
15 military spouse's military identification card;

16 (B) [(C)] if the applicant is a military spouse, a copy of the military spouse's
17 marriage license; [and]

18 (C) if the applicant is a military veteran, a copy of the applicant's discharge
19 certificate or other official document verifying military service and an identification document listed in
20 the applicable license application rule; and

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(D) if the applicant is licensed by another state, a notarized affidavit that meets the requirements of [as required by] Occupations Code, §55.0041(b)(3).

(2) Upon receipt of the provisional license application and documentation required by paragraph (1) of this subsection the department shall:

(A) confirm with the other state that the military service member, ~~[or]~~ military spouse, or military veteran is currently licensed and in good standing for the relevant business or occupation; and

(B) conduct a comparison of the other state's license requirements, statutes, and rules with the department's licensing requirements to confirm ~~[determine]~~ if the requirements are similar in scope of practice; and

(C) if both subparagraphs (A) and (B) of this paragraph are confirmed, promptly issue a provisional license and notify the applicant to submit a sufficient application as described in §215.83(f) of this title (relating to License Applications, Amendments, or Renewals).

(3) The department shall issue a license, or notify the applicant why the department is currently unable to issue a license, within 10 days of receiving a complete application as described in §215.83(f) of this title (relating to License Applications, Amendments, or Renewals) if the applicant:

(A) has been issued a provisional license;

(B) is currently licensed in good standing in another state with licensing requirements that are similar in scope and practice; or

(C) was licensed in good standing in Texas in the last five years.

~~[If the department confirms that a military service member or military spouse is currently licensed in good standing in another state with licensing requirements that are similar in scope~~

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1 ~~and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a~~
2 ~~license to the military service member or military spouse for the relevant business or occupation, or~~
3 ~~notify the applicant why the department is currently unable to issue a license pursuant to Occupations~~
4 ~~Code, §55.0041(b-1), within 10 days.]~~

5 (c) The license is subject to the requirements of this chapter and Occupations Code, Chapter
6 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under the standard
7 application process, unless exempted or modified under Occupations Code, Chapter 55.

8 (d) ~~[(e)]~~ This section establishes requirements and procedures authorized or required by
9 Occupations Code, Chapter 55, and does not modify or alter rights that may be provided under federal
10 law.

11
12 **STATUTORY AUTHORITY.** The department adopts a repeal to Chapter 215 under Occupations Code,
13 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
14 and the authority to take any action that is necessary or convenient to exercise that authority;
15 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
16 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
17 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
18 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
19 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
20 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
21 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
22 the board authority to deny an application for a license, revoke or suspend a license, place on probation,

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1 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
2 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
3 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
4 Code, §411.122(d), which authorizes department access to criminal history record information
5 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
6 (2025), which authorizes the department to obtain criminal history record information from DPS and the
7 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
8 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
9 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
10 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
11 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
12 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
13 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
14 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
15 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
16 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
17 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
18 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
19 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
20 dealer complete web-based education and training developed or approved by the department;
21 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
22 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
23 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of

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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; 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.

The department also adopts a repeal under the authority of Government Code, §2001.039, in addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

CROSS REFERENCE TO STATUTE. This repeal implements Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

~~[\$215.81. Purpose and Scope.]~~

~~[This subchapter implements Occupations Code, Chapter 2301 and Transportation Code, Chapter 503, regarding licenses required under those chapters.]~~

SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS.

STATUTORY AUTHORITY. The department adopts 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

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1 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
2 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
3 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
4 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
5 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
6 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
7 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
8 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
9 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
10 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
11 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
12 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
13 §503.0633, which allows the department to establish the maximum number of license plates or sets of
14 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
15 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
16 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
17 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
18 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
19 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
20 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of
21 the department's automated registration and titling system; Transportation Code, §730.014, which
22 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
23 Disclosure Act; 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 this preamble.

The department also adopts amendments under the authority of Transportation Code, §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and §2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code, §520.003 authorizes the department to adopt rules to administer Chapter 520.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These adopted new sections and amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–504, 520, and 1002.

Text.

§215.104. Changes to Franchised Dealer’s License.

(a) In accordance with Occupations Code, §2301.356, a franchised dealer must file an amendment application [~~to amend the franchised dealer's license~~] to add a line-make [~~request an~~]

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additional line make] at the dealer's currently licensed showroom. The amendment application must be filed electronically in the licensing system designated by the department.

(1) In accordance with §215.110 of this title (relating to Evidence of Franchise), the franchised dealer must attach to the amendment application a legible and accurate electronic image of:

- (A) the executed franchise agreement;
- (B) the required excerpt from the executed franchise agreement; or
- (C) an evidence of franchise form completed by the manufacturer, distributor, or representative.

(2) The amendment application for an additional franchise at the showroom is considered an original application and is subject to protest, in accordance with Occupations Code, Chapter 2301, this chapter, and Chapter 224 of this title [(relating to)](relating to Adjudicative Practice and Procedure)[)].

(b) A franchised dealer may propose to sell or assign to another any interest in the licensed entity, whether a corporation or otherwise, provided the physical location of the licensed entity remains the same.

(1) The franchised dealer shall notify the department in writing within 10 days of the sale or assignment of interest by filing a license amendment application [an application to amend the franchised dealer's license] electronically in the licensing system designated by the department.

(2) If the sale or assignment of any portion of the business results in a change of business entity, then the purchasing entity or assignee must apply for and obtain a new license in the name of the new business entity.

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1 (3) A publicly-held corporation must file an amendment application if one person or
2 entity acquires 10% or greater interest in the licensed entity.

3 (c) A franchised dealer must file an amendment application electronically in the licensing system
4 designated by the department within 10 days of a license change, including:

5 (1) deletion of a line-make from the dealer's license;

6 (2) a change of assumed name on file with the Office of the Secretary of State or county
7 clerk;

8 (3) a change of mailing address;

9 (4) a change of telephone number; ~~[or]~~

10 (5) a change of email address; or[-]

11 (6) a change in the person responsible for a franchised dealer's business activities due to
12 a receiver being appointed or a dealer filing bankruptcy.

13 (d) A franchised dealer must file an ~~[a business entity]~~ amendment application electronically in
14 the licensing system designated by the department within 10 days of a business ~~[an]~~ entity change,
15 including:

16 (1) a change in management, dealer principal, or change of other person who oversees a
17 franchised dealer's business activities, including a managing partner, officer, director of a corporation, or
18 similar person; or

19 (2) a change of legal entity name on file with the Office of the Secretary of State.

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(e) If a franchised dealer changes or converts from one type of business entity to another type of business entity without changing ownership of the dealership, the submission of a franchise agreement in the name of the new entity is not required in conjunction with an amendment application. The franchise agreement on file with the department prior to the change or conversion of the dealer's business entity type applies to the successor entity until the parties agree to replace the franchise agreement. This subsection does not apply to a sole proprietorship or general partnership.

(f) If a franchised dealer adopts a plan of conversion under a state or federal law that allows one legal entity to be converted into another legal entity, only an amendment application is necessary to be filed with the department. The franchise agreement on file with the department continues to apply to the converted entity. If a license holder becomes another legal entity by any means other than by conversion, a new application is required, subject to subsection (e) of this section.

(g) In addition to obtaining permission from the manufacturer or distributor, a franchised dealer must obtain department approval prior to opening a supplemental location or relocating an existing location by filing an amendment application electronically in the licensing system designated by the department. A franchised dealer must notify the department electronically in the licensing system designated by the department when closing an existing location.

§215.105. Notification of License Application; Protest Requirements.

(a) This [The provisions of this] section does not apply [are not applicable] to a franchised dealer's [an] application filed with the department as part of a buy-sell or other transfer agreement [for a franchised dealer's license as a result of the purchase or transfer of an existing entity holding a current

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1 ~~franchised dealer's license]~~ that does not involve a physical relocation of the purchased or transferred
2 line-makes.

3 (b) Upon receipt of a franchised dealer's license ~~[an]~~ application ~~[for a franchised dealer's~~
4 ~~license]~~, including a relocation ~~[an]~~ application ~~[filed with the department by reason of the relocation]~~ of
5 an existing dealership, the department shall notify ~~[give notice of the filing of the application to]~~ each
6 franchised dealer that may have standing to protest the application. The department shall send notice
7 electronically and by certified mail, return receipt requested, to the email address and mailing address
8 in the franchised dealer's license record.

9 (c) If it appears to the department that ~~[there are]~~ no franchised dealers have ~~[with]~~ standing to
10 protest, then no notice shall be given.

11 (d) A person holding a franchised dealer's license for the sale of the same new motor vehicle
12 line-make ~~[of a new motor vehicle as proposed for sale in the subject application and]~~ that has standing
13 to protest the application may file with the department a notice of protest opposing the granting of a
14 license by timely filing a protest electronically in the licensing system designated by the department and
15 paying the required fee.

16 (e) A franchised dealer that wishes to protest the application shall give notice in accordance with
17 Occupations Code, Chapter 2301.

18 (1) The notice of protest must be in writing and ~~[shall be]~~ signed by an authorized officer
19 or other official authorized to sign on behalf of the protesting dealer ~~[filing the notice]~~.

20 (2) The notice of protest must state the statutory basis upon which the protest is made
21 and assert how the protesting dealer meets the standing requirements under §215.119 of this title
22 (relating to Standing to Protest) ~~[to protest the application]~~.

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(3) The notice of protest must state that the protest is not made for purposes of delay or for any other purpose except for justifiable cause.

(4) If a protest is filed against an application for the establishment of a dealership or for addition of a line-make at an existing dealership, the notice of protest must state under which provision of Occupations Code, Chapter 2301 the protest is made.

§215.107. Sale or Transfer of a Line-Make.

(a) If a manufacturer or distributor transfers an existing line-make to another person, the acquiring person must:

(1) apply for a manufacturer or distributor license and add that line-make to the license;
or

(2) amend an existing license to add that line-make.

(b) As part of the application or license amendment application process the person acquiring the line-make must:

(1) identify the effective date of the transfer;

(2) identify the franchised dealers authorized to sell and service the line-make;

(3) identify the person responsible for warranty and franchised dealer obligations incurred prior to the transfer; and

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(4) certify compliance with Occupations Code, Chapter 2301, Subchapter J, which includes manufacturer or distributor responsibilities to existing dealers of that line-make if a franchise agreement is changed or terminated.

§215.108. Addition or Relocation of Line-make

A franchised dealer's amendment application to add or relocate a line-make to an existing dealership ~~[An application to amend an existing franchised dealer's license for the addition of another line-make at the existing dealership or for the relocation of a line-make to the existing dealership]~~ shall be deemed an "application to establish a dealership" insofar as the line-make to be added or relocated is concerned, and shall be subject to the provisions of §215.105 of this title (relating to Notification of License Application; Protest Requirements) and §215.106 of this title (relating to Time for Filing Protest).

§215.110. Evidence of Franchise.

(a) Upon application for a franchised dealer's license or an amendment of an existing franchised dealer's license to add a line-make, the applicant must submit a legible and accurate electronic image of the franchise agreement pages that reflect:

(1) the parties,

(2) the authorized signatures of the parties,

(3) each line-make listed in the application, and

(4) the address of the franchised dealership's physical location.

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(b) To meet this requirement temporarily for the purpose of application processing, a form prescribed by the department and completed by the manufacturer or distributor may be electronically submitted with the application in lieu of the information described in subsection (a) of this section.

(c) The applicant must submit the required franchise agreement pages described in this section immediately upon the applicant's receipt of the franchise agreement as the department will not issue a license without verifying that the franchise agreement has been executed.

(d) Upon application to relocate a franchised dealership, the franchised dealer applicant must submit a form prescribed by the department and completed by the manufacturer or distributor that identifies the license holder and the new franchised dealership location.

§215.113. Manufacturer Ownership of Franchised Dealer; Good Cause Extension; Dealer Development.

(a) In the absence of a showing of good cause, an application for a franchised dealer's license of which a manufacturer or distributor owns any interest in or has control of the dealership entity must be submitted to the department electronically in the licensing system designated by the department no later than 30 days before:

(1) the opening of the dealership;

(2) close of the buy-sell agreement; or

(3) the expiration of the current license.

(b) If a manufacturer or distributor applies for a franchised dealer's license of which the manufacturer or distributor holds an ownership interest in or has control of the dealership entity in accordance with Occupations Code, §2301.476(d) - (f), the license application must contain a sworn

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statement from the manufacturer or distributor that the dealership was purchased from a franchised dealer and is for sale at a reasonable price and under reasonable terms and conditions, and that the manufacturer or distributor intends to sell the dealership to a person not controlled or owned by the manufacturer or distributor within 12 months of acquiring the dealership, except as provided by subsection (h) of this section.

(c) A request for an extension of the initial 12-month period for manufacturer or distributor ownership or control of a franchised dealership, in accordance with Occupations Code, §2301.476(e), must be submitted to the department in accordance with subsection (a) of this section along with a sufficient application to renew the new motor vehicle dealer's license. The request must contain a detailed explanation, including appropriate documentary support, to show the manufacturer's or distributor's good cause for failure to sell the dealership within the initial 12-month period. The director shall evaluate the request and determine whether the license should be renewed for a period not to exceed 12 months or deny the renewal application. If the renewal application is denied, the manufacturer or distributor may request a hearing on the denial in accordance with Occupations Code, Chapter 2301, Subchapter O and the matter will be referred to SOAH for a hearing under Chapter 224, Subchapter B [C] of this title (relating to Motor Vehicle, Salvage Vehicle, and Trailer Industry [License] Enforcement).

(d) Requests for extensions after the first extension is granted, as provided by Occupations Code, §2301.476(e), must be submitted at least 120 days before the expiration of the current license electronically in the licensing system designated by the department. Upon receipt of a subsequent request, the department shall initiate a hearing in accordance with Occupations Code, Chapter 2301, Subchapter O, at which the manufacturer or distributor will be required to show good cause for the

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1 failure to sell the dealership. The manufacturer or distributor has the burden of proof and the burden of
2 going forward on the sole issue of good cause for the failure to sell the dealership.

3 (e) The department shall give notice of the hearing described in subsection (d) of this section to
4 all other franchised dealers holding franchises for the sale and service or service only of the same line-
5 make of new motor vehicles that are located in the same county in which the dealership owned or
6 controlled by the manufacturer or distributor is located or in an area within 15 miles of the dealership
7 owned or controlled by the manufacturer or distributor. Such dealers, if any, will be allowed to
8 intervene and protest the granting of the subsequent extension. Notices of intervention by dealers
9 afforded a right to protest under Occupations Code, §2301.476(e) must be filed with the department
10 electronically in the licensing system designated by the department within 15 days of the date of mailing
11 of the notice of hearing, and a copy must be provided to the manufacturer or distributor. The
12 department shall reject a notice of intervention if the notice is not filed at least 30 days before:

13 (1) the opening of the dealership;

14 (2) close of the buy-sell agreement; or

15 (3) the expiration of the current license.

16 (f) A hearing under subsection (d) of this section will be referred to SOAH for a hearing under
17 Chapter 224, Subchapter C of this title (relating to Contested Cases Between Motor Vehicle Industry
18 License Holders or Applicants). The franchised dealer's license that is the subject of the hearing will
19 continue in effect until a final decision on the request for a subsequent extension is issued by the board.

20 (g) The procedures described in subsections (d) - (f) of this section will be followed for all
21 extensions requested by the manufacturer or distributor after the initial extension.

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(h) An application for a new motor vehicle dealer's license of which a manufacturer or distributor owns any interest in the dealership entity in accordance with Occupations Code, §2301.476(g) must contain sufficient documentation to show that the applicant meets the requirements of Occupations Code, §2301.476(g).

§215.114. Sale of a Vehicle by a Manufacturer or Distributor at a Wholesale Motor Vehicle Auction.

A licensed manufacturer or distributor [~~licensed under Occupations Code, Chapter 2301~~] or a wholly owned subsidiary [~~of a manufacturer or distributor~~], may sell motor vehicles it owns to dealers through a licensed Texas wholesale motor vehicle auction. The department shall cancel a [A] GDN issued to a licensed manufacturer, distributor, or wholly owned subsidiary of a manufacturer or distributor [~~shall be canceled,~~] unless otherwise allowed under Occupations Code, Chapter 2301.

§215.115. Manufacturer, Distributor, and Converter Vehicle Sales Records.

(a) A manufacturer or distributor must maintain, for a minimum period of 48 months, a record of each vehicle sold to any person in this state. The manufacturer or distributor shall make the record available during business hours for inspection and copying by the department or be available to submit electronically to the department upon request.

(b) A converter must maintain, for a minimum period of 48 months, a record of each vehicle converted for a person in this state, including a Texas franchised dealer. The converter shall make the record available during business hours for inspection and copying by the department or be available to submit electronically to the department upon request.

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(c) A manufacturer, distributor, or converter is required to maintain at its licensed location a record reflecting each purchase, sale, or conversion for a minimum period of 24 months. Records for prior time periods may be kept off-site.

(d) Within 15 days of receipt of a request sent by mail or electronic document transfer from the department, a manufacturer, distributor, or converter must submit a copy of specified records to the address listed in the request.

(e) Records required to be maintained and made available to the department must include the following, if applicable:

(1) the date of sale or conversion of the motor vehicle;

(2) the VIN;

(3) the name and address of the person purchasing the motor vehicle;

(4) a copy of or a record with the information contained in the manufacturer's certificate of origin or title;

(5) information regarding the prior status of the motor vehicle such as the Reacquired Vehicle Disclosure Statement;

(6) the repair history of any motor vehicle subject to a warranty complaint;

(7) technical service bulletin or equivalent advisory; and

(8) any audit of a franchised dealership.

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(f) Any record required by the department may be maintained in an electronic format, if the electronic record can be printed at the licensed location upon request by the department or be available to submit electronically to the department upon request.

§215.120. Standard License Plates.

(a) A manufacturer, distributor, or converter may apply for a manufacturer or converter standard license plate for use on a new unregistered vehicle of the same vehicle type assembled or modified in accordance with Transportation Code §503.064 or §503.0618, as applicable:

(1) when applying for a new or renewal license, or

(2) by submitting a standard license plate request application electronically in the system designated by the department.

(b) A manufacturer may use a manufacturer's standard license plate to test a prototype motor vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry a load. A manufacturer's standard license plate may not be used on a commercial motor vehicle prototype or new commercial motor vehicle to carry a load for which the manufacturer or other person receives compensation.

(c) A manufacturer, distributor, or converter shall attach a standard license plate to the rear of a vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

(d) A manufacturer, distributor, or converter shall maintain a record of each standard license plate issued to the license holder [~~manufacturer, distributor, or converter~~] by the department either in

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the license holder's recordkeeping system or in the department-designated system. The license plate record must contain:

(1) the license plate number;

(2) the year and make of the vehicle to which the license plate is secured ~~[affixed]~~;

(3) the VIN of the vehicle, if one has been assigned; and

(4) the name of the person in control of the license plate.

(e) If a manufacturer, distributor, or converter cannot account for a standard license plate or a standard license plate is damaged, the manufacturer, distributor, or converter shall:

(1) document the license plate as "void" in the department-designated system; and

(2) within three days of discovering that the license plate is missing or damaged, report the license plate as lost, stolen, or damaged electronically in the system designated by the department; and

(3) if found after reported missing, cease use of the license plate.

(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.

(g) In evaluating requests for additional standard license plates from any eligible manufacturer, distributor, or converter ~~[license holder, including a franchised or other GDN dealer]~~, the department

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shall consider the business justification provided by that manufacturer, distributor, or converter, [a license holder] including the following:

(1) the number of vehicles assembled or modified in the prior 12 months at facilities in or serving the Texas market;

(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 license [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 [Department] in its discretion deems necessary to support the number of license plates requested.

(h) A manufacturer, distributor, or converter [a license holder] shall return a department-issued license plate to the department within 10 days of the license holder closing the associated license or the associated license being revoked, canceled, or closed by the department.

§215.121. 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;]~~

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1 ~~[(3) suspend a license;]~~

2 ~~[(4) assess a civil penalty;]~~

3 ~~[(5) issue a cease and desist order; or]~~

4 ~~[(6) take other authorized action.]~~

5 ~~[(b)]~~ The board or department may deny ~~[take action described in subsection (a) of this section~~
6 if] a license applicant, sanction a license holder, or take action against a person engaged in business for
7 which a license is required if the person:

8 (1) fails to maintain records required under this chapter;

9 (2) refuses or fails within 15 days to comply with a request for records made by a
10 representative of the department;

11 (3) sells or offers to sell a motor vehicle to a retail purchaser other than through a
12 licensed or authorized dealer;

13 (4) fails to submit a license amendment application in the electronic licensing system
14 designated by the department to notify the department of a change of the license holder's physical
15 address, mailing address, telephone number, or email address within 10 days of the change;

16 (5) fails to timely submit a license amendment application in the electronic licensing
17 system designated by the department to notify the department of a license holder's business or
18 assumed name change, deletion of a line-make, or management or ownership change;

19 (6) fails to notify the department or pay or reimburse a franchised dealer as required by
20 law;

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(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 501-504 [~~501-503~~] or 520 [~~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 §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines);

(12) is determined by the board or department, in accordance with §215.89 of this title (relating to Fitness), to be unfit to hold a license;

(13) omits information or makes a material misrepresentation in any application or other documentation filed with the department including providing a false or forged identity document or a false or forged photograph, electronic image, or other document;

(14) fails to remit payment as ordered for a civil penalty assessed by the board or department;

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(15) violates any state or federal law or regulation relating to the manufacture, distribution, modification, or sale of a motor vehicle;

(16) fails to issue a refund as ordered by the board or department;

(17) fails to participate in statutorily required mediation without good cause; ~~or~~

(18) fails to keep or maintain records required under Occupations Code, Chapter 2305, Subchapter D; or ~~or~~

(19) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records Disclosure Act, including a violation by an employee or other agent.

STATUTORY AUTHORITY. The department adopts a repeal 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

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1 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
2 Code, §411.122(d), which authorizes department access to criminal history record information
3 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
4 (2025), which authorizes the department to obtain criminal history record information from DPS and the
5 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
6 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
7 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
8 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
9 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
10 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
11 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
12 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
13 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
14 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
15 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
16 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
17 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
18 dealer complete web-based education and training developed or approved by the department;
19 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
20 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
21 Transportation Code, §503.061, which authorizes the board to adopt rules regulating the issuance of
22 dealer's license plates; and Transportation Code, §503.0631, which requires the board to adopt rules
23 necessary to implement and manage the department's database of dealer-issued license plates; and

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1 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
2 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
3 throughout this preamble.

4 The department also adopts a repeal under the authority of Government Code, §2001.039, in
5 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
6 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
7 the rule.

8 **CROSS REFERENCE TO STATUTE.** This repeal implements Government Code, Chapters 411 and 2001;
9 Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

10
11 ~~[\$215.101. Purpose and Scope.]~~

12 ~~[This subchapter implements Occupations Code, Chapters 2301 and 2305, and Transportation~~
13 ~~Code, Chapters 503, 504, 520, and 1001 – 1005, and applies to franchised dealers, manufacturers,~~
14 ~~distributors, and converters.]~~

15
16 **SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.**

17 **STATUTORY AUTHORITY.** The department adopts amendments to Chapter 215 under Occupations Code,
18 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
19 and the authority to take any action that is necessary or convenient to exercise that authority;
20 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
21 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
22 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in

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1 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
2 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
3 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
4 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
5 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
6 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
7 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
8 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
9 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
10 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
11 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
12 §503.0633, which allows the department to establish the maximum number of license plates or sets of
13 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
14 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
15 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
16 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
17 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
18 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
19 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of
20 the department's automated registration and titling system; Transportation Code, §730.014 which
21 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
22 Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are

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1 necessary and appropriate to implement the powers and the duties of the department, as well as the
2 statutes referenced throughout this preamble.

3 The department also adopts amendments under the authority of Transportation Code,
4 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
5 §2001.054, in addition to the statutory authority referenced throughout this preamble.

6 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
7 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
8 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
9 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,
10 §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation
11 Code, §520.003 authorizes the department to adopt rules to administer Chapter 520.

12 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
13 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
14 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
15 of a license.

16 **CROSS REFERENCE TO STATUTE.** These adopted new sections and amendments implement Government
17 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–
18 504, 520, 730, and 1002.

19
20 Text.

21 §215.132. Definitions.

22 The following words and terms, when used in this subchapter, shall have the following meanings,
23 unless the context clearly indicates otherwise.

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~~[(1) Barrier--A material object or set of objects that separates or demarcates.]~~

~~(1) [(2)] Buyer's license plate--A general issue license plate or set of license plates issued by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled and registered in Texas. [This term also includes a buyer's provisional license plate that a dealer issues when the general issue license plate or set of license plates for that vehicle or motor vehicle type is not in a dealer's license plate inventory at the time of retail sale.]~~

(2) Buyer's provisional license plate--A license plate that a dealer issues when at the time of a retail sale:

(A) the general issue license plate for that vehicle or motor vehicle type is not in a dealer's license plate inventory;

(B) the dealer has submitted an application for an exempt license plate for the vehicle and that application is pending department approval; or

(C) a retail buyer requires a commercial fleet specific use license plate and will obtain that license plate from the department.

(3) Buyer's temporary license plate--A temporary license plate issued by a dealer to a non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in accordance with Transportation Code, §503.063(i).

(4) 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.

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(6) 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) Municipality--As defined according to the Local Government Code, Chapter 1.

(8) Person--Has the meaning assigned by Occupations Code, §2301.002.

(9) Sale--With regard to a specific vehicle, the transfer of possession of that vehicle to a purchaser for consideration.

(10) Towable recreational vehicle--Has the same meaning as "house trailer" defined by this section.

(11) Travel Trailer--Has the same meaning as "house trailer" defined by this section.

(12) Vehicle--Has the meaning assigned by Transportation Code, §503.001.

(13) VIN--Vehicle identification number.

§215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

~~[(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.]~~

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1 (a) ~~[(e)]~~ A GDN dealer or wholesale motor vehicle auction license application must be on a
2 form prescribed by the department and properly completed by the applicant as required under
3 §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or
4 wholesale motor vehicle auction application must include all required information, required
5 supporting documents, and required fees and must be submitted to the department electronically
6 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle
7 auction GDN holder renewing or amending its GDN, or a dealer or wholesale motor vehicle auction
8 reapplying for a GDN, must enter or verify current license information, provide related information
9 and documents for any new requirements or changes to the GDN, and pay required fees including
10 any outstanding civil penalties owed the department under a final order. An applicant for a new
11 dealer or wholesale motor vehicle auction GDN must provide the following:

12 (1) Required information:

13 (A) type of GDN requested;

14 (B) business information, including the name, physical and mailing
15 addresses, telephone number, Secretary of State file number (as applicable), and website address,
16 as applicable;

17 (C) contact name, email address, and telephone number of the person
18 submitting the application;

19 (D) contact name, email address, and telephone number of a person who
20 can provide information about business operations and the motor vehicle products or services
21 offered;

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(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 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;

(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);

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- 1 (M) information about the business location and business premises,
2 including whether the applicant will operate as a salvage vehicle dealer at the location;
- 3 (N) history of insolvency, including outstanding or unpaid debts, judgments,
4 or liens, unless the debt was discharged under 11 U.S.C. §§101 et seq. (Bankruptcy Act) or is
5 pending resolution under a case filed under the Bankruptcy Act;
- 6 (O) signed Certification of Responsibility, which is a form provided by the
7 department; and
- 8 (P) if a dealer, whether the applicant repairs a motor vehicle with a catalytic
9 converter in Texas, and if so, the physical address where the repair is performed; and
- 10 (Q) any other information required by the department to evaluate the
11 application under current law and board rules.
- 12 (2) A legible and accurate electronic image of each applicable required document:
- 13 (A) proof of a surety bond if required under §215.137 of this title (relating
14 to Surety Bond);
- 15 (B) the certificate of filing, certificate of incorporation, or certificate of
16 registration on file with the Secretary of State, as applicable;
- 17 (C) each assumed name certificate on file with the Secretary of State or
18 county clerk;
- 19 (D) at least one of the following unexpired identity documents for each
20 natural person listed in the application:
- 21 (i) driver license;
- 22 (ii) Texas Identification Card issued by the Texas Department of
23 Public Safety under Transportation Code, Chapter 521, Subchapter E;

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(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

(J) any other documents required by the department to evaluate the application under current law and board rules.

(3) Required fees:

(A) the fee for each type of license requested as prescribed by law; and

(B) the fee, including applicable taxes, for each dealer's standard plate, and dealer's temporary license plate on or after July 1, 2025, requested by the applicant as prescribed by law.

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(b) [(d)] An applicant for a dealer or wholesale auction GDN must also comply with fingerprint requirements in §211.13 [~~§211.6~~] of this title (relating to Fingerprint Requirements for Designated License Types), as applicable.

(c) [(e)] An applicant for a GDN operating under a name other than the applicant's business name shall use the assumed name under which the applicant is authorized to do business, as filed with the Secretary of State or county clerk, and the assumed name of such legal entity shall be recorded by the applicant on the application using the letters "DBA." The applicant may not use a name or assumed name that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public.

(d) [(f)] A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or exchange vehicles at retail.

(e) [(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.

(f) [(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 dealer GDN does not have to hold a salvage vehicle dealer's license to:]

[(1) act as a salvage vehicle dealer or rebuilder; or]

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1 ~~[(2) store or display a motor vehicle as an agent or escrow agent of an insurance~~
2 ~~company.]~~

3 (g) ~~[(j)]~~ A person holding an independent motor vehicle dealer GDN and performing salvage
4 activities ~~[under subsection (i)]~~ must apply for a National Motor Vehicle Title Information System
5 (NMVTIS) identification number and provide the number to the department in the GDN
6 application.

7 (h) ~~[(k)]~~ To be eligible for an independent motor vehicle dealer GDN, a person must
8 complete dealer education and training specified by the department, except as provided in this
9 subsection:

10 (1) once a person has completed the required dealer education and training, the
11 person will not have to retake the dealer education and training for subsequent GDN renewals, but
12 may be required to provide proof of dealer education and training completion as part of the GDN
13 renewal process;

14 (2) a person holding an independent motor vehicle dealer GDN for at least 10 years
15 as of September 1, 2019, is exempt from the dealer education and training requirement; and.

16 (3) a military service member, military spouse, or military veteran will receive
17 appropriate credit for prior training, education, and professional experience and may be exempted
18 from the dealer education and training requirement.

19
20 §215.134. Requirements for a Drive-a-way Operator In-Transit License.

21 ~~[(a) No drive a way operator may engage in business in Texas unless that person has a~~
22 ~~currently valid drive a way operator in transit license issued by the department.]~~

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1 (a) ~~[(b)]~~ A drive-a-way operator in-transit license application must be on a form prescribed
2 by the department and properly completed by the applicant as required under §215.83 of this title
3 (relating to License Applications, Amendments, or Renewals). A drive-a-way operator in-transit
4 application must include all required information, required supporting documents, and required
5 fees, and must be submitted to the department electronically in the licensing system designated
6 by the department.

7 (b) ~~[(c)]~~ A drive-a-way operator in-transit license holder renewing or amending its license
8 must verify current license information, provide related information and documents for any new
9 requirements or changes to the license, and pay required fees.

10 (c) ~~[(d)]~~ An applicant for a new license must register for an account in the department-
11 designated licensing system by selecting the licensing system icon on the dealer page of the
12 department website. An applicant must designate the account administrator and provide the name
13 and email address for that person, and provide the business telephone number, name, business
14 type, and social security number or employer identification number, as applicable. The applicant's
15 licensing account administrator must be an owner, officer, manager, or bona fide employee.

16 (d) ~~[(e)]~~ Once registered, an applicant may apply for a new license and must provide the
17 following:

18 (1) Required information:

19 (A) type of license requested;

20 (B) business information, including the name, physical and mailing

21 addresses, telephone number, Secretary of State file number (as applicable), and website address,
22 as applicable;

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- 1 (C) contact name, email address, and telephone number of the person
2 submitting the application;
- 3 (D) contact name, email address, and telephone number of a person who
4 can provide information about business operations and the motor vehicle services offered;
- 5 (E) the name, social security number, date of birth, identity document
6 information, and ownership percentage for each owner, partner, member, beneficiary, or principal
7 if the applicant is not a publicly traded company;
- 8 (F) the name, social security number, date of birth, and identity document
9 information for each officer, director, manager, trustee, or other representative authorized to act
10 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;
- 11 (G) the name, employer identification number, ownership percentage, and
12 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;
- 13 (H) criminal history record information under the laws of Texas, another
14 state in the United States, the United States, and any foreign jurisdiction for each person listed in
15 the application, including offense description, date, and location;
- 16 (I) military service status;
- 17 (J) licensing history required to evaluate fitness for licensure under §215.89
18 of this title (relating to Fitness);
- 19 (K) signed Certification of Responsibility, which is a form provided by the
20 department; and
- 21 (L) any other information required by the department to evaluate the
22 application under current law and board rules.
- 23 (2) A legible and accurate electronic image of each applicable required document:

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(A) the certificate of filing, certificate of incorporation, or certificate of registration on file with the Secretary of State, as applicable;

(B) each assumed name certificate on file with the Secretary of State or county clerk;

(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 military identification card;

(D) a list of manufacturers, distributors, dealers, or auctions for which the applicant provides drive-a-way services;

(E) a description of the business model or business process, transportation methods, compensation agreements, products, and services used or offered sufficient to allow department to determine if the license type applied for is appropriate under Texas law; and

(F) 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

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(B) the fee, including any taxes, for each drive-a-way in-transit standard license plate requested by the applicant as prescribed by law.

(e) ~~[(f)]~~ An applicant for a drive-a-way operator in-transit license must also comply with fingerprint requirements in §211.13 ~~[\$211.6]~~ of this title (relating to Fingerprint Requirements for Designated License Types).

(f) ~~[(g)]~~ An applicant operating under a name other than the applicant's business name shall use the name under which the applicant is authorized to do business, as filed with the Secretary of State or county clerk, and the assumed name of such legal entity shall be recorded by the applicant on the application using the letters "DBA." The applicant may not use a name or assumed name that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public.

§215.137. Surety Bond.

(a) The surety bond required by Transportation Code, §503.033 shall be in the legal business name in which the dealer's GDN will be issued and shall contain the complete physical address of each location licensed under the GDN that the surety bond is intended to cover.

(b) A surety bond executed by an agent representing a bonding company or surety must be supported by an original power of attorney from the bonding company or surety.

(c) The identity of the obligee on a surety bond or a rider to a surety bond must be approved by the department. An obligee may be identified as:

(1) a person who obtains a court judgment assessing damages and attorney's fees for an act or omission on which the bond is conditioned; or

(2) unknown.

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(d) A bonding company that pays any claim against a surety bond shall immediately report the payment to the department.

(e) A bonding company shall give written notice to the department 30 days prior to canceling any surety bond.

~~[(f) The surety bond required by this section does not apply to a:]~~

~~[(1) franchised motor vehicle dealer licensed by the department;]~~

~~[(2) franchised motorcycle dealer licensed by the department;]~~

~~[(3) franchised house trailer or travel trailer dealer licensed by the department; or]~~

~~[(4) trailer or semitrailer dealer licensed by the department.]~~

§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. The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If the owner or a bona fide employee is not available to conduct business during the retail dealer's posted

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business hours due to special circumstances or emergencies, a separate sign must be posted indicating the date and time the retail dealer will resume operations. Regardless of the retail dealer's business hours, the retail dealer's 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.

(2) Business hours for wholesale motor vehicle dealers. A dealer that holds only a wholesale motor vehicle dealer's GDN must post its business hours at the main entrance of the wholesale motor vehicle dealer's office in a manner and location that is accessible to the public. A wholesale motor vehicle dealer or bona fide employee shall be at the wholesale motor vehicle dealer's licensed location at least two weekdays per week for at least two consecutive hours per day. A wholesale motor vehicle dealer may not be open solely by appointment. Regardless of the wholesale motor vehicle dealer's business hours, the wholesale motor vehicle dealer's 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) Business sign requirements for retail dealers.

(A) A retail dealer must display a conspicuous, permanent sign with legible letters at least six inches in height showing the retail dealer's business name or assumed name substantially similar to the name reflected on the retail dealer's GDN under which the retail dealer 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.

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1 (B) The sign must be permanently mounted at the physical address listed on the
2 application for the retail dealer's GDN. A business sign is considered permanently mounted if bolted to
3 an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign support permanently
4 installed in the ground, or permanently affixed or etched on an exterior window, wall, or door.

5 (C) A retail dealer may use a temporary sign or banner if that retail dealer can
6 show proof that a sign that meets the requirements of this paragraph has been ordered and provides a
7 written statement that the sign will be promptly and permanently mounted upon delivery.

8 (D) A retail dealer is responsible for ensuring that the business sign complies
9 with municipal ordinances, and that any lease signage requirements are consistent with the signage
10 requirements in this paragraph.

11 (4) Business sign requirements for wholesale motor vehicle dealers.

12 (A) Exterior Sign

13 (i) A wholesale motor vehicle dealer must display a conspicuous,
14 permanent sign with legible letters at least six inches in height showing the wholesale motor vehicle
15 dealer's business name or assumed name substantially similar to the name reflected on the wholesale
16 motor vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective
17 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
18 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to
19 the public within 100 feet of the main entrance of the business office. A business sign is considered
20 permanent only if it is made of durable, weather-resistant material.

21 (ii) The sign must be permanently mounted on the business property at
22 the physical address listed on the application. A business sign is considered permanently mounted if

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1 bolted to an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign support
2 permanently installed in the ground, or permanently affixed or etched on an exterior window, wall, or
3 door. A wholesale motor vehicle dealer may use a temporary exterior sign or banner if the wholesale
4 motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been
5 ordered and provides a written statement that the sign will be promptly and permanently mounted upon
6 delivery.

7 (B) Interior Sign

8 (i) If the wholesale motor vehicle dealer's office is located in an office
9 building with one or more other businesses and an outside sign is not permitted by the property owner,
10 a conspicuous permanent business sign permanently mounted on or beside the main door to the
11 wholesale motor vehicle dealer's office with legible letters at least two inches in height is acceptable.
12 Effective September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed
13 Dealers" in letters at least one inch in height.

14 (ii) An interior business sign is considered conspicuous if it is easily
15 visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office.
16 An interior sign is considered permanent if made from durable material and has lettering that cannot be
17 changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed
18 to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or
19 banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of
20 this paragraph has been ordered and provides a written statement that the sign will be promptly and
21 permanently mounted upon delivery.

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1 (C) A wholesale motor vehicle dealer is responsible for ensuring that the
2 business sign complies with municipal ordinances and that any lease signage requirements are
3 consistent with the signage requirements in this paragraph.

4 (5) Office requirements for a retail dealer and a wholesale motor vehicle dealer.

5 (A) A dealer's office must be located in a building with a permanent roof and
6 connecting exterior walls on all sides.

7 (B) A dealer's office must comply with all applicable municipal ordinances,
8 including municipal zoning ordinances. The dealer is responsible for obtaining a certificate of occupancy,
9 certificate of compliance, or other required document issued by a municipal government to show
10 compliance, including a new certificate or document when the building is altered or remodeled, or when
11 the building use changes.

12 (C) A dealer's office may not be located in a residence, apartment, hotel, motel,
13 rooming house, or any room or building not open to the public.

14 (D) A dealer's office may not be located in a restaurant, gas station, or
15 convenience store, unless the office has a separate entrance door that does not require a dealer's
16 customer to pass through the other business.

17 (E) A dealer's office may not be virtual or provided by a subscription for office
18 space or office services. Access to an office space or office services is not considered an established and
19 permanent location.

20 (F) The physical address of the dealer's office must be in Texas and recognized by
21 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 licensed physical location or other physical location listed in the dealer's license record and approved by the department.

(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;

(D) a working telephone number listed in the business name or assumed name under which the dealer conducts business; and

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1 (E) a locked and secured room or closet or at least one securely locked,
2 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
3 safe or steel cabinet cannot be readily removed and of sufficient size to store all ~~dealer's and buyer's~~
4 license plates ~~[in a dealer's possession including unissued and unassigned buyer's license plates]~~.

5 (7) Number of retail dealers in one building. Not more than four retail dealers may be
6 located in the same building. Each retail dealer located in the same building must meet the requirements
7 of this section.

8 (8) Number of wholesale motor vehicle dealers in one office building. Not more than
9 eight wholesale motor vehicle dealers may be located in the same office building. Each wholesale motor
10 vehicle dealer located in the same office building must meet the requirements of this section.

11 (9) Office sharing prohibition for retail dealers and wholesale motor vehicle dealers.
12 Unless otherwise authorized by the Transportation Code, a retail dealer and a wholesale motor vehicle
13 dealer licensed after September 1, 1999, may not be located in the same building.

14 (10) Dealer housed with other business.

15 (A) If a person conducts business as a dealer in conjunction with another
16 business owned by the same person and under the same name as the other business, the same
17 telephone number may be used for both businesses. If the name of the dealer differs from the name of
18 the other business, a separate telephone listing and a separate sign for each business are required.

19 (B) A person may conduct business as a dealer in conjunction with another
20 business not owned by that person only if the dealer owns the property on which business is conducted
21 or has a separate lease agreement from the owner of that property that meets the requirements of this

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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.

(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

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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.

(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 permanent signage identifying the area as reserved display space for that retail dealer's inventory. ~~[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 permanent signage identifying the area as reserved display space for that retail dealer's inventory. ~~[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.]~~

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1 (C) A GDN holder may maintain a storage lot only if the storage lot is not
2 accessible to the public and no sales activity occurs at the storage lot. A sign stating the license holder's
3 name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be
4 fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or
5 applicant must disclose the address of a storage lot or the location of a vehicle in inventory upon request
6 by the department.

7 (12) Dealers authorized to sell salvage motor vehicles. If an independent motor vehicle
8 dealer offers a salvage motor vehicle for sale on the dealer's premises, the vehicle must be clearly and
9 conspicuously marked with a sign informing a potential buyer that the vehicle is a salvage motor vehicle.

10 (13) Lease requirements. If the premises from which a dealer conducts business,
11 including any display area, is not owned by the dealer, the dealer must maintain a lease that is
12 continuous during the period of time for which the dealer's license will be issued. The lease agreement
13 must be on a properly executed form containing at a minimum:

14 (A) the name of the property owner as the lessor of the premises and the name
15 of the dealer as the tenant or lessee of the premises;

16 (B) the period of time for which the lease is valid;

17 (C) the street address or legal description of the property, provided that if only a
18 legal description of the property is included, a dealer must attach a statement verifying that the property
19 description in the lease agreement is the physical street address identified on the application as the
20 physical address for the established and permanent place of business;

21 (D) the signature of the property owner as the lessor and the signature of the
22 dealer as the tenant or lessee; and

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(E) if the lease agreement is a sublease in which the property owner is not the lessor, the dealer 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 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

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1 circumstances or emergencies, a separate sign must be posted indicating the date and time operations
2 will resume.

3 (2) the business telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a
4 bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must
5 be able to speak to a natural person or leave a message during these hours.

6 (3) a wholesale motor vehicle auction GDN holder must display a business sign that
7 meets the following requirements:

8 (A) The sign must be a conspicuous, permanent sign with legible letters at least
9 six inches in height showing the business name or assumed name substantially similar to the name
10 reflected on the GDN under which the GDN holder conducts business. A business sign is considered
11 conspicuous if it is easily visible to the public within 100 feet of the main entrance of the business office.
12 A business sign is considered permanent only if it is made of durable, weather-resistant material.

13 (B) The sign must be permanently mounted at the physical address listed on the
14 application for the wholesale motor vehicle auction GDN. A business sign is considered permanently
15 mounted if bolted to an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign
16 support permanently installed in the ground, or permanently affixed or etched on an exterior window,
17 wall, or door.

18 (C) An applicant may use a temporary sign or banner if the applicant can show
19 proof that a sign that meets the requirements of this paragraph has been ordered and provides a written
20 statement that the sign will be promptly and permanently mounted upon delivery.

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1 (D) An applicant or holder is responsible for ensuring that the business sign
2 complies with municipal ordinances, and that any lease signage requirements are consistent with the
3 signage requirements in this paragraph.

4 (4) The business office of a wholesale motor vehicle auction GDN applicant and holder
5 must meet the following requirements:

6 (A) The office must be located in a building with a permanent roof and
7 connecting exterior walls on all sides.

8 (B) The office must comply with all applicable municipal ordinances, including
9 municipal zoning ordinances. The wholesale motor vehicle auction is responsible for obtaining a
10 certificate of occupancy, certificate of compliance, or other required document issued by a municipal
11 government to show compliance, including a new certificate or document when the building is altered or
12 remodeled, or when the building use changes.

13 (C) The office may not be located in a residence, apartment, hotel, motel,
14 rooming house, or any room or building not open to the public.

15 (D) The office may not be located in a restaurant, gas station, or convenience
16 store, unless the office has a separate entrance door that does not require a customer to pass through
17 the other business.

18 (E) The office may not be virtual or provided by a subscription for office space or
19 office services. Access to office space or office services is not considered an established and permanent
20 location.

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1 (F) The physical address of the office must be in Texas and recognized by the U.S.

2 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property

3 address.

4 (G) A portable-type office building may qualify as an office only if the building

5 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

6 (5) A wholesale motor vehicle auction GDN applicant and holder must have the following

7 office equipment:

8 (A) a desk;

9 (B) a chair;

10 (C) internet access; and

11 (D) a working telephone number listed in the business name or assumed name

12 under which business is conducted.

13 (6) A wholesale motor vehicle auction must meet the following display area and storage

14 lot requirements:

15 (A) The area designated as display space for inventory must be located at the
16 physical business address or contiguous to the physical address. The display area may not be in a storage
17 lot.

18 (B) The display area must be of sufficient size to display at least five vehicles.

19 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,
20 employee parking, general storage, or shared or intermingled with another business or a public parking
21 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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1 §215.141. Sanctions.

2 ~~[(a) The board or department may take the following actions against a license applicant, a license~~
3 ~~holder, or a person engaged in business for which a license is required:]~~

4 ~~[(1) deny an application;]~~

5 ~~[(2) revoke a license;]~~

6 ~~[(3) suspend a license;]~~

7 ~~[(4) assess a civil penalty;]~~

8 ~~[(5) issue a cease and desist order; or]~~

9 ~~[(6) take other authorized action.]~~

10 ~~[(b)]~~ The board or department may deny ~~[take action described in subsection (a) of this section~~
11 ~~if]~~ a license applicant, sanction a license holder, or take action against a person engaged in business for
12 which a license is required if the person:

13 (1) fails to maintain a good and sufficient bond or post the required bond notice if
14 required under Transportation Code §503.033 (relating to Security Requirement);

15 (2) fails to meet or maintain the requirements of §215.140 of this title (relating to
16 Established and Permanent Place of Business Premises Requirements);

17 (3) fails to maintain records required under this chapter;

18 (4) refuses or fails to comply with a request by the department for electronic records or
19 to examine and copy electronic or physical records during the license holder's business hours at the
20 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 sells or offers to sell a motor
13 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) issues more than one buyer's license plate 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 501 - 504, or 520 ~~[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 §211.10 ~~[§211.3]~~ of this title (relating to Criminal Offense Guidelines);

(18) is determined by the board or department, in accordance with §215.89 of this title (relating to Fitness), to be unfit to hold a license;

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(19) has not assigned at least five vehicles in the prior 12 months, provided the dealer has been licensed more than 12 months;

(20) files or provides a false or forged:

(A) title document, including an affidavit making application for a certified copy of a title; or

(B) tax document, including a sales tax statement or affidavit;

(21) uses or allows use of that dealer's license or location for the purpose of avoiding a provision of Occupations Code, Chapter 2301, 2302, and 2305; Transportation Code, Chapters 503 [~~and 1001—1005~~]; or other laws;

(22) omits information or makes a material misrepresentation in any application or other documentation filed with the department including providing a false or forged identity document or a false or forged photograph, electronic image, or other document;

(23) fails to remit payment as ordered for a civil penalty assessed by the board or department;

(24) sells a new motor vehicle without a franchised dealer's license issued by the department;

(25) fails to comply with a dealer responsibility under §215.150 of this title (relating to Dealer Authorization to Issue License Plates);

(26) [~~on or after July 1, 2025,~~] fails to securely store a license plate or fails to destroy a [~~previously issued but currently unassigned~~] license plate within the time prescribed by statute;

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(27) fails to maintain a record of dealer license plates as required under §215.138 of this title (relating to Use of Dealer's License Plates);

(28) ~~[on or after July 1, 2025,]~~ fails to file or enter a vehicle transfer notice;

(29) fails to enter a lost, stolen, or damaged license plate in the electronic system designated by the department within the time limit prescribed by rule;

(30) violates any state or federal law or regulation relating to the sale of a motor vehicle;

(31) knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or reconstructed and issued a title under Transportation Code, §501.100 (relating to Application for Regular Certificate of Title for Salvage Vehicle);

(32) fails to issue a refund as ordered by the board or department;

(33) fails to acquire or maintain a required certificate of occupancy, certificate of compliance, business license or permit, or other official documentation for the licensed location confirming compliance with county or municipal laws or ordinances or other local requirements for a vehicle business;

(34) ~~[on or after July 1, 2025,]~~ fails to remove a license plate from a vehicle as required by statute or rule; ~~[or]~~

(35) fails to keep or maintain records required under Occupations Code, Chapter 2305, Subchapter D or to allow an inspection of these records by the department; ~~[-]~~

(36) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records Disclosure Act, including a violation by an employee or other agent; or

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(37) issues the wrong type of license plate based on the transaction or vehicle type;

(38) secures a license plate to a sold vehicle but fails to assign the license plate to the

vehicle in the system designated by the department; or

(39) voids and reissues the same license plate to a buyer to extend a title or registration

filing deadline.

§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.

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(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.

(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;

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(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);

(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;

(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, unless prohibited by federal law;

(M) the odometer disclosure statement properly executed by the motor vehicle seller and acknowledged by the purchaser ~~signed by the buyer~~, unless the vehicle is exempt; ~~and~~

(N) the rebuilt salvage disclosure, if applicable; and [-]

(O) the dealer's copy of the buyer's license plate receipt.

(9) the original manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a 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 by the dealer;

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1 (10) the dealer's monthly Motor Vehicle Seller Financed Sales Returns, if any; and

2 (11) if the vehicle sold is a motor home or a towable recreational vehicle subject to

3 inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at

4 the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

5 (f) Title assignments.

6 (1) For each vehicle a dealer acquires or offers for sale, the dealer must properly take

7 assignment in the dealer's name of any:

8 (A) title;

9 (B) manufacturer's statement of origin;

10 (C) manufacturer's certificate of origin; or

11 (D) other evidence of ownership.

12 (2) Unless not required by Transportation Code, §501.0234(b), a dealer must apply in the

13 name of the purchaser of a vehicle for the title and registration, as applicable, of the vehicle with a

14 county tax assessor-collector.

15 (3) To comply with Transportation Code, §501.0234(f), a title or registration is considered

16 filed within a reasonable time if filed within:

17 (A) 30 days of the vehicle sale date; or

18 (B) 45 days of the vehicle sale date for a dealer-financed transaction; or

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(C) 60 days of the vehicle sale date for a vehicle purchased by a member or reserve member of the United States armed forces, Texas National Guard, or National Guard of another state serving on active duty.

(4) The dealer is required to provide to the purchaser the receipt for the title and registration application.

(5) The dealer is required to maintain a copy of the receipt for the title and registration application in the dealer's sales file.

(g) Out-of-state sales. For a sale involving a vehicle to be transferred out of state, the dealer must:

(1) within 30 days of the date of sale, either file the application for certificate of title on behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser; and

(2) maintain in the dealer's record at the dealer's licensed location a photocopy of the completed sales tax exemption form for out of state sales approved by the Texas Comptroller of Public Accounts.

(h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle, take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for 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 GDN holder that acts as a public motor vehicle auction:

(A) is not required to take assignment of title of a vehicle before offering the vehicle for sale at auction;

(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.

(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 License Plate [~~Buyer's License Plates~~] General Use Requirements) regarding requirements to enter information into the department-designated electronic system for license plates.

§215.145. Change of Dealer's Status.

(a) A dealer's name change requires a new bond or a rider to the existing bond reflecting the new name, unless the dealer is not otherwise required to purchase a bond.

(b) A dealer shall notify the department in writing within 10 days of a change of ownership by submitting a license amendment application in the department-designated electronic licensing system. A licensed dealer that proposes to sell or assign to another any interest in the licensed entity, whether a

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1 corporation or otherwise, and provided the physical location of the licensed entity remains the same,
2 shall notify the department in writing within 10 days of the change by filing an application to amend the
3 license in the department-designated electronic licensing system. If the sale or assignment of any
4 portion of the business results in a change of entity, then the new entity must apply for and obtain a new
5 license. A publicly held corporation only needs to inform the department of a change in ownership if one
6 person or entity acquires a 10% or greater interest in the licensed entity.

7 (c) Upon the death of a dealer operating as a sole proprietor, either the surviving spouse of the
8 deceased dealer or other individual deemed qualified by the department shall submit to the department
9 a bond rider adding the name of the surviving spouse or other qualifying person to the bond for the
10 remainder of the bond and license term. The surviving spouse or other qualifying person may continue
11 operating under the current dealer license until the end of the license term.

12 (d) For purposes of subsection (c) of this section, the sole proprietor's surviving spouse may
13 change the ownership of the dealership at the time the license is renewed without applying for a new
14 GDN. At the time the renewal application is filed, the sole proprietor's surviving spouse must submit to
15 the department:

16 (1) an amendment application [~~to amend the business entity~~];

17 (2) a copy of the sole proprietor's certificate of death, naming the surviving spouse;

18 (3) the required ownership information; and

19 (4) if applicable, a bond in the name of the surviving spouse.

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(e) For purposes of subsection (c) of this section, a qualifying person who is not the surviving spouse may operate the sole proprietorship business during the term of the license. The qualifying person must file with the department:

(1) an amendment application ~~[to amend the business entity,]~~ identifying the qualifying person as the manager;

(2) an ownership information form, indicating that the qualifying person has no ownership interest in the business; and

(3) a bond rider adding the qualified person's name to the existing bond.

(f) For purposes of subsection (c) of this section, a qualifying person who is not the surviving spouse must file with the department an application for a new GDN on or before the expiration of the license term in the department-designated electronic licensing system.

(g) A determination made under this section does not impact a decision made by the board under Occupations Code, §2301.462 (relating to Succession Following Death of Franchised Dealer).

(h) A dealer shall notify the department in writing within 10 days of a change in dealer principal or other person who oversees a dealer's business activities, including a change resulting from a receiver being appointed or a dealer filing bankruptcy, by submitting a license amendment application in the electronic licensing system designated by the department.

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1 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

2 (a) A dealer or governmental agency is required to have internet access to connect to
3 webDEALER and the license plate system maintained by the department and is responsible for verifying
4 receipt of license plates in the license plate system.

5 (b) Except as provided by §215.157 of this title (relating to Issuing Buyer's License Plates and
6 License Plate Receipts When Internet Not Available) before a license plate may be issued or secured on a
7 vehicle, a dealer or governmental agency must enter in the license plate system true and accurate
8 information about:

9 (1) the vehicle;

10 (2) the buyer; and

11 (3) the license plate number issued or assigned to the vehicle.

12 (c) The department will inform each dealer annually of the maximum number of new buyer's
13 license plates the dealer is authorized to obtain during the calendar year under Transportation Code,
14 §503.063, including:

15 (1) an allotment of buyer's license plates to be issued to a buyer of a vehicle that is to be
16 titled and registered in Texas, and

17 (2) a separate allotment of buyer's temporary license plates to be issued to a non-
18 resident buyer for a vehicle that will be registered and titled in another state.

19 (d) The department will calculate a dealer's maximum annual allotment of new buyer's license
20 plates and buyer's temporary license plates based on the following formula:

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(1) Vehicle title transfers, sales, or license plate issuance data determined from the department's systems from the previous fiscal year;

(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 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, 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, not less than zero, to determine the dealer's annual allotment; and

(4) the department may increase or decrease the annual allotment 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.

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(e) A dealer licensed after the commencement of a calendar year shall be allocated the number of buyer's license plates and buyer's temporary plates allocated in this subsection prorated on all or part of the remaining months until the commencement of the calendar year after the dealer's initial license expires. The department shall determine the initial allocations ~~[The initial allocations shall be as determined by the department]~~ in granting the license, but not more than:

(1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised dealer unless the dealer provides credible information indicating that a greater number of buyer's license plates is warranted based on anticipated sales, and growth, to include new and used vehicle sales, including information from the manufacturer or distributor, or as otherwise provided in this section.

(2) 100 buyer's license plates and 48 buyer's temporary license plates for a nonfranchised dealer unless the dealer provides credible information indicating that a greater number of license plates is warranted based on anticipated sales as otherwise provided in this section.

(f) An existing dealer that is:

(1) moving its operations from one location to a different location will continue with its allotment of buyer's license plates and buyer's temporary license plates and not be allocated license plates under subsection (e) of this section;

(2) opening an additional location will receive a maximum allotment of buyer's license plates and buyer's temporary license plates based on the greater of the allotment provided to existing locations, including franchised dealers opening additional locations for different line makes, or the amount under subsection (e) of this section;

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(3) purchased as a buy-sell ownership agreement will receive the maximum allotment of buyer's license plates and buyer's temporary license plates provided to the location being purchased and not be allocated license plates under subsection (e) of this section; and

(4) inherited by will or laws of descent will receive the maximum allotment of buyer's license plates and buyer's temporary license plates provided to the location being inherited and not be allocated license plates under subsection (e) of this section.

(g) A new dealer may also provide credible information supporting a request for additional or fewer buyer's license plates and buyer's temporary license plates to the amount allocated under subsection (e) of this section based on:

(1) franchised dealer, manufacturer, or distributor sales expectations;

(2) a change in GDN required by death or retirement, except as provided in subsection (f) of this section;

(3) prior year's sales by a dealer moving into the state; or

(4) other similar change of location or ownership that indicates some continuity in existing operations.

(h) The annual allotment of buyer's ~~issue~~ license plates and buyer's temporary license plates will each be divided by four and allocated to a dealer on a quarterly basis, unless a dealer sells only antique or special interest vehicles as defined by Transportation Code, §683.077(b), in which case each allocation may be divided by two and allocated on a half-yearly basis. A dealer's remaining unissued license plates at the end of the allocation period will count towards the dealer's next allotment.

(i) A dealer is not eligible to receive a quarterly allocation in the following circumstances:

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(1) the dealer's license has been closed, canceled, or revoked in a final order;

(2) the department has issued a notice of department decision under §224.56 of this

title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of

this title (relating to Established and Permanent Place of Business Premises Requirements) and appears

to have abandoned the licensed location;

(3) the department has denied the dealer access to the temporary tag system or the

license plate system in accordance with §224.58 of this title (relating to Denial of Dealer Access to

License Plate System) and Transportation Code, §503.0633(f);

(4) a dealer fails a compliance review performed by the department under

Transportation Code, §503.063(d);

(5) the dealer license expires during that quarter and the dealer has not submitted a

license renewal application to the department;

(6) a dealer does not have an owner or bona fide employee at the licensed location

during posted business hours to accept a license plate delivery and the delivery service has notified the

department that a license plate shipment is undeliverable; [or]

(7) a dealer fails to keep license plates or the license plate system secure; or [-]

(8) an applicant or licensed dealer has filed a change of address with the department for

the licensed location and the new location has not been approved by the department.

(j) A dealer with an active license and access to the license plate database who is ineligible to

receive a quarterly allocation under subsection (i) of this section may request the department conduct a

compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to

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1 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department
2 will conduct the compliance review within 14 days of the dealer's request.

3 (k) A dealer who has an active license but is not eligible to receive a quarterly allocation under
4 subsection (i) of this section may obtain buyer's license plates from a county tax assessor-collector or
5 department regional service center, as directed by the department.

6 (l) A dealer may request more buyer's license plates or buyer's temporary license plates:

7 (1) after using 50 percent of the quarterly allocation of buyer's license ~~[general issue]~~
8 plates or buyer's ~~[buyer]~~ temporary plates, a dealer may request an advance on the next quarter's
9 allotment; or

10 (2) after using 50 percent of the allotted annual maximum number of buyer's license
11 ~~[general issue]~~ plates or buyer's ~~[buyer]~~ temporary plates a dealer may request an increase in the annual
12 allotted number of license plates.

13 (m) A dealer may request fewer buyer's license plates or buyer's temporary license plates:

14 (1) after using less than 50 percent of the quarterly allocation of buyer's ~~[general issue]~~
15 license plates or buyer's ~~[buyer]~~ temporary license plates in a quarter; or

16 (2) after using less than 50 percent of the allotted annual maximum number of buyer's
17 ~~[general issue]~~ license plates or buyer's ~~[buyer]~~ temporary license plates in a year.

18 (n) To request ~~[receive]~~ more buyer's license plates or buyer's temporary license plates or to
19 request a decrease in a quarterly or annual allocation, a dealer must submit a request in the
20 department's designated license plate system.

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(o) A dealer requesting an increase or decrease in the maximum annual allotment of buyer's license plates or buyer's temporary license plates must provide information demonstrating the need for additional license plates results from business operations, including anticipated needs, as required by Transportation Code, §503.0633(c). Information may include documentation of sales and tax reports filed as required by law, information of anticipated need, or other information of the factors listed in Transportation Code, §503.0633(b).

(1) The department shall consider the information presented and may consider information not presented that may weigh for or against granting the request that the department in its sole discretion determines to be relevant in making its determination. Other relevant information may include information of the factors listed in Transportation Code, §503.0633(b), the timing of the request, and the dealer's [~~requestor's~~] license plate activity.

(2) The department may allocate a lesser or greater number of license plates than the amount requested. Allocation of a lesser or greater number of license plates is not a denial of the request. Allocation of license plates under this paragraph does not limit the dealer's ability to submit additional requests.

(3) If a request is denied, the denial will be sent to the dealer by email to the requestor's email address.

(A) A dealer may appeal the denial to the designated director in the Vehicle Titles and Registration Division.

(B) The appeal must be requested through the designated license plate system within 15 days of the date the department emailed the denial to the dealer.

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1 (C) The appeal may discuss information provided in the request but may not
2 include additional information.

3 (D) The designated director in the Vehicle Titles and Registration Division will
4 review the appeal and any additional statements concerning the information submitted in the original
5 request and render an opinion within 15 days of receiving the appeal. The designated director in the
6 Vehicle Titles and Registration Division may decide to deny the appeal or award an amount of license
7 plates that is lesser, equal to, or greater than the request.

8 (E) The requesting dealer will be notified as follows:

9 (i) If the designated director in the Vehicle Titles and Registration
10 Division decides to deny the appeal, the department will contact the requesting dealer by email
11 regarding the decision and options to submit a new request with additional relevant credible supporting
12 documentation or to pursue a claim in district court; or

13 (ii) If the designated director in the Vehicle Titles and Registration
14 Division awards an amount of license plates that is lesser, equal to, or greater than the request, the
15 dealer's allocation will be adjusted and the dealer will be contacted by email regarding the decision,
16 informed that the request has not been denied, and informed about options to submit a new request.

17 (4) The designated director in the Vehicle Titles and Registration Division's decision on
18 appeal is final.

19 (5) Once a denial is final, a dealer may only submit a subsequent request during that
20 calendar year if the dealer is able to provide additional information not considered in a prior request.

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(p) A change in the allotment under subsection (l) [(i)] of this section does not create a dealer base for subsequent year calculations.

(q) The department may at any time initiate an enforcement action against a dealer if license plate system activity suggests that misuse or fraud has occurred as described in Transportation Code §503.0633(f) or §503.0671.

§215.153. Dealer's Use of Buyer's Provisional License Plates.

(a) In the license plate system designated by the department, a dealer may order buyer's provisional license plates for the class of vehicle for which the dealer holds a GDN, and must manage buyer's provisional license plate inventory within the buyer's license plate allocation provided by §215.152 of this title (relating to Obtaining Dealer-Issued Buyer's License Plates). A dealer may be required to submit information supporting a request for buyer's provisional license plates, such as anticipated fleet vehicle sales based on sales history or orders in process.

(b) When a purchased vehicle is eligible for a general issue license plate and a general issue license plate for that vehicle type is not in a dealer's license plate inventory and the purchaser does not have an existing license plate eligible to be reassigned, a dealer must assign a buyer's provisional license plate to the vehicle by securing the provisional license plate to the vehicle and entering the license plate information into the license plate system designated by the department consistent with the requirements of §215.151 of this title (relating to License Plate General Use Requirements) and §215.155 of this title (relating to Buyer's License Plates).

(c) When a purchased vehicle is eligible for an exempt license plate, a dealer may issue a buyer's provisional license plate for use on the vehicle until the department processes the exempt license plate

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1 application. If the department does not approve the exempt license plate application, a dealer must
2 issue a general issue license plate, and the retail buyer must pay the related registration fee.

3 (d) When a purchased vehicle is eligible for a commercial fleet license plate, such as an
4 apportioned, forestry, token, combination, extended trailer, or multi-year license plate, a dealer may
5 issue a buyer's provisional license plate for use on the vehicle. The retail purchaser is responsible for
6 requesting the appropriate commercial fleet license plate in the department's designated system.

7 (e) Unless the sale is of a commercial fleet vehicle, the selling dealer is responsible for promptly:

8 (1) submitting the title and registration application to the county tax assessor-collector;

9 (2) removing the buyer's provisional license plate if secured to the vehicle; and

10 (3) securing the assigned license plate to the vehicle if that license plate is provided to
11 the dealer by either the county tax assessor-collector or the retail buyer.

12 (f) A buyer's provisional license plate is for temporary use only and expires 14 days after a
13 general issue, exempt, commercial fleet, or other eligible license plate is assigned to the vehicle.

14 (g) A dealer must mark and destroy an expired buyer's provisional license plate in the dealer's
15 possession as provided in §215.158 of this title (relating to General Requirements for Buyer's License
16 Plates).

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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 person holding a dealer license on July 1, 2025, is eligible to receive the following~~
10 ~~maximum number of dealer's temporary plates:]~~

11 ~~[(1) the number designated for that license type in subsection (b) of this section; and]~~

12 ~~[(2) the number designated in subsection (c) of this section based on vehicle sales in the~~
13 ~~last 12-month period.]~~

14 (c) ~~[(d)]~~ A dealer that applies for a license is not subject to the initial allotment limits described in
15 this section and may rely on that dealer's existing allocation of dealer's temporary license plates if that
16 dealer is:

17 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the
18 entity of ownership;

19 (2) any type of dealer that is relocating and has been licensed by the department for a
20 period of one year or longer; or

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(3) any type of dealer that is changing its business entity type and has been licensed by the department for a period of one year or longer.

(d) ~~[(e)]~~ A dealer may obtain more than the maximum number of dealer's temporary license plates provided by this section by submitting to the department proof of sales for the previous 12-month period that justifies additional license plates.

(1) The number of additional dealer's temporary license plates the department will issue to a dealer that demonstrates need through proof of sales is indicated in the following table.

[Attached Graphic](#)

(2) For purposes of this section, proof of sales for the previous 12-month period may consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with the taxing authority in the county of the dealer's licensed location. Each copy must be stamped as received by the taxing authority.

(e) ~~[(f)]~~ A wholesale motor vehicle dealer may obtain more than the maximum number of dealer's temporary license plates provided by this section by submitting to the department proof of the number of vehicles the dealer has purchased in the previous 12-month period that justifies additional license plates.

(1) Evidence of the wholesale motor vehicle dealer's vehicle purchases for the previous 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling dealer's name, and any other information the department in its discretion deems necessary to determine the need for additional dealer's temporary license plates for the wholesale motor vehicle dealer.

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(2) Upon review and approval of a wholesale motor vehicle dealer's proof of vehicle purchases documentation, the department shall issue up to 5 additional dealer's temporary license plates to the dealer.

(f) ~~[(g)]~~ The Director of the Motor Vehicle Division may waive the dealer's temporary license plate issuance restrictions if the waiver is essential for the continuation of the business. The director will 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 and the number of vehicles transported for the previous 12-month period, if applicable.

§215.155. Buyer's License Plates.

(a) A dealer may issue and secure a buyer's license plate or a buyer's temporary license plate only on a vehicle:

(1) from the selling dealer's inventory;

(2) that can be legally operated on the public streets and highways;

(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:

8/13/26

Exhibit B

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1 (A) an inspection is not required under Transportation Code §503.063(i) or (j); or

2 (B) the vehicle is exempt from inspection under Chapter 548.

3 (b) A dealer may not issue a buyer's license plate or a buyer's ~~[general issue or]~~ temporary
4 license plate to the buyer of a vehicle that is to be titled but not registered.

5 (c) For a wholesale transaction, a dealer may not issue a buyer's license plate; rather the
6 purchasing dealer places on the motor vehicle its own:

7 (1) dealer's temporary license plate; or

8 (2) dealer's standard or personalized prestige license plate.

9 (d) A buyer's temporary license plate is valid until the earlier of:

10 (1) the date on which the vehicle is registered; or

11 (2) the 60th day after the date of purchase.

12 (e) A dealer shall charge a buyer a fee of \$10, unless the vehicle is exempt from payment of
13 registration fees under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the
14 county ~~[with the title transfer application]~~ for deposit to the credit of the Texas Department of Motor
15 Vehicles fund. If the vehicle is sold by a dealer to an out-of-state resident:

16 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
17 Texas Department of Motor Vehicles fund if payment is made through the department's designated
18 electronic system; or

19 (2) the dealer shall remit the fee to the county for deposit to the credit of the Texas
20 Department of Motor Vehicles fund.

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(f) A governmental agency may charge a buyer a fee of \$10 unless the vehicle is exempt from payment of registration fees under Transportation Code, §502.453 or §502.456. If collected by a governmental agency, the fee must be sent to the county for deposit to the credit of the Texas Department of Motor Vehicles fund.

§215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available.

~~If [In accordance with Transportation Code, §503.0631(d), if] a dealer or governmental agency is unable to access the internet at the time of a sale, the dealer or governmental agency must comply with Transportation Code, §503.0631(d) [document the issuance of a buyer's license plate 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 not later than the close of the next business day. The buyer's receipt must include a statement that the dealer or governmental agency, has internet access but, at the time of the sale, the dealer 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).~~

§215.158. General Requirements for Buyer's License Plates

(a) A dealer or 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 of this title (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report any loss, theft, or destruction of a [buyer's license plate or buyer's temporary] license plate to the

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department in the system designated by the department within 24 hours of discovering the loss, theft, or destruction.

(b) When a dealer is required to void a previously assigned buyer's license plate or other type of license plate from a vehicle, 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;

(2) recycle the license plate using a metal recycler registered under Occupations Code, Chapter 1956; or

(3) return the license plate to the department or county tax assessor-collector.

(c) A dealer or governmental agency must return all license plates in the dealer's possession to the department within 10 days of closing the associated license or within 10 days of the associated license being revoked, canceled, or closed by the department.

§215.159. License Plate Storage Away from the Licensed Location.

(a) Application Requirements. A dealer may store and manage license plate inventory at one of its licensed locations or at another location if, in a license application, the dealer:

(1) discloses the physical address of the license plate storage location; and

(2) certifies that the license plate storage location satisfies all requirements in subsection

(b) of this section.

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(b) Location Requirements.

(1) If the license plate storage location is at a licensed location, the location must comply with the requirements of §215.140 of this title (related to Established and Permanent Place of Business Premises Requirements).

(2) If the license plate storage location is not at a licensed location, notwithstanding §215.140 of this title the location may be shared with other dealers and must:

(A) be located in Texas at an address recognized by the U.S. Postal Service which is capable of receiving U.S. mail, and has an assigned emergency services property address;

(B) be located in a building with a permanent roof and connecting exterior walls on all sides;

(C) be equipped with:

(i) a computer;

(ii) internet access;

(iii) a working telephone number listed in the business name or assumed name under which the dealer conducts business;

(iv) 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 in a dealer's possession;

(D) be organized so the license plate inventory for each dealer and licensed location is separate and easily identifiable and is properly assigned to a location in the license plate management system;

(E) have the address clearly visible from the street;

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1 (F) have business hours posted at the main entrance in a manner and place
2 accessible to delivery services and department staff;

3 (G) be open at least four days per week for at least four consecutive hours per
4 day and may not be open solely by appointment, with the owner or a bona fide employee at the license
5 plate storage location during the posted business hours for purposes of processing license plates,
6 including acceptance of license plate deliveries;

7 (H) have a telephone that is answered from 8:00 a.m. to 5:00 p.m. weekdays by
8 a bona fide employee, owner, answering service, voicemail service, or answering machine, so that a caller
9 is able to speak to a natural person or leave a message during these hours;

10 (I) not be in a residence, apartment, hotel, motel, rooming house, provided by a
11 subscription for office or storage space, or in a rented storage unit, but it may be in a portable-type office
12 building if the building meets the requirements of this subsection and is not a readily moveable trailer or
13 other vehicle; and

14 (J) not be in a restaurant, gas station, or convenience store, unless the location
15 has a separate entrance door that does not require a person to pass through the other business.

16 (c) Site Visit. The department may visit the location prior to approving a dealer's application to
17 add a license plate storage location and during the term of the license to monitor compliance with
18 department rules as authorized under Occupations Code, §2301.256 and Transportation Code,
19 §503.063(d).

20
21 **STATUTORY AUTHORITY.** The department adopts a repeal to Chapter 215 under Occupations Code,
22 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
23 and the authority to take any action that is necessary or convenient to exercise that authority;

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1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
14 (2025), which authorizes the department to obtain criminal history record information from DPS and the
15 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
16 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
17 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
18 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
19 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
20 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
21 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
22 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
23 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which

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1 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
2 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
3 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
4 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
5 dealer complete web-based education and training developed or approved by the department;
6 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
7 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
8 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
9 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
10 implement and manage the department's database of dealer-issued buyer's license plates; Transportation
11 Code, §503.0633, which allows the department to establish the maximum number of license plates or sets
12 of license plates a dealer may obtain annually under Transportation Code and Transportation Code,
13 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
14 the powers and the duties of the department, as well as the statutes referenced throughout this
15 preamble.

16 The department also adopts a repeal under the authority Government Code, §2001.039, in
17 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
18 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
19 the rule.

20 **CROSS REFERENCE TO STATUTE.** This repeal implements Government Code, Chapters 411 and 2001;
21 Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

22
23 ~~§215.131. Purpose and Scope.~~

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~~[This subchapter implements Transportation Code, Chapters 503, 504, 520, and 1001-1005, and Occupations Code, Chapters 2301 and 2305, and applies to general distinguishing numbers and drive-a-way operator in-transit licenses issued by the department.]~~

SUBCHAPTER E. LESSORS AND LEASE FACILITATORS.

STATUTORY AUTHORITY. The department adopts 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; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and

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representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; 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 requires the board to adopt rules regulating the issuance 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; Transportation Code, §503.0633, which allows the department to establish the maximum number of license plates or sets of license plates a dealer may obtain annually under Transportation Code Transportation Code, §730.014, which authorizes state agencies to adopt rules to implement and administer the 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 the duties of the department, as well as the statutes referenced throughout this preamble.

The department also adopts amendments under the authority of Transportation Code, §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. These adopted amendments implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301, and 2302; and Transportation Code, Chapters 501–503, 730, 1001–1003, and 1005.

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1 Text.

2 §215.175. Sanctions.

3 ~~[(a) The board or department may:]~~

4 ~~[(1) deny a vehicle lessor or vehicle lease facilitator application;]~~

5 ~~[(2) revoke or suspend a vehicle lessor or vehicle lease facilitator license; or]~~

6 ~~[(3) assess a civil penalty or take other action on a vehicle lessor or vehicle lease~~
7 ~~facilitator applicant or license holder, or a person engaged in business for which a vehicle lessor or~~
8 ~~vehicle lease facilitator license is required.]~~

9 (a) [(b)] The board or department may deny ~~[take action described in subsection (a) of this~~
10 ~~section if]~~ a vehicle lessor or vehicle lease facilitator applicant, sanction a ~~[or]~~ license holder, or take
11 action against a person engaged in business for which a vehicle lessor or vehicle lease facilitator license
12 is required, if the person:

13 (1) fails to maintain an established and permanent place of business required by
14 §215.177 of this title (relating to Established and Permanent Place of Business);

15 (2) fails to maintain records required under this subchapter;

16 (3) refuses or fails to comply with a request by a representative of the department to
17 examine during the vehicle lessor's or vehicle lease facilitator's posted business hours at the vehicle
18 lessor's or vehicle lease facilitator's licensed location:

19 (A) a vehicle leasing record required to be maintained by §215.178 of this title
20 (relating to Records Required for Vehicle Lessors and Vehicle Lease Facilitators);

21 (B) ownership papers for a vehicle owned, leased, or under that vehicle lessor's
22 or vehicle lease facilitator's control; or

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(C) evidence of ownership or a current premises lease agreement for the property upon which the business is located;

(4) refuses or fails to timely comply with a request for records made by a representative of the department;

(5) fails to notify the department in writing by electronically submitting a license amendment in the licensing system designated by the department within 10 days of a change of the vehicle lessor or vehicle lease facilitator license holder's:

(A) mailing address;

(B) physical address;

(C) telephone number; or

(D) email address;

(6) fails to notify the department in writing by electronically submitting a license amendment in the licensing system designated by the department within 10 days of a change of the vehicle lessor or vehicle lease facilitator license holder's name, assumed name, management, or ownership;

(7) fails to comply with the fee restrictions or other requirements under Occupations Code, §2301.357 or Chapter 2301, Subchapter L. Vehicle Lessors and Vehicle Lease Facilitators;

(8) fails to maintain advertisement records or otherwise fails to comply with the advertising requirements of:

(A) §215.178; or

(B) Subchapter F of this chapter (relating to Advertising);

(9) violates any law relating to the sale, lease, distribution, financing, or insuring of motor vehicles;

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(10) is convicted of an offense that, in accordance with Occupations Code, Chapter 53 and with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines), directly relates to the duties or responsibilities of the licensed occupation;

(11) is determined by the board or department, in accordance with §215.89 of this title (relating to Fitness), to be unfit to hold a vehicle lessor or vehicle lease facilitator license;

(12) uses or allows use of a vehicle lessor or vehicle lease facilitator license in violation of any law or for the purpose of avoiding any provision of Occupations Code, Chapter 2301; ~~or~~

(13) omits material information or makes a material misrepresentation in any application or other documentation filed with the department including providing a false or forged identity document or a false or forged photograph, electronic image, or other document; or [-]

(14) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records Disclosure Act, including a violation by an employee or other agent.

(b) [~~(c)~~] The board or department may take action on a vehicle lessor's license or assess civil penalties for the vehicle lessor's failure to notify the department in writing by electronically submitting a license amendment in the licensing system designated by the department within 10 days of any change, addition, or deletion to the list of vehicle lease facilitators with whom the vehicle lessor conducts business, including any change to a vehicle lease facilitator's mailing address, physical address, telephone number, or email address.

(c) [~~(d)~~] The board or department may take action on a vehicle lease facilitator's license or assess civil penalties for the failure to notify the department in writing within 10 days by electronically submitting a license amendment in the licensing system designated by the department of any change, addition, or deletion to the list of vehicle lessors for whom the vehicle lease facilitator conducts

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business, including any change to a vehicle lessor's mailing address, physical address, telephone number, or email address.

(d) ~~[(e)]~~ The board or department may take action on a vehicle lessor's or vehicle lease facilitator's license if the vehicle lessor or vehicle lease facilitator accepts a fee from a dealer, directly or indirectly, for referring a customer who purchases or considers purchasing a motor vehicle.

§215.177. Established and Permanent Place of Business Premises Requirements.

(a) A vehicle lessor or vehicle lease facilitator operating within Texas must meet the following requirements at each location where vehicles are leased or offered for lease.

(1) Physical location requirements.

(A) A vehicle lessor or vehicle lease facilitator operating within Texas must be open to the public. The vehicle lessor's or vehicle lease facilitator's business hours for each day of the week must be posted at the main entrance of the office. 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. The owner or an employee of the vehicle lessor or vehicle lease facilitator must be at the location during the posted business hours for the purpose of leasing vehicles. In the event the owner or an employee is not available to conduct business during the posted business hours, a separate sign must be posted indicating the date and time such owner or employee will resume vehicle leasing operations.

(B) A vehicle lessor's or vehicle leasing facilitator's office structure must be of sufficient size to accommodate the following required equipment:

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(i) a desk and two chairs from which the vehicle lessor or vehicle lease facilitator transacts business;

(ii) a working telephone number listed in the business name or assumed name under which the vehicle lessor or vehicle lease facilitator conducts business; and

(iii) internet access.

(C) A vehicle lessor or vehicle lease facilitator that files an application for a new license or a vehicle lessor that files an application for a satellite location must comply with the following requirements:

(i) The office must be located in a building with a permanent roof and connecting exterior walls on all sides.

(ii) The office must comply with all applicable local zoning ordinances and deed restrictions.

(iii) The office may not be located within a residence, apartment, hotel, motel, or rooming house or building not open to the public.

(iv) The physical address of the office must be recognized by the U.S. Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property address.

(v) The office may not be virtual or provided by a subscription for office space or office services. Access to office space or office services is not considered an established and permanent location.

(D) A portable-type office structure may qualify as an office only if the structure meets the requirements of this section and is not a readily moveable trailer or other vehicle.

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(E) One or more licensed vehicle lessors or vehicle lease facilitators, or a combination of one or more licensed vehicle lessors and vehicle lease facilitators may occupy the same business structure and conduct vehicle leasing operations in accordance with the license held by the vehicle lessor or licensed vehicle lease facilitator. Each vehicle lessor or vehicle lease facilitator must have:

(i) a separate desk from which that vehicle lessor or vehicle lease facilitator transacts business;

(ii) a separate working telephone number listed in the vehicle lessor or vehicle lease facilitator's business name or assumed name;

(iii) a separate right of occupancy that meets the requirements of this section; and

(iv) a vehicle lessor or vehicle lease facilitator license issued by the department in the name of the vehicle lessor or vehicle lease facilitator.

(F) A vehicle lease facilitator's established and permanent place of business must be physically located within Texas.

(2) Business Sign requirements. A vehicle lessor or vehicle lease facilitator shall display a conspicuous and permanent business sign at the licensed location showing the name under which the vehicle lessor or vehicle lease facilitator conducts business. Outdoor business signs must contain legible letters that are at least six inches in height. The business name or assumed name on the sign must be substantially similar to the name reflected on the license issued by the department. 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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1 (3) Premises lease requirements. If the premises from which a licensed vehicle lessor or
2 vehicle lease facilitator conducts business is not owned by the license holder, the license holder must
3 maintain for the licensed location a valid premises lease that is continuous during the period of time for
4 which the vehicle lessor's or vehicle lease facilitator's license will be issued. The premises lease
5 agreement must be on a properly executed form containing at a minimum:

6 (A) the name of the property owner of the premises and the name of the vehicle
7 lease facilitator as the tenant or lessee of the premises;

8 (B) the street address or legal description of the property, provided that if only a
9 legal description of the property is included, the applicant must attach a statement that the property
10 description in the lease agreement is the street address identified on the application as the physical
11 address for the established and permanent place of business;

12 (C) the signature of the property owner as the lessor and the signature of the
13 applicant or holder as the tenant or lessee;

14 (D) the period of time for which the premises lease is valid; and

15 (E) if the lease agreement is a sublease in which the property owner is not the
16 lessor, the applicant or holder must also obtain a signed and notarized statement from the property
17 owner including the following information:

18 (i) property owner's full name, email address, mailing address, and
19 phone number; and

20 (ii) property owner's statement confirming that the license holder is
21 authorized to sublease the location and may operate a motor vehicle leasing business from the location.

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(b) A vehicle lessor or vehicle lease facilitator shall be independent of financial institutions and dealerships in location and in business activities, unless that vehicle lessor or vehicle lease facilitator is an:

(1) employee or legal subsidiary of the financial institution or dealership; or

(2) entity wholly owned by the financial institution or dealership.

(c) For purposes of this section, an employee is a person who meets the requirements of §215.173(b) of this title (relating to License).

§215.181. General Distinguishing Number Exception

A licensed vehicle lessor is not required to hold a GDN in order to sell a motor vehicle that the vehicle lessor owns to the lessee or to a duly licensed dealer, either directly or through a licensed wholesale motor vehicle auction. A licensed vehicle lessor may not purchase a motor vehicle at a wholesale motor vehicle auction. The department shall cancel a vehicle lessor's GDN if the vehicle lessor is not qualified to hold the GDN. ~~[Any existing GDN held by a vehicle lessor that does not otherwise qualify for a GDN shall be canceled.]~~ A vehicle lessor whose GDN has been canceled under this section may reapply for a GDN once all the qualifications for a GDN are met.

STATUTORY AUTHORITY. The department adopts a repeal 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

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1 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
2 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
3 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
4 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
5 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
6 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
7 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
8 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
9 Code, §411.122(d), which authorizes department access to criminal history record information
10 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
11 (2025), which authorizes the department to obtain criminal history record information from DPS and the
12 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
13 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
14 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
15 amended by House Bill (HB) 5629, 89th Legislature, Regular Session, which requires the department to
16 adopt rules for the issuance of a license to military service members, military veterans, or military spouses
17 that allow licensure if the applicant holds a current license issued by another state that is similar in scope
18 to the license in Texas and is in good standing with that state's licensing authority, or has held a license in
19 Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt
20 rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
21 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
22 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
23 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for

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an original or renewal general distinguishing number who proposes to be an independent motor vehicle dealer complete web-based education and training developed or approved by the department; Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the notice of a surety bond and the procedure by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance 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; Transportation Code, §503.0633, which allows the department to establish the maximum number of license plates or sets of license plates a dealer may obtain annually under Transportation Code 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.

The department also adopts a repeal under the authority of Government Code, §2001.039, in addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

CROSS REFERENCE TO STATUTE. This repeal implements Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

~~[§215.171. Purpose and Scope.]~~

~~[This subchapter implements Occupations Code, Chapter 2301 specifically, §§2301.251, 2301.253, 2301.254, 2301.261, 2301.262, 2301.357, and Subchapter L. Vehicle Lessors and Vehicle Lease Facilitators, and Transportation Code Chapters 1001–1005.]~~

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SUBCHAPTER F. ADVERTISING.

STATUTORY AUTHORITY. The department adopts 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; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as

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1 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
2 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
3 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
4 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
5 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
6 dealer complete web-based education and training developed or approved by the department;
7 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the
8 notice of a surety bond and the procedure by which a claimant may recover against the surety bond;
9 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
10 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
11 implement and manage the department's database of dealer-issued buyer's license plates; Transportation
12 Code, §503.0633, which allows the department to establish the maximum number of license plates or sets
13 of license plates a dealer may obtain annually under Transportation Code ; and Transportation Code,
14 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
15 the powers and the duties of the department, as well as the statutes referenced throughout this
16 preamble.

17 The department also adopts amendments under the authority of Transportation Code, §501.0041
18 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory
19 authority referenced throughout this preamble.

20 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
21 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
22 rules to administer Transportation Code, Chapter 502.

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Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These adopted amendments implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503, 730, 1001, and 1002

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Text.

§215.242. General Prohibition.

~~[A person advertising motor vehicles shall not use false, deceptive, unfair, or misleading advertising.]~~ In addition to a violation of a specific advertising rule, any other advertising or advertising practices found by the department to be false, deceptive, or misleading, ~~[whether herein described,]~~ shall be deemed a violation of Occupations Code, Chapter 2301 and ~~[shall also be deemed a violation of]~~ this rule.

§215.244. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Advertisement--

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(A) An oral, written, graphic, or pictorial statement or representation made in the course of soliciting business, including, but not limited to a statement or representation:

- (i) made in a newspaper, magazine, or other publication;
- (ii) contained in a notice, sign, poster, display, circular, pamphlet, business card, or letter;
- (iii) aired on the radio;
- (iv) broadcast on the internet or television; ~~[or]~~
- (v) streamed via an online service; ~~[or]~~
- (vi) displayed on an internet website, social media platform, or other digital application or platform; or
- (vii) transmitted electronically.

(B) Advertisement does not include direct communication between a person or person's representative and a prospective purchaser.

(2) Advertising provision--

(A) A provision of Occupations Code, Chapter 2301, relating to the regulation of advertising; or

(B) A rule relating to the regulation of advertising, adopted pursuant to the authority of Occupations Code, Chapter 2301.

(3) Bait advertisement--An alluring but insincere offer to sell or lease a product of which the primary purpose is to obtain a lead to a person interested in buying or leasing merchandise of the type advertised and to switch a consumer from buying or leasing the advertised product in order to sell or lease some other product at a higher price or on a basis more advantageous to the dealer.

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(4) Balloon payment--Any scheduled payment made as required by a consumer credit transaction that is more than twice as large as the average of all prior scheduled payments except the down payment.

(5) Clear and conspicuous--The statement, representation, or term being disclosed is of such size, color, contrast, and audibility and is presented so as to be readily noticed and understood. All language and terms, including abbreviations, shall be used in accordance with their common or ordinary usage and meaning.

(6) Cure--A license holder's agreement to not violate for a two-year period an advertising rule cited in a department opportunity-to-cure notice, and if applicable, any action necessary to correct a consumer harm caused by the alleged advertising violation, such as issuing a consumer refund.

(7) [(6)] Dealership addendum--A form that is displayed on a window of a motor vehicle when a dealership installs special features, equipment, parts, or accessories, or charges for services not already compensated by the manufacturer or distributor for work required to prepare a motor vehicle for delivery to a buyer.

(A) The purpose of the addendum is to disclose:

(i) that it is supplemental;

(ii) any added feature, service, equipment, part, or accessory, including the retail price, charged and added by the dealership;

(iii) any additional charge to the selling price such as additional dealership markup; and

(iv) the total dealer selling price.

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(B) The dealership addendum form shall not be deceptively similar in appearance to the Monroney label, as defined by paragraph (14) ~~[(13)]~~ of this section.

(8) ~~[(7)]~~ Demonstrator--A new motor vehicle that is currently in the inventory of the automobile dealership and used primarily for test drives by customers and for other purposes designated by the dealership.

(9) ~~[(8)]~~ Disclosure--Required information that is clear, conspicuous, and accurate.

(10) ~~[(9)]~~ Distributor Suggested Retail Price (DSRP)--means the total price shown on the Monroney Label as specified by subparagraph (D) of paragraph (14) ~~[(13)]~~ of this section.

(11) ~~[(10)]~~ Factory executive/official motor vehicle--A new motor vehicle that has been used exclusively by an executive or official of the dealer's franchising manufacturer, distributor, or their subsidiaries.

(12) ~~[(11)]~~ Limited rebate--A rebate that is not available to every consumer purchasing or leasing a motor vehicle because qualification for receipt of the rebate is conditioned or restricted in some manner. A rebate conditioned or restricted to purchasers who are residents of the contiguous United States is not a limited rebate.

(13) ~~[(12)]~~ Manufacturer's Suggested Retail Price (MSRP)--Means ~~[means]~~ the total price shown on the Monroney Label as specified by subparagraph (D) of paragraph (14) ~~[(13)]~~ of this section.

(14) ~~[(13)]~~ Monroney Label--The label required by the Automobile Information Disclosure Act, 15 U.S.C. §§1231 - 1233, to be affixed to the windshield or side window of certain new motor vehicles delivered to the dealer and that contains information about the motor vehicle, including, but not limited to:

(A) the retail price of the motor vehicle suggested by the manufacturer or distributor, as applicable;

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(B) the retail delivered price suggested by the manufacturer or distributor, as applicable, for each accessory or item of optional equipment, physically attached to the motor vehicle at the time of its delivery to a dealer, which is not included within the price of the motor vehicle as stated in subparagraph (A) of this paragraph;

(C) the amount charged, if any, to a dealer for the transportation of the motor vehicle to the location at which it is delivered to the dealer; and

(D) the total of the amounts specified pursuant to subparagraphs (A), (B), and (C) of this paragraph.

(15) [(14)] Online service--A network that connects computer users.

(16) [(15)] Rebate or cash back--A sum of money applied to the purchase or lease of a motor vehicle or refunded after full payment has been rendered for the benefit of the purchaser.

(17) [(16)] Savings claim or discount--An offer to sell or lease a motor vehicle at a reduced price, including, but not limited to, a manufacturer's or distributor's customer rebate, a dealer discount, or a limited rebate.

(18) [(17)] Subsequent violation—A license holder's violation of the same advertising rule cited in an opportunity to cure notice within a two-year period. ~~[Conduct that is the same or substantially the same as conduct the department has previously alleged in a notice of an opportunity to cure to be a violation of an advertising provision.]~~

§215.246. Accuracy.

Advertisements shall be accurate, clear, and conspicuous. ~~[Advertisements shall not be false, deceptive, or misleading.]~~ For an internet advertisement, a disclosure may be considered accurate, clear, and conspicuous if:

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(1) the viewer highlights, hovers a mouse or cursor over, or otherwise selects certain text or images on a screen that results in an immediate and legible visible disclosure; or

(2) only one click on select text or image(s) is required to view the disclosure; and

(3) the internet advertisement clearly and conspicuously indicates where to hover or click for the disclosure and is in close proximity to the information being disclosed.

§215.270. Enforcement.

(a) The department may file a Notice of Department Decision against a license holder alleging a violation of an advertising provision pursuant to Occupations Code, §2301.203, provided the department can show:

(1) that the department notified the license holder of the opportunity to cure the alleged violation ~~[who allegedly violated an advertising provision has received from the department a notice of an opportunity to cure the violation]~~ by email and certified mail, return receipt requested, and that the notice complied ~~[in compliance]~~ with subsection (b) of this section; and

(2) that the license holder:

(A) did not timely respond to the notice of an opportunity to cure, or

(B) agreed to cure the violation but violated the cure agreement by failing to correct a consumer harm or by committing a subsequent violation. ~~[committed a subsequent violation of the same advertising provision.]~~

(b) An effective notice of an opportunity to cure issued under subsection (a)(1) of this section must:

(1) state that the department has reason to believe that the license holder violated an advertising provision and must identify the provision;

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(2) set forth the facts upon which the department bases its allegation of a violation; and

(3) state that if the license holder does not timely agree to cure the violation or violates a cure agreement ~~[commits a subsequent violation of the same advertising provision]~~, the department will file a Notice of Department Decision under §224.56 of this title (relating to Notice of Department Decision).

~~[(c) As a part of the cure procedure, the department may require a license holder who allegedly violated an advertising provision to publish a retraction notice to effect an adequate cure of the alleged violation. A retraction notice must:]~~

~~[(1) appear in a newspaper of general circulation in the area in which the alleged violation occurred;]~~

~~[(2) appear in the portion of the newspaper devoted to motor vehicle advertising, if any;]~~

~~[(3) identify the date and the medium of publication, print, electronic, or other, in which the advertising alleged to be a violation appeared; and]~~

~~[(4) identify the alleged violation of the advertising provision and contain a statement of correction.]~~

(c) ~~[(d)]~~ A cure is made solely for the purpose of settling an allegation and is not an admission of a violation of these rules; Occupations Code, Chapter 2301; or other law.

STATUTORY AUTHORITY. The department adopts repeals 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

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1 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
2 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
3 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
4 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
5 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
6 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
7 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
8 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
9 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
10 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
11 Code, §411.122(d), which authorizes department access to criminal history record information
12 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
13 history record information from DPS and the FBI for license applicants, license holders, and
14 representatives whose act or omission would be cause for denying, revoking, or suspending a general
15 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
16 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
17 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
18 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
19 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
20 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
21 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
22 dealer complete web-based education and training developed or approved by the department;
23 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the

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notice of a surety bond and the procedure by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance 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; Transportation Code, §503.0633, which allows the department to establish the maximum number of license plates or sets of license plates a dealer may obtain annually under Transportation Code; 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.

The department also adopts repeals under the authority of Transportation Code, §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These repeals implements Government Code, Chapters 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503, 1001–1003, and 1005.

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1

2 Text.

3 [~~§215.241. Purpose and Scope.~~]4 [~~This subchapter implements Occupations Code, Chapter 2301 by regulating the advertising of~~5 ~~persons under the jurisdiction of the department by requiring truthful and accurate advertising practices~~6 ~~for the benefit of the citizens of this state.]~~

7

8 [~~§215.243. Specific Rules~~]9 [~~The violation of an advertising rule shall be considered by the department as a prima facie~~10 ~~violation of Occupations Code, Chapter 2301.]~~

11

12 [~~§215.269. Finding of Violation~~]13 [~~A person shall not be held in violation of the rules, including the general prohibition, except~~14 ~~upon a finding of a violation made by the department after the filing of a Notice of Department Decision~~15 ~~and an opportunity to request a hearing as provided in Occupations Code, Chapter 2301.]~~

16

17

18 **SUBCHAPTER G. ADMINISTRATIVE SANCTIONS.**

19

20 **STATUTORY AUTHORITY.** The department adopts amendments to Chapter 215 under Occupations Code,

21 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles

22 and the authority to take any action that is necessary or convenient to exercise that authority;

23 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license

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1 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
2 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
3 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
4 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
5 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
6 2301, and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
7 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
8 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
9 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
10 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
11 Code, §411.122(d), which authorizes department access to criminal history record information
12 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
13 history record information from DPS and the FBI for license applicants, license holders, and
14 representatives whose act or omission would be cause for denying, revoking, or suspending a general
15 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
16 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
17 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
18 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
19 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
20 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
21 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
22 dealer complete web-based education and training developed or approved by the department;
23 Transportation Code, §503.033, which authorizes the board to adopt rules to prescribe the form of the

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notice of a surety bond and the procedure by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance 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; Transportation Code, §503.0633, which allows the department to establish the maximum number of license plates or sets of license plates a dealer may obtain annually under Transportation Code ; Transportation Code, §730.014 which authorizes state agencies to adopt rules to implement and administer the 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 the duties of the department, as well as the statutes referenced throughout this preamble.

The department also adopts amendments under the authority of Transportation Code, §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503, 730, 1001–1003, and 1005.

Text.

§215.500. Administrative Sanctions.

An administrative sanction may include one or more penalties authorized by Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, including a refund under §215.504 of this title (relating to Buyer or Lessee Refund).[:]

~~[(1) denial of an application for a license;]~~

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- 1 [~~(2) suspension of a license;~~]
- 2 [~~(3) revocation of a license;~~]
- 3 [~~(4) the imposition of civil penalties; or~~]
- 4 [~~(5) a refund under §215.504 of this title (relating to Buyer or Lessee Refund).]~~]

Figure: 43 TAC §215.154(b)

If a new license applicant is:	Maximum number of dealer's temporary license plates issued during the first license term is:
1. a franchised motor vehicle dealer	200
2. a franchised motorcycle dealer	50
3. an independent motor vehicle dealer	25
4. an independent motorcycle dealer	10
5. a franchised or independent travel trailer dealer	10
6. a trailer or semitrailer dealer	<u>15</u> [5]
7. an independent mobility motor vehicle dealer	5
8. a wholesale motor vehicle dealer	10
9. a wholesale motor vehicle dealer who also holds a <u>wholesale motor vehicle auction GDN</u>	<u>40</u>

Figure: 43 TAC §215.154(d)(1)[(e)(1)]

If a vehicle dealer is:	Maximum number of additional dealer's temporary license plates issued with a demonstrated need through proof of sales is:
1. A dealer selling 26 to 50 during the previous 12-month period	5
2. A dealer selling 51 to 100 during the previous 12-month period	10
3. A dealer selling 101 to 150 during the previous 12-month period	15
4. A dealer selling 151 to 199 during the previous 12-month period	20
5. A dealer selling 200-299 during the previous 12-month period	25
6. A dealer selling more than 300 vehicles during the previous 12-month period	30



Board Meeting Date: 8/13/2026

ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 8
Subject: Rule Review Adoption under Government Code, §2001.039: Chapter 215, Motor Vehicle Distribution

RECOMMENDATION

Action Item. Approval to publish in the *Texas Register* the notice of readoption of 43 Texas Administrative Code (TAC) Chapter 215, Motor Vehicle Distribution. The department has determined that the reasons for initially adopting these rules continue to exist.

PURPOSE AND EXECUTIVE SUMMARY

The department conducted a review of 43 TAC Chapter 215 in compliance with Government Code §2001.039.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments, new sections, and repeals.

BACKGROUND AND DISCUSSION

Texas Government Code, §2001.039 requires the department to review and consider for readoption each of its rules every four years.

The notice of the department's intention to review was published in the *Texas Register* on April 24, 2026, issue of the *Texas Register* (51 TexReg 2785). The comment period closed on May 26, 2026. No comments were received on the rule review.

As a result of the review, the department identified necessary amendments, new sections, and repeals in Chapter 215. Those amendments, new sections, and repeals are presented to the board at this meeting in Agenda Item 7 for consideration to adopt.

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Adopted Rule Review

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Notice of Readoption

The Texas Department of Motor Vehicles (department) files this notice of readoption of Title 43 Texas Administrative Code (TAC), Chapter 215, Motor Vehicle Distribution. The review was conducted pursuant to Government Code, §2001.039.

Notice of the department's intention to review was published in the April 24, 2026, issue of the *Texas Register* (51 TexReg 2785). The department did not receive any comments on the rule review.

As a result of the review, the department readopts Chapter 215 in accordance with the requirements of Government Code, §2001.039, with amendments, new sections, and repeals that are published separately in this issue of the *Texas Register*. The department has determined that the reasons for initially adopting the rules continue to exist.

This concludes the review of Chapter 215, Motor Vehicle Distribution.



Board Meeting Date: 8/13/2026

ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 9
Subject: Chapter 221, Salvage Vehicle Dealers
Amendments to §221.17
(Relating to License Processing for Military Service Members, Spouses, and Veterans; and Cleanup)

RECOMMENDATION

Action Item. Adopt amendments to 43 Texas Administrative Code §221.17, License Processing for Military Service Members, Spouses, and Veterans.

PURPOSE AND EXECUTIVE SUMMARY

The adopted amendments clarify and streamline the license application process for military service members, military veterans, and military spouses seeking licensure as salvage vehicle dealers. The amendments further establish procedures for obtaining a provisional license, clarify application and documentation requirements, and align the department's licensing process with Occupations Code Chapter 55, including recent statutory changes requiring expedited licensure for military applicants. The amendments also enable the department to identify and process these applications on an expedited basis without significant licensing system programming changes.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the adoption of amendments to §221.17.

BACKGROUND AND DISCUSSION

Occupations Code §55.004(b-1), as amended by Senate Bill 1818, 89th Legislature, Regular Session, requires state licensing agencies to issue provisional licenses to military service members, military veterans, and military spouses while the agency processes their application for licensure. The adopted amendments clarify the procedures and requirements for obtaining a provisional salvage vehicle dealer license and establish a simplified provisional application process. The amendments also clarify the documentation required from military applicants and establish procedures for the department to verify out-of-state licensure and issue provisional licenses on an expedited basis.

The adopted amendments also align §221.17 with Occupations Code §55.0041 and §55.005, as amended by House Bill 5629, 89th Legislature, Regular Session, by clarifying the department's obligation to issue a license, or notify an applicant why a license cannot be issued, within the applicable statutory timeframe. The amendments streamline and standardize the salvage vehicle dealer licensing process for military service members, military veterans, and military spouses while implementing statutory requirements without substantial licensing system modifications.

COMMENTS

The proposed amendments were published for comment in the April 24, 2026, issue of the *Texas Register*. No comments were received on the proposal. The department adopts the amendments without change.

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ADOPTION OF REVISIONS TO**SUBCHAPTER B. LICENSING****43 TAC §221.17**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Licensing; §221.17, License Processing for Military Service Members, Spouses, and Veterans. These adopted amendments are necessary for the department to be able to identify and expedite the processing of these applications as required by Occupations Code, §55.0041, without significant licensing system programming changes. The department adopts §221.17 without changes to the proposed text as published in the April 24, 2026, issue of the *Texas Register* (51 TexReg 2684). The rule will not be republished.

REASONED JUSTIFICATION. Occupations Code, §55.004(b-1), as amended by Senate Bill 1818, 89th Texas Legislature, Regular Session, requires all state licensing agencies, including the department, to issue a provisional license to military service members, veterans and military spouses while the agency processes the application for licensure. The adopted amendments to §221.17(b) clarify the license application process for a military service member, military veteran, or military spouse to obtain a provisional license as a salvage vehicle dealer. These clarifications are necessary for the department to be able to identify and process these applications on an expedited basis as required by Occupations Code, §55.0041. Adopted amendments to §221.17(b)(1) establish less-onerous application requirements for a provisional license to align the rule with Occupations Code, §55.0041, which sets the specific requirements for this temporary license type. The adopted amendments to §221.17(b)(1) clarify that a military service member, military spouse, or military veteran may apply for a provisional license by downloading and completing the provisional license application form from the department website or contacting the department.

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1 Adopted amendments to §221.17(b)(1) also require the applicant to submit a completed provisional
2 license application to the department at the email address designated in the application form, replace the
3 requirement to submit a more comprehensive online application under 43 Texas Administrative Code
4 §221.15 and §221.16, reletter the required attachments that must be submitted with the provisional
5 license application, and clarify the circumstances in which certain attachments are required.

6 Adopted amendments to §221.17(b)(2) add the phrase “provisional license” to describe the
7 application type, add in §221.17(b)(2)(A) military veteran to the list of those eligible and amend related
8 prepositions, and change a verb in §221.17(b)(2)(B) to align with the language used in §221.17(b)(2)(A)
9 and (C) and in Occupations Code, §55.0041. Adopted amendments in new §221.17(b)(2)(C) add that if the
10 department confirms that the applicant is licensed in good standing in a state with licensing requirements
11 that are similar in scope and practice, the department will promptly issue the provisional license and notify
12 the applicant to submit a complete application as described in §221.15 and §221.16.

13 Adopted amendments to §221.17(b)(3) replace the first sentence with new text that aligns the
14 rule with Occupations Code, §55.0041(b-1) and §55.005(a), both as amended by House Bill 5629, 89th
15 Legislature, Regular Session, which require that all licensing agencies issue a license to a military service
16 member, veteran, or military spouse within 10 business days of an application or explain why the agency
17 is unable to issue the license. The adopted amendments to §221.17(b)(3) clarify that the department will
18 issue a license within 10 days of receiving a complete application as described in §221.15 and §221.16, or
19 notify the applicant why a license cannot currently be issued, if the applicant holds a provisional license,
20 is currently licensed in good standing in another state with licensing requirements that are similar in scope
21 and practice, or was licensed in good standing in Texas in the last five years. These adopted amendments
22 streamline and standardize the salvage dealer licensing process for military members, military spouses,

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1 and military veterans consistent with the requirements of Occupations Code, Chapter 55, without
2 requiring substantial licensing system changes that would delay implementation. The remaining text of
3 current §221.17(b)(3) is redesignated as §221.17(c), and current §221.17(c) is redesignated as §221.17(d).

4 SUMMARY OF COMMENTS.

5 No comments on the proposed amendments were received.

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STATUTORY AUTHORITY. The department adopts amendments to Chapter 221 under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set reasonable and necessary application fees, license fees, renewal fees, and other fees as required to implement Chapter 2302; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on a form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which prescribes content that must be included in an application; Occupations Code, §2302.105, which requires the department to complete an investigation of the applicant's qualifications before issuing a license; Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a license issued under Chapter 2302 consistent with the requirements of Government Code, Chapter 2001; 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.

The department also adopts amendments under the authority of Transportation Code, §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code, Chapter 503.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

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Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These rule revisions would implement Government Code, Chapter 2001; Occupations Code, Chapters 53, 55, and 2302; and Transportation Code, Chapters 501–503, and 1002.

TEXT.

§221.17. License Processing for Military Service Members, Spouses, and Veterans

(a) The department will process a license, amendment, or renewal application submitted for licensing of a military service member, military spouse, or military veteran in accordance with Occupations Code, Chapter 55. A license holder who fails to timely file a sufficient renewal application because the license holder was on active duty is exempt from any increased fee or penalty imposed by the department.

(b) A military service member, ~~or~~ military spouse, or military veteran may engage in a business or occupation for which a department-issued ~~department-issued~~ license is required if the person ~~[military service member or military spouse]~~ meets the requirements of Occupations Code, §55.004 or ~~§55.0041~~ and this section.

(1) To receive a provisional license a [A] military service member, ~~or~~ military spouse, or military veteran must submit to the department a completed provisional license application. The applicant may download the provisional license application form from the department website or contact the department to request the form. The applicant must submit the completed application to the department email address listed in the application form and attach the following:

~~[(A) a complete application;]~~

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1 (A) ~~(B)~~ if the applicant is a military service member or a military spouse, proof
2 of the military service member being stationed in Texas and a copy of the military service member or
3 military spouse's military identification card;

4 (B) ~~(C)~~ if the applicant is a military spouse, a copy of the military spouse's
5 marriage license; ~~and~~

6 (C) if the applicant is a military veteran, a copy of the applicant's discharge
7 certificate or other official document verifying military service and an identification document listed in
8 §221.16 of this title (relating to Required Attachments to the License Application); and

9 (D) if the applicant is licensed by another state, a notarized affidavit that meets
10 the requirements of ~~as required by~~ Occupations Code, § 55.0041(b)(3).

11 (2) Upon receipt of the provisional license application and documentation required by
12 paragraph (1) of this subsection, the department shall:

13 (A) confirm with the other licensing state that the military service member, ~~or~~
14 military spouse, or military veteran is currently licensed and in good standing for the relevant business or
15 occupation; and

16 (B) conduct a comparison of the other state's license requirements, statutes, and
17 rules with the department's licensing requirements to confirm ~~determine~~ if the requirements are similar
18 in scope of practice; and

19 (C) if both (A) and (B) are confirmed, promptly issue a provisional license and
20 notify the applicant to submit a complete application as described in §221.15 of this title (relating to
21 Required License Application Information) and §221.16 of this title.

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1 (3) The department shall issue a license, or notify the applicant why the department
2 cannot or is currently unable to issue a license, within 10 days of receiving a complete application as
3 described in §221.15 of this title and §221.16 of this title if the applicant:

4 (A) has been issued a provisional license;

5 (B) is currently licensed in good standing in another state with licensing
6 requirements that are similar in scope and practice; or

7 (C) was licensed in good standing in Texas in the last five years.

8 ~~[(3) If the department confirms that a military service member or military spouse is currently~~
9 ~~licensed in good standing in another state with licensing requirements that are similar in scope and~~
10 ~~practice, or was licensed in good standing in Texas in the last five years, the department shall issue a~~
11 ~~license to the military service member or military spouse for the relevant business or occupation, or~~
12 ~~notify the applicant why the department is currently unable to issue a license pursuant to Occupations~~
13 ~~Code, §55.0041(b-1), within 10 days.]~~

14 (c) The license is subject to the requirements of this chapter and Occupations Code, Chapter
15 2302 in the same manner as a license issued under the standard application process, unless exempted
16 or modified under Occupations Code, Chapter 55.

17 (d) ~~[(e)]~~ This section establishes requirements and procedures authorized or required by
18 Occupations Code, Chapter 55, and does not modify or alter rights that may be provided under federal
19 law.



To: Texas Department of Motor Vehicles Board
From: Tricia Ueckert, Motor Carrier Division Deputy Director
Agenda Item: 10
Subject: Chapter 218, Motor Carriers
Amendments: §218.16
(Relating to Safety Ratings for Self-Insurance; and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the rule proposal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments would condense and clarify the department's rule on insurance for motor carriers required to register for intrastate operating authority. Specifically, the proposed changes would clarify a mechanism for self-insurance to be approved for a motor carrier that has not received a safety rating from either the Texas Department of Public Safety (DPS) or the Federal Motor Carrier Safety Administration (FMCSA) and would make clarifying edits to condense and streamline the rule generally.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments.

BACKGROUND AND DISCUSSION

Texas statute (Transportation Code §643.102) and current department rule (43 Texas Administrative Code §218.16(d)) permit a motor carrier to meet the requirements for automobile liability insurance through demonstration that the carrier meets various qualifications for self-insured status. One of those requirements is that an applicant have a current "satisfactory" rating from either DPS or FMCSA. While any carrier that receives a safety rating must be rated "satisfactory," many carriers are not rated, and the operative agencies do not perform compliance reviews for safety ratings by request. The proposed amendments would also further align the department's rules with related federal regulation regarding self-insurance, as the governing federal provision, 49 C.F.R. §387.309(a)(3), permits interstate carriers to move forward with self-insured status if they have not been rated on safety by FMCSA. The proposed amendments would therefore allow the department to approve the self-insurance application of a motor carrier that has not been rated on safety by either DPS or FMCSA if the carrier otherwise satisfies the applicable requirements for self-insured status.

In addition, the proposal includes areas of cleanup that were identified through the rules-assessment process the department underwent in conjunction with the Texas Regulatory Efficiency Office and would remove from the rule language that is unnecessary and duplicates Texas statute.

PROPOSAL OF REVISIONS TO**SUBCHAPTER B. MOTOR CARRIER REGISTRATION****43 TAC §218.16**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Carrier Registration, §218.16, regarding Insurance Requirements. These amendments are necessary to streamline language and update the rule to align with federal and state safety ratings practices.

EXPLANATION.

A proposed amendment to §218.16(a) would modify subsection (a) to remove unnecessary rule text about the department rejecting extraneous information in a motor carrier's proof of automobile liability insurance. The department's current application form does not permit the submission of extraneous information, so there is no need for a rule about rejection of such information.

Proposed amendments to §218.16(b) would modify language for subject-verb agreement to improve readability.

A proposed amendment to §218.16(c) would condense language about required insurance coverage for a motor carrier whose primary business is transportation for compensation or hire between two municipalities. The proposed amendments would strike language that is redundant of Transportation Code, §643.106, while preserving the requirement that the carrier obtain at least the minimum amounts of insurance coverage specified by the statute to qualify for registration.

A proposed amendment to §218.16(d)(2)(C) would permit the department to approve an applicant who wishes to establish proof of self-insurance coverage, but has not been rated on safety by either the Texas Department of Public Safety (DPS) or the Federal Motor Carrier Safety Administration

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(FMCSA). While any carrier that is given a safety rating by DPS or FMCSA must be rated “satisfactory” to qualify for self-insured status, many carriers are not rated, and the operative agencies do not perform compliance reviews for safety ratings by request. The proposed amendments would also further align the department’s rules with related federal regulation regarding self-insurance, as the governing federal provision, 49 C.F.R. §387.309(a)(3), permits certain interstate motor carriers to qualify for self-insurance by certifying that they have not been rated on safety by FMCSA. The proposed amendments would therefore allow the department to approve the self-insurance application of a motor carrier that has not been rated on safety by either DPS or FMCSA, while continuing to require a satisfactory safety rating for a motor carrier that has been rated.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Chris Hayden, Chief Financial Officer, has determined that for each year of the first five years the amendments 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. Clint Thompson, Director of the Motor Carrier Division, 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. Mr. Thompson has also determined that, for each year of the first five years the amended sections would be in effect, the anticipated public benefit is that the amended rules would be updated and streamlined to more accurately reflect and aid public understanding of current department and industry practice.

Anticipated Costs to Comply with the Proposal. Mr. Thompson anticipates that there will be no costs to comply with these rules. The proposed rules would clarify existing law and practice, rather than add new compliance activities.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by the Government Code, §2006.002, the department has determined that the proposed amendments will not

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1 have an adverse economic effect on small businesses, micro-businesses, and rural communities because
2 the rule changes do not add new requirements and do not have any differential impact on small
3 businesses, micro-businesses, or rural communities. Therefore, the department is not required to prepare
4 a regulatory flexibility analysis under Government Code, §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 for each year of the
10 first five years the proposed amendments would be in effect, no government program would be created
11 or 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 in
14 fees paid to the department. The proposed amendments would not create a new regulation, repeal a
15 regulation, or expand existing regulations. Rather, the proposed amendments to §218.16 would limit the
16 application of existing regulatory requirements by allowing certain unrated motor carriers to qualify as
17 self-insured, without expanding the rule's overall scope. Lastly, the proposed amendments would not
18 affect the number of individuals 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 September
21 28, 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,
22 including any applicable data, research, or analysis, from any person required to comply with the
23 proposed rule or any other interested person. A request for a public hearing must be sent separately from

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- 1 your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by
- 2 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,
- 3 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
- 4 presented at the hearing.
- 5

SUBCHAPTER B. MOTOR CARRIER REGISTRATION

STATUTORY AUTHORITY. The department proposes amendments to §218.16 under Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.102, which permits motor carriers to comply with liability insurance requirements through self-insurance in certain instances; Transportation Code, §643.106, which directs certain motor carriers to maintain either workers' compensation or accidental insurance coverage; 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 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.

CROSS REFERENCE TO STATUTE. The amendments would implement Transportation Code, §643.102 and §643.106.

TEXT.

§218.16. Insurance Requirements.

(a) Automobile liability insurance requirements. A motor carrier must file proof of automobile liability insurance with the department on a form acceptable to the director for each vehicle required to be registered under this subchapter. The motor carrier shall carry and maintain automobile liability insurance that is combined single limit liability for bodily injury to or death of an individual per occurrence, and loss or damage to property (excluding cargo) per occurrence. ~~Extraneous information will not be considered acceptable, and the department may reject proof of automobile liability insurance if it is~~

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~~provided in a format that includes information beyond what is required.]~~ Minimum insurance levels are indicated in the following table. However, a motor carrier that is required to register with the department under Transportation Code, Chapter 643 and operates a foreign commercial motor vehicle must comply with the minimum level of financial responsibility in 49 C.F.R. Part 387 for such vehicle. The department adopts by reference 49 C.F.R. Part 387 regarding the required level of financial responsibility, including any amendments that became effective through July 1, 2024.

[Attached Graphic](#)

(b) Cargo insurance. Household goods carriers shall file and maintain with the department proof of financial responsibility.

(1) The minimum limits of financial responsibility for a household goods carrier are ~~is~~ \$5,000 for loss or damage to a single shipper's cargo carried on any one motor vehicle.

(2) The minimum limits of financial responsibility for a household goods carrier are ~~is~~ \$10,000 for aggregate loss or damage to multiple shippers' cargo carried on any one motor vehicle. In cases in which multiple shippers sustain damage and the aggregate amount of cargo damage is greater than the cargo insurance in force, the insurance company shall prorate the benefits among the shippers in relationship to the damage incurred by each shipper.

(c) Workers' compensation or accidental insurance coverage.

~~[(1)]~~ A motor carrier that is required to register under this subchapter and whose primary business is transportation for compensation or hire between two or more municipalities shall provide workers' compensation for all its employees or accidental insurance coverage in at least the minimum amounts prescribed in Transportation Code, §643.106(b) ~~[paragraph (2) of this subsection]~~.

~~[(2) Accidental insurance coverage required by paragraph (1) of this subsection shall be at least in the following amounts:]~~

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1 ~~[(A) \$300,000 for medical expenses for at least 104 weeks;]~~

2 ~~[(B) \$100,000 for accidental death and dismemberment;]~~

3 ~~[(C) 70 percent of the employee's pre-injury income for not less than 104 weeks~~
4 ~~when compensating for loss of income; and]~~

5 ~~[(D) \$500 for the maximum weekly benefit.]~~

6 (d) Qualification of motor carrier as self-insured motor carrier.

7 (1) General qualifications. A motor carrier may meet the insurance requirements of
8 subsections (a) and (b) of this section by filing an application, in a form prescribed by the department, to
9 qualify as a self-insured motor carrier. The application must include a true and accurate statement of the
10 motor carrier's financial condition and other evidence that establishes its ability to satisfy obligations for
11 bodily injury and property damage liability, or cargo liability, if applicable, without affecting the stability
12 or permanency of its business. The department may accept USDOT evidence of the motor carrier's
13 qualifications as a self-insured motor carrier.

14 (2) Applicant guidelines. In addition to filing an application as prescribed by the
15 department, an applicant for self-insured status must submit information and documents that will enable
16 the department to determine the following information.

17 (A) Applicant's net worth. An applicant's net worth must be adequate in relation
18 to the size of its operations and the extent of its request for self-insurance authority. The applicant must
19 demonstrate that it can and will maintain an adequate net worth.

20 (B) Self-insurance program. An applicant must demonstrate that it has
21 established and shall maintain a sound insurance program that will protect the public against all claims
22 involving motor vehicles to the same extent as the minimum insurance levels applicable under this

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1 section. In determining whether an applicant is maintaining a sound insurance program, the department
2 shall consider:

3 (i) reserves;

4 (ii) sinking funds;

5 (iii) third-party financial guarantees;

6 (iv) parent company or affiliate sureties;

7 (v) excess insurance coverage; and

8 (vi) other appropriate aspects of the applicant's program.

9 (C) Safety program. An applicant that has received a [must submit evidence of a
10 current "satisfactory"] safety rating from the Texas Department of Public Safety (DPS) under
11 Transportation Code, Chapter 644 and administrative rules adopted under Transportation Code, Chapter
12 644 or a ["satisfactory"] safety rating from FMCSA under federal law, as applicable, must submit evidence
13 of a current "satisfactory" safety rating. An application by a motor carrier that has received a safety rating
14 from DPS or FMCSA but does not have [with less than] a current "satisfactory" safety rating [or no safety
15 rating] will be summarily denied. If an applicant has not been rated on safety by either DPS or FMCSA, the
16 department may approve the application.

17 (3) Other securities or agreements. The department may accept an application for
18 approval of a security or agreement if satisfied that the security or agreement offered will adequately
19 protect the public.

20 (4) Periodic reports. An approved self-insured motor carrier shall file with the department
21 annual statements and any reports required by the department reflecting the motor carrier's financial
22 condition and the status of its self-insurance program while the motor carrier is self-insured.

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1 (5) Duration and coverage of self-insured status. The department may approve an
2 applicant as a self-insured motor carrier for any specific time or for an indefinite time. An approved self-
3 insured status only applies to the type of cargo that the motor carrier reported to the department in the
4 application for self-insured status, and is subject to any limitations, restrictions, or requirements that the
5 department includes in any letter approving self-insured status.

6 (6) Revocation of self-insured status. On receiving evidence that a self-insured motor
7 carrier's financial condition has changed, that its safety program or record is inadequate, or that it is
8 otherwise not in compliance with this subchapter, the department may at any time require the self-
9 insured motor carrier to provide additional information and documents. On 10 days' notice from the
10 department, the self-insured motor carrier shall provide the department with information and
11 documents, as applicable, that demonstrate that it remains in compliance with the requirements of this
12 section and of any active self-insurance requirements included in the department's approval letter. If a
13 motor carrier fails to comply with the applicable requirements under this section, its self-insured status
14 may be revoked. The revocation of self-insured status will be governed by Chapter 224 of this title (relating
15 to Adjudicative Practice and Procedure) and Transportation Code, Chapter 643.

16 (7) Appeal of denial of application for self-insured status. An applicant may appeal a denial
17 of self-insured status by filing an appeal in accordance with §224.126 of this title (relating to Appeal of a
18 Denial of Self-Insured Status).

19 (e) Filing proof of insurance with the department.

20 (1) Forms.

21 (A) A motor carrier shall file and maintain proof of automobile liability insurance
22 for all vehicles required to be registered under this subchapter at all times. This proof shall be filed on a
23 form acceptable to the director.

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(B) A household goods carrier shall also file and maintain proof of cargo insurance for its cargo at all times. This proof shall be on a form acceptable to the director.

(2) Filing proof of insurance. A motor carrier's insurer shall file and maintain proof of insurance on a form acceptable to the director:

(A) at the time of the original application for a motor carrier certificate of registration;

(B) on or before the cancellation date of the insurance coverage as described in subsection (f) of this section;

(C) when the motor carrier changes insurers;

(D) when the motor carrier asks to retain the certificate number of a revoked certificate of registration;

(E) when the motor carrier changes its name under §218.13(e)(2) of this title (relating to Application for Motor Carrier Registration);

(F) when the motor carrier, under subsection (a) of this section, changes the classification of the cargo being transported; and

(G) when replacing another active insurance filing.

(3) Filing fee. Each certificate of insurance or proof of financial responsibility filed with the department for the coverage required under this section must be accompanied by a nonrefundable filing fee of \$100 when the carrier submits an original application and when the carrier submits a supplemental application when retaining a revoked certificate of registration number.

(4) Acceptable filings. The motor carrier's insurer must file proof of insurance with the department in a form prescribed by the department and approved by an authorized agent of the insurer.

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(f) Cancellation of insurance coverage. Except when replaced by another acceptable form of insurance coverage or proof of financial responsibility approved by the department, insurance coverage may not be canceled or withdrawn until 30 days after notice has been given to the department by the insurer in a form approved by the department. Nonetheless, proof of insurance coverage for a seven-day or 90-day certificate of registration may be canceled by the insurer without 30 days' notice if the certificate of registration is expired, suspended, or revoked, and the insurer provides a cancellation date on the proof of insurance coverage.

(g) Replacement insurance filing. The department shall consider a new insurance filing as the current record of financial responsibility required by this section if:

(1) the new insurance filing is received by the department; and

(2) a cancellation notice has not been received for previous insurance filings.

(h) Insolvency of insurance carrier. An affidavit required by Transportation Code, §643.105 must be executed by an owner, partner, or officer of the motor carrier.



To: Texas Department of Motor Vehicles Board
From: Tricia Ueckert, Motor Carrier Division Deputy Director
Agenda Item: 11
Subject: Chapter 219, Oversize and Overweight Vehicles and Loads
Amendments: §§219.3, 219.11, 219.12, and 219.15
(Relating to Modernization of Bond Certification; Updates and Clean-Up for General, Single-Trip, and Portable Building Unit Permits)

RECOMMENDATION

Action Item. Approval to publish the rule proposal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments would modernize department rules related to surety bonds to facilitate electronic processing, to allow copies of bond paperwork rather than originals, and to clarify the required validity period for a bond. The proposed amendments would also make updates related to oversize/overweight permits, single-trip permits, and portable building unit permits.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments.

BACKGROUND AND DISCUSSION

State law requires the filing of a surety bond for certain transportation activities, including the transport of recyclable materials (Transportation Code §622.134) or solid waste (Transportation Code §623.163), as well as for oversize/overweight permits when the carrier is not otherwise required to register for operating authority (Transportation Code §623.075). The proposed amendments to §219.3, relating to Surety Bonds for Vehicles Transporting Recyclable Materials or Solid Waste, would allow for electronic processing of surety bond documents and for motor carriers to keep copies of bond-related paperwork, rather than originals, in the cabs of their vehicles, and would permit flexibility in expiration dates for the underlying bonds.

Proposed amendments to §219.11, relating to General Oversize/Overweight Permit Requirements and Procedures, would make corresponding changes to allow flexibility for effective date and electronic processing of bonds for general oversize/overweight permits. Other proposed amendments to §219.11 would remove an obsolete reference to a time limit for holiday restrictions because the Texas Department of Transportation has since adopted a standing rule on holiday restrictions.

Proposed amendments to §219.12, relating to Single-Trip Permits Issued Under Transportation Code, Chapter 623, Subchapter D, would clarify the time period during which movement is authorized under a single-trip permit and would strike an outdated reference to public service works contracts entered into prior to 1999.

Finally, proposed changes to §219.15, relating to Portable Building Units, would streamline the rule to eliminate unnecessary and outdated language, clarify the refund process, and conform the permitted length limitation language to statute.

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PROPOSAL OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****§219.3****SUBCHAPTER B. GENERAL PERMITS****§§219.11, 219.12, AND 219.15**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §219.3; and Subchapter B, General Permits, §§219.11, 219.12, and 219.15, concerning modernization of bond certification, and updates and clean-up for general, single-trip, and portable building unit permits. The proposed amendments are necessary to update department rules on electronic bond filing and certification, as well as to modernize the rules for permits to align with current statute and practice, to delete unnecessary language, and to improve readability.

EXPLANATION.**§219.3**

Currently, §219.3(b)(2) requires that surety bonds for vehicles transporting recycled materials or solid waste expire at the end of each state fiscal year. A proposed amendment to §219.3(b) would delete §219.3(b)(2) and add new §219.3(b)(1)(D) and (E) to allow more flexibility, requiring only that the surety bonds are valid and effective during the time period when the applicant for the bond certification is transporting recycled materials or solid waste, regardless of when that period falls with respect to the end of the state fiscal year. Current §219.3(b)(3) is proposed to be renumbered to accommodate the deletion of §219.3(b)(2).

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1 Proposed amendments to proposed renumbered §§219.3(b)(2), 219.3(c), and §219.3(d) would
2 modernize the rules by allowing for electronic document transfer between the department and applicants
3 for surety bond certification. Proposed renumbered §219.3(b)(2) and §219.3(d)(4) would be updated to
4 provide that the bond holder must carry in the cab of the bonded vehicle a copy of the bond, bond
5 certification form, and a copy of any bond amendments and bond amendment forms, that have been filed
6 with and certified by the department. This clarification aligns these rules with the statutory requirement
7 under Transportation Code, §622.134(d) and §623.163(d) that a copy of the bond must be carried in the
8 vehicle, eliminates the inconvenience and risk of having to carry the original documents, and provides an
9 immediate mechanism for law enforcement to determine that the bond or bond amendment has been
10 certified by the department.

11 Proposed amendments to §219.3(c)(1) would modernize the rule to allow electronic submission
12 by removing a requirement that a bond certificate be completed in duplicate, because duplicate copies
13 are unnecessary in electronic transmission. Proposed amendments to §219.3(c)(2) and §219.3(d)(2)
14 would clarify that the department will review a bond or bond amendment prior to certification to
15 determine that it meets requirements. Additional proposed amendments to §219.3(c)(2) and §219.3(d)(2)
16 would modernize the rules to accommodate electronic document transfers by allowing the department
17 flexibility to return either an electronic or hard copy of a bond certificate form or bond amendment form
18 to the applicant. The current rules reference a single copy being returned and imply that the certificate is
19 returned as a physical copy, which would no longer be the case with electronic document transmission.
20 However, the rules would retain flexibility to allow for paper transmission in the unlikely event an
21 electronic copy could not be transmitted.

22 Proposed amendments to §219.3(e) would modernize the rule to allow electronic document
23 transfers. The proposed amendments would delete language requiring original copies of bond documents,

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1 and would instead allow bond holders to submit bonds and bond amendments to the department
2 electronically, and allow the department to return electronic copies of certified forms for those bonds and
3 amendments. The proposed amendments would add language clarifying that electronic copies of bond
4 documents would be valid to the same extent as hard copies.

§219.11

7 A proposed amendment to §219.11(l)(2)(A) would remove outdated language related to an
8 expiration date for holiday restrictions on permits. The Texas Department of Transportation has adopted
9 a rule in 43 TAC §28.4, imposing dimension limits for permits issued on holidays effective February 19,
10 2025. Thus, the restrictions are now indefinitely in effect. The proposed amendment would update the
11 rule accordingly.

12 Proposed amendments to §219.11(n) would align the provision with proposed changes in §219.3
13 related to the effective date and electronic transmission of bonds. Currently, §219.11(n)(1)(C) provides
14 that surety bonds expire at the end of each state fiscal year for the vehicles required to obtain such bonds
15 under Transportation Code, §623.075. A proposed amendment would delete §219.11(n)(1)(C) and add
16 new §219.11(n)(1)(C) and (D) to allow more flexibility, requiring only that the surety bonds are valid and
17 effective during the time period when the applicant for the bond certification is operating under the
18 permit authorized in the section, regardless of when that period falls with respect to the end of the state
19 fiscal year. The remaining subsections would be relettered to accommodate the addition of
20 §219.11(n)(1)(C) and (D).

§219.12

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1 Proposed amendments to §219.12(a) would clarify the timeframe in which movement is
2 authorized under a single-trip permit. Single-trip permits are currently issued for a five-day period as this
3 is generally a reasonable time frame for a single, continuous movement and offers some flexibility while
4 remaining consistent with the concept of a single trip. However, the time frame may be extended with
5 department approval for an additional five days if the movement is delayed--for example, if the load to
6 be transported is not delivered when anticipated. Accordingly, the proposed amendment would update
7 the rule to clarify current practice. A proposed amendment to §219.12(b)(4) would strike an outdated
8 reference to exemption from the vehicle supervision fee for the holder of a fixed price public works
9 contract that was entered into prior to February 21, 1999. The rule authorizing an exemption from the
10 fee is no longer needed as there should be no remaining fixed price public works contracts to which the
11 exemption would apply. The remaining subsections would be renumbered based on the proposed
12 deletion of §219.12(b)(4).

13
14 §219.15

15 Proposed amendments to §219.15(a) would repeal rule language that is unnecessarily duplicative
16 of statutory language in Transportation Code, Chapter 623, Subchapter F, and instead refer directly to the
17 statute. A proposed amendment to §219.15(d) would replace language indicating that no fees are
18 refundable with language that would allow the department flexibility to issue a refund if it is necessary to
19 correct an error made by a permit officer of the department.

20 Several amendments are proposed to §219.15(e). Proposed amendments to §219.15(e)(2) would
21 align the rule with Transportation Code §623.121(b), which allows for a permit load of over 80 feet in
22 length only in truck-tractor or truck-tractor combination vehicle configurations, which are exempted by
23 Transportation Code, §623.121(b). Other proposed amendments to §219.15(e) would delete

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§219.15(e)(5) and (e)(6) because the language is duplicative of statute, and would delete §219.15(e)(7) because the language is outdated and refers to a process for voiding permits that is no longer in use.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Chris Hayden, Chief Financial Officer, has determined that for each year of the first five years the amendments 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. Clint Thompson, Director of the Motor Carrier Division, 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. Mr. Thompson has also determined that, for each year of the first five years the amended section is in effect, there are several public benefits. Proposed amendments that would allow for electronic document processing would make the department more efficient in issuing bond certifications and permits, which would in turn create time savings and efficiencies for motor carriers and, in turn, members of the public served by motor carriers. In addition, the public would benefit from the improved clarity and readability of the department's rules, improved by removing language that is redundant with statute and outdated language, and by updating language to reflect current agency processes.

Anticipated Costs To Comply with the Proposal. Mr. Thompson anticipates that there will be no costs to comply with these rules. The proposed changes would simplify processes and clarify language for surety bond holders as well as permit applicants and holders.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by the Government Code, §2006.002, the department has determined that the proposed amendments will not have an adverse economic effect on small businesses, micro-businesses, and rural communities because there are not costs anticipated to comply with the proposal, so there would be no particular impact to

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1 small businesses, micro-businesses, or rural communities. Therefore, the department is not required to
2 prepare a regulatory flexibility analysis under Government Code, §2006.002.

3 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
4 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
5 that would otherwise exist in the absence of government action and, therefore, does not constitute a
6 taking or require a takings impact assessment under the Government Code, §2007.043.

7 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
8 first five years the proposed amendments are in effect, no government program would be created or
9 eliminated. Implementation of the proposed amendments would not require the creation of new
10 employee positions or elimination of existing employee positions. Implementation would not require an
11 increase or decrease in future legislative appropriations to the department or an increase or decrease of
12 fees paid to the department. The proposed amendments do not create a new regulation. The proposed
13 amendments slightly expand current regulation by clarifying the documentation that must be carried in
14 the vehicle to demonstrate department certification of a bond or amendment. The proposed
15 amendments limit an existing regulation by allowing for electronic completion of existing requirements
16 for bond filing and certification as well as increased flexibility in the time period during which the bonds
17 must be valid and effective. In addition, the proposed amendments repeal portions of several existing
18 regulations that are unnecessary, duplicative of statute, or in need of modernization. Lastly, the proposed
19 amendments do not affect the number of individuals subject to the rule's applicability and will not affect
20 this state's economy.

21 **REQUEST FOR PUBLIC COMMENT.**

22 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on September
23 28, 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,

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1 including any applicable data, research, or analysis, from any person required to comply with the
2 proposed rule or any other interested person. A request for a public hearing must be sent separately from
3 your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by
4 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,
5 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
6 presented at the hearing.

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SUBCHAPTER A. GENERAL PROVISIONS

STATUTORY AUTHORITY. The Texas Department of Motor Vehicles (department) proposes 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; Transportation Code, §622.134, which outlines requirements for a surety bond for certain vehicles transporting recyclable materials; Transportation Code, §623.002, which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623; Transportation Code, §623.163, which outlines requirements for a surety bond for certain vehicles transporting solid waste; 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; and 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.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Transportation Code, Chapters 621, 622, and 623; and Government Code, Chapter 2001.

TEXT.

§219.3. Surety Bonds for Vehicles Transporting Recyclable Materials or Solid Waste.

(a) Surety bond required. A surety bond is required for:

(1) vehicles used exclusively to transport recyclable materials operated under the provisions of Transportation Code, §622.134; and

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(2) vehicles used exclusively to transport solid waste under the provisions of Transportation Code, §623.163.

(b) Surety bonds.

(1) Surety bonds filed under this section must:

(A) be in the amount of \$1,000 per vehicle;

(B) indicate the total amount of coverage; ~~and~~

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

(D) indicate the effective date and expiration date; and

(E) remain valid and in effect while the vehicle is operating as specified in

subsection (a).

~~[(2) A surety bond is effective the day it is issued and expires at the end of the state fiscal year.]~~

(2) [(3)] A copy of the [The original] bond and certificate form, filed with and certified by the department, must be carried in the cab of the bonded vehicle.

(c) Bond certification.

(1) For each vehicle, a bond certificate must:

(A) be on a form prescribed by the department; and

(B) be completed ~~[in duplicate]~~ and submitted to the department in a manner prescribed by the department for certification.

(2) The department will review the bond to determine whether it meets the requirements of this section and, if so, certify and return an electronic or hard ~~[one]~~ copy of the bond certificate form to the principal.

(d) Bond amendment.

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(1) A bond amendment form must be submitted to the department to add or delete a vehicle covered by a certified surety bond. A bond amendment must be completed ~~in duplicate~~ on a form and in a manner prescribed by the department.

(2) The department will review the bond amendment to determine whether it meets the requirements of this section and, if so, certify and return to the principal an ~~one~~ electronic or hard copy of the bond amendment form when a new vehicle is added to the surety bond.

(3) When a vehicle is removed from the surety bond, the department will make the necessary revision to the principal's file.

(4) A copy of the ~~The~~ certified bond amendment and amendment form must be carried in the cab of the bonded vehicle.

(e) Acceptable bond documents. The department may accept an electronic copy of a surety bond or bond amendment in lieu of an original. In addition, the department may allow the electronic filing of a bond certificate form or bond amendment form. An electronically transmitted copy of a bond certificate, bond amendment, or an approved bond certificate or amendment form is valid to the same extent as a hard copy version of the document. ~~[An electronic copy or facsimile copy of a surety bond form, bond certification form, or bond amendment form is not acceptable in lieu of the original surety bond.]~~

SUBCHAPTER B. GENERAL PERMITS

STATUTORY AUTHORITY. The department proposes 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

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1 necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002,
2 which authorizes the board to adopt rules as necessary to implement Transportation Code, Chapter 623;
3 Transportation Code, §623.071, which authorizes the department to issue a permit to an applicant to
4 move certain equipment or commodities; Transportation Code, §623.075, which requires a surety bond
5 for certain permit applicants not subject to intrastate registration authority under Transportation Code,
6 Chapter 643; Transportation Code §623.078, which requires a vehicle supervision fee in specific instances;
7 Transportation Code, §623.121, which authorizes the department to issue permits to move portable
8 building units; Transportation Code, § 623.127, which lists the duration of a portable building unit permit;
9 Transportation Code, §623.128, which restricts movement authorized by a portable building unit permit
10 to daytime hours; Transportation Code, §1002.001, which authorizes the board to adopt rules that are
11 necessary and appropriate to implement the powers and the duties of the department; Government
12 Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and
13 requirements of all available formal and informal procedures; and the statutory authority referenced
14 throughout the preamble and in the rule text.

15 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code,
16 Chapters 621, 622, and 623; and Government Code, Chapter 2001.

17
18 **TEXT.**

19 §219.11. General Oversize/Overweight Permit Requirements and Procedures.

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

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(b) Motor carrier registration or surety bond. Unless exempted by law, prior to obtaining an oversize/overweight permit, an applicant permitted under the provisions of Transportation Code, Chapter 623, Subchapter D, must be registered as a motor carrier under Chapter 218 of this title (relating to Motor Carriers) or, if not required to obtain a motor carrier registration, file a surety bond with the department as described in subsection (n) of this section.

(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

(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.

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

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

- 6 (i) unique to the person using it;
- 7 (ii) capable of independent verification;
- 8 (iii) under the sole control of the person using it; and
- 9 (iv) transmitted in a manner that will make it infeasible to change the
10 data in the communication or digital signature without invalidating the digital signature.

11 (d) Maximum permit weight limits.

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

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

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

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

(D) The department may permit axle weights greater than those specified in this section, for a specific individual permit request, based on an engineering study of the route and hauling equipment 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.

(E) A permitted vehicle or combination of vehicles may not exceed the manufacturer's rated tire carrying capacity, unless expressly authorized in the language on the permit based on an analysis 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.

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

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

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

(B) two-axle group--46,000 pounds;

(C) three-axle group--60,000 pounds;

(D) four-axle group--70,000 pounds;

(E) five-axle group--81,400 pounds;

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(F) axle group with six or more axles--determined by TxDOT based on an engineering study of the equipment, which will include the type of steering system used, the type of axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size on each axle; or

(G) trunnion axles--30,000 pounds per axle if the trunnion configuration has:

(i) two axles;

(ii) eight tires per axle;

(iii) axles a minimum of 10 feet in width; and

(iv) at least five feet of spacing between the axles, not to exceed six feet.

(3) Weight limits for load restricted roads. Maximum permit weight for an axle or axle group, when traveling on a load restricted road, will be based on 650 pounds per inch of tire width or the following axle or axle group weights, whichever is the lesser amount:

(A) single axle--22,500 pounds;

(B) two-axle group--41,400 pounds;

(C) three-axle group--54,000 pounds;

(D) four-axle group--63,000 pounds;

(E) five-axle group--73,260 pounds;

(F) axle group with six or more axles--determined by TxDOT based on an

engineering study of the equipment, which will include the type of steering system used, the type of

axle suspension, the spacing distance between each axle, the number of tires per axle, and the tire size

on each axle;

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

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

(e) Permit issuance.

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

(2) Routing.

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

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

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

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

(iv) traffic conditions, including traffic volume;

(v) route designations by municipalities in accordance with Transportation Code, §623.072;

(vi) load restricted roads; and

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

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

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

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

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

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

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

(f) Refund of permit fees. A permit fee will not be refunded after the permit number has been issued unless such refund is necessary to correct an error made by the permit officer.

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

(1) vehicle breakdown;

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

(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;

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

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

4 (h) Requirements for overwidth loads.

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

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

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

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

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

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

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

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(i) Requirements for overlength loads.

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

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

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

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

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

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

(A) more than 25 feet front overhang; or

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

(7) An applicant requesting a permit to move an oversize vehicle and load exceeding 125 feet overall length 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.

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

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

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

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

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

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

17 (j) Requirements for overheight loads.

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

20 (2) An applicant requesting a permit to move an oversize vehicle and load with an
21 overall height of 19 feet or greater will be furnished with a proposed route. The applicant must
22 physically inspect the proposed route to determine if the oversize vehicle and load can safely negotiate

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1 it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit
2 application and the appropriate fee are required for every route inspection.

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

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

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

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

15 (1) General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (i) at least five feet, but not more than seven feet in length, and at least
10 12 inches, but not more than 18 inches in height;

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

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

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

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

18 (8) Equipment requirements for motorcycles.

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

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

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1 (l) Restrictions.

2 (1) Daytime and nighttime movement restrictions.

3 (A) A permitted vehicle may be moved only during the daytime unless:

4 (i) the permitted vehicle is overweight only;

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

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

10 (B) An exception may be granted allowing nighttime movement, based on a
11 route and traffic study conducted by TxDOT. Escort flag vehicles may be required when an exception
12 allowing nighttime movement is granted.

13 (2) Holiday restrictions.

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

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

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

23 (m) General provisions.

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1 (1) Multiple commodities.

2 (A) When a permitted commodity creates a single overdimension, two or more
3 commodities may be hauled as one permit load, provided legal axle weight and gross weight are not
4 exceeded, and provided an overdimension of width, length or height is not created or made greater by
5 the additional commodities. For example, a permit issued for the movement of a 12 foot wide storage
6 tank may also include a 10 foot wide storage tank loaded behind the 12 foot wide tank provided that
7 legal axle weight and gross weight are not exceeded, and provided an overdimension of width, length or
8 height is not created.

9 (B) Subject to the restrictions in subparagraph (A) of this paragraph and the
10 definition of a "nondivisible load or vehicle" in §219.2 of this title (relating to Definitions), an applicant
11 requesting a permit to haul a dozer and its detached blade may be issued a permit, as a nondivisible
12 load, if removal of the blade will decrease the overall width of the load, thereby reducing the hazard to
13 the traveling public.

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

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

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

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

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

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1 (C) indicate the effective date and expiration date ~~[be effective the day it is~~
2 ~~issued and expire at the end of the state fiscal year];~~

3 (D) remain valid and in effect while the vehicle is operating as specified in this
4 section;

5
6 (E) ~~[(D)]~~ include the primary mailing address and zip code of the principal;

7 (F) ~~[(E)]~~ be signed by the principal; and

8 (G) ~~[(F)]~~ have a single entity as principal with no other principal names listed.

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

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

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

15
16 §219.12. Single-Trip Permits Issued Under Transportation Code, Chapter 623, Subchapter D.

17 (a) General.

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

22 (2) The department will issue a permit for a single, continuous movement from the
23 origin to the destination during a time period not to exceed five days, unless the department grants an

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1 extension pursuant to §219.11(g)(3) of this title, relating to General Oversize/Overweight Permit

2 Requirements and Procedures.

3 (b) Overweight loads.

4 (1) The maximum weight limits for an overweight permit are specified in §219.11(d).

5 (2) The applicant shall pay, in addition to the single-trip permit fee of \$60, the applicable
6 highway maintenance fee.

7 (3) The applicant must also pay the vehicle supervision fee (VSF) for a permit issued for
8 an overweight vehicle and load exceeding 200,000 pounds gross weight.

9 (A) The VSF is \$35 if:

10 (i) the vehicle and load do not exceed 254,300 pounds gross weight;

11 (ii) there is at least 95 feet of overall axle spacing; and

12 (iii) the vehicle and load do not exceed maximum permit weight on any
13 axle or axle group, as described in §219.11(d).

14 (B) The VSF is \$500 if:

15 (i) there is less than 95 feet of overall axle spacing;

16 (ii) the vehicle and load exceed maximum permit weight on any axle or
17 axle group, as described in §219.11(d); or

18 (iii) the vehicle and load exceed 254,300 pounds gross weight. However,
19 for a vehicle and load described in this subparagraph, the VSF is reduced from \$500 to \$100 if no bridges
20 are crossed, and the VSF is reduced from \$500 to \$35 for an additional identical load that is to be moved
21 over the same route within 30 days of the movement date of the original permit.

22 (C) An applicant must pay the VSF at the time of permit application in order to
23 offset TxDOT's costs for analyses performed in advance of issuing the permit. A request for cancellation

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1 must be in writing and received by the department prior to collection of the structural information
2 associated with the permit application. If the application is canceled, the department will return the
3 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 ~~(4)~~~~[(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 ~~(5)~~~~[(6)]~~ Unless the permit is issued for a load under subsection (c) of this section, this
13 permit may not be used for a container, including a trailer, loaded with divisible cargo.

14 ~~(6)~~~~[(7)]~~ The following provisions apply to an application for a superheavy permit to
15 move an overdimension load that is over 254,300 pounds gross weight, between 200,001 and 254,300
16 pounds gross weight with less than 95 feet overall axle spacing, or over the maximum permitted weight
17 on any axle or axle group described in §219.11(d) of this title.

18 (A) In consultation with TxDOT and the applicant as necessary, the department
19 will determine a tentative route based on the physical size of the overdimension load excluding the
20 weight. After the department provides the tentative route to the applicant, the applicant must
21 investigate the tentative route and acknowledge in writing to the department that the tentative route is
22 capable of accommodating the overdimension load. If the applicant tells the department that the
23 tentative route is not capable of accommodating the overdimension load, the department will consult

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1 with TxDOT and the applicant as necessary to attempt to create a tentative route that the applicant can
2 acknowledge is capable of accommodating the overdimension load.

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

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

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

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

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

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Chapter 219 – Oversize and Overweight Vehicles and Loads

- 1 (2) The maximum width must not exceed 10 feet.
- 2 (3) The axle weight limits must not exceed the maximum weight limits as specified in
- 3 §219.11(d)(3).
- 4 (4) The height and length must not exceed the legal limits specified in Transportation
- 5 Code, Chapter 621, Subchapter C.
- 6 (5) The permit will be issued for a single-trip only. For loads over 80,000 pounds, the
- 7 applicant must pay the single-trip permit fee, in addition to the highway maintenance fee specified in
- 8 Transportation Code, §623.077.
- 9 (6) The permit is valid only for travel on any farm-to-market and ranch-to-market road,
- 10 and such road will be specified on the permit; however, the permitted vehicle will not be allowed to
- 11 cross any load restricted bridge when exceeding the posted capacity of the bridge.
- 12 (7) Movement will be restricted to daytime only.
- 13 (d) Houses.
- 14 (1) The issuance of a permit for a house exceeding 20 feet in width will be based on:
- 15 (A) the amount of inconvenience and hazard to the traveling public, based on
- 16 traffic volume;
- 17 (B) highway geometrics and time of movement; and
- 18 (C) the overall width, measured to the nearest inch, of the house, including the
- 19 eaves or porches.
- 20 (2) The proposed route must include the beginning and ending points on a state
- 21 highway.
- 22 (3) A permit may be issued for the movement of an overweight house provided:

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Chapter 219 – Oversize and Overweight Vehicles and Loads

1 (A) the applicant provides the department with the requested information
2 regarding weights;

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

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

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

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

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

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

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

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

23 (5) The equipment must be moved empty.

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Chapter 219 – Oversize and Overweight Vehicles and Loads

(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.

219.15. Portable Building Unit Permits.

(a) Statutory authority. Permits under this section are issued under Transportation Code, Chapter 623, Subchapter F. ~~[General information.]~~

~~[(1) A vehicle or vehicle combination transporting one or more portable building units and portable building compatible cargo that exceed legal length or width limits set forth by Transportation Code, Chapter 621, Subchapters B and C, may obtain a permit under Transportation Code, Chapter 623, Subchapter F.]~~

~~[(2) In addition to the fee required by statute, the department shall collect an amount equal to any fee that would apply to the movement of cargo exceeding any applicable width limits, if such cargo were moved in a manner not governed by this section.]~~

(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(e) and (g) of this title.

(d) Refund of permit fees. A permit fee will not be refunded after the permit number has been issued unless such refund is necessary to correct an error made by the permit officer. ~~[Non-refundable permit fee. All fees are non-refundable.]~~

(e) Permit provisions and conditions.

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

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Chapter 219 – Oversize and Overweight Vehicles and Loads

1 (2) Portable building units may be loaded end-to-end to create an overlength permit
2 load, provided the overall length does not exceed 80 feet, unless the vehicle configuration is a truck-
3 tractor or truck-tractor combination exempted by Transportation Code, §623.121(b).

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

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

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

10 ~~(6) Movement of the permitted vehicle must be made during daytime only.]~~

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



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 8/13/2026

ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 12
Subject: Rule Review Proposal under Government Code, §2001.039: Chapter 221, Salvage Vehicle Dealers

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 (TAC), Chapter 221, Salvage Vehicle Dealers. This review is being conducted under Texas Government Code, §2001.039.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

Texas Government Code, §2001.039 requires the department to review and consider for readoption each of its rules every four years.

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 in Item 13 on this agenda for proposal and publication in the *Texas Register*, in accordance with the Administrative Procedure Act, Texas Government Code, Chapter 2001.

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Proposed Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 221 – Salvage Vehicle Dealers

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 221, Salvage Vehicle Dealers. This review is being conducted pursuant to Government Code, §2001.039.

The board 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 September 28, 2026. 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.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 8/13/2026**ACTION ITEM**

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Carrier Division Director
Agenda Item: 13
Subject: Chapter 221, Salvage Vehicle Dealers
Amendments: §§221.13-221.15, 221.19, 221.20, 221.44, 221.71-221.73, 221.111, and 221.112
Repeals: §§221.1, 221.11, and 221.49
(Relating to Motor Vehicle Records Disclosure Act Enforcement and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the rule proposal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments and repeals would enhance enforcement of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730, remove redundant or unnecessary provisions identified through the department's review under Government Code §2001.039 and the Texas Regulatory Efficiency Office (TREO) review process, update cross-references, improve consistency with other department rules, and reduce burdens associated with business sign requirements.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed amendments and repeals.

BACKGROUND AND DISCUSSION

The department is reviewing Chapter 221 pursuant to Government Code §2001.039. As part of that review and the department's broader rule modernization efforts, the department proposes amendments to eleven rules and repeal of three rules governing salvage vehicle dealers. The proposal would improve consistency with current statutes and department rules, remove redundant provisions, and strengthen enforcement of the Motor Vehicle Records Disclosure Act.

Significant Proposals**Motor Vehicle Records Disclosure Act Enforcement**

- Proposed new §221.111(a)(6) would authorize denial of a license application based on violations of Transportation Code, Chapter 730, including violations committed by employees or agents.
- Proposed new §221.112(22) would add violations of Transportation Code, Chapter 730 as a basis for administrative sanctions against salvage vehicle dealers.
- These amendments would align Chapter 221 with similar provisions already contained in Chapter 215.

Licensing and Administrative Updates

- Proposed amendments to §§221.14, 221.15, and 221.19 would clarify application procedures, authorized representative requirements, and reporting obligations.
- Proposed amendments would update references to Chapter 211 and other department rules to conform to recent rulemakings.
- Proposed repeal of §221.20(i) would remove language that duplicates Government Code §2001.054.

Business Operations and Recordkeeping

- Proposed amendments to §221.44 would modernize business sign requirements and allow signs permanently affixed or etched on an exterior window, wall, or door.
- Proposed amendments to §221.73 would clarify that a dealer is not required to retain a copy of a purchaser's photo identification where prohibited by federal law.
- Proposed amendments to §221.72 would update references to current Chapter 217 provisions governing webDEALER.

Rule Cleanup and TREO Review

- Proposed repeals of §§221.1, 221.11, and 221.49 would remove provisions that are unnecessary or redundant of statute.
- Proposed amendments to §§221.13, 221.14, 221.20, and 221.71 would remove redundant language, simplify rule text, and improve readability.
- The department identified many of these changes through its rule review conducted in conjunction with TREO.

Request

The department requests board approval to publish the proposal in the *Texas Register* for public comment.

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Chapter 221- Salvage Vehicle Dealers

PROPOSAL OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §221.1****SUBCHAPTER B. LICENSING****43 TAC §§221.11 – 221.15, 221.19, AND 221.20****SUBCHAPTER C. LICENSED OPERATIONS****43 TAC §221.44 AND §221.49****SUBCHAPTER D. RECORDS****43 TAC §§221.71 - 221.73****SUBCHAPTER E. ADMINISTRATIVE SANCTIONS****43 TAC §221.111 - 221.112**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes to repeal 43 Texas Administrative Code (TAC) Chapter 221, Subchapter A, General Provisions, §221.1; proposes amendments to Subchapter B, Licensing, §§221.13 – 221.15, 221.19, and 221.20, and to repeal §221.11; proposes amendments to Subchapter C, Licensed Operations, §221.44 and to repeal §221.49; proposes amendments to Subchapter D, Records, §§221.71 - 221.73; and proposes amendments to Subchapter E, Administrative Sanctions, §221.111 and §221.112. The amendments are necessary to enhance the enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; to remove language that the department identified as unenforceable or redundant of statute through its review by the Texas Regulatory Efficiency Office (TREO); to bring consistency with other chapters of Texas Administrative Code Title 43 and department practice; to correct cross-references; and to make signage requirements less burdensome on licensees. Redundant or unnecessary rules identified through the department's work with the TREO are proposed for repeal, including §§221.1, 221.11, and 221.49.

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Chapter 221- Salvage Vehicle Dealers

1 **EXPLANATION.** The department is conducting a review of Chapter 221 rules in compliance with
2 Government Code, §2001.039. Notice of the department's plan to review is also published in this issue of
3 the *Texas Register*. As a part of the review, the department is proposing necessary amendments and
4 repeals as detailed in the following paragraphs.

5
6 Subchapter A, General Provisions

7 §221.1

8 The department proposes the repeal of §221.1 because the section is unnecessary and redundant
9 of provisions in Transportation Code, §1001.002 and Occupations Code, Chapter 2302. The department
10 identified the need for this change as part of its review by TREO.

11
12 Subchapter B, Licensing

13 §221.11

14 The department proposes the repeal of §221.11 because the rule is unnecessary and redundant
15 of statute in Occupations Code, Chapter 2302. The department identified the need for this change as part
16 of its review by TREO.

17 §221.13

18 Proposed amendments to §221.13 would streamline language by removing unnecessary statutory
19 citations and by simplifying wording. The department identified the need for these changes as part of its
20 review by TREO.

21 The department proposes to remove a citation to Occupations Code, Chapter 2302 from
22 §221.13(b) to clarify the language because a salvage vehicle dealer does not hold more than one license
23 issued under Occupations Code, Chapter 2302 for the same location, so there should not be a need to

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align multiple expiration dates for that license type. However, the dealer may hold multiple licenses issued under Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, for which alignment of expiration dates may provide significant efficiency.

§221.14

The proposed amendments to §221.14(b) would delete §221.14(b)(1) to remove language that is redundant of statute, specifically Occupations Code, §2302.103. The department identified the need for this change as part of its review by TREO. The remaining subparagraphs of §221.14(b) are proposed to be renumbered to accommodate the deletion of §221.14(b)(1). A new subsection (c) is proposed to specify that an authorized representative of an applicant or license holder may be required to provide written proof of authority to act on behalf of the applicant or license holder, and the remaining subsections are relettered accordingly. This amendment would assist the department in verifying that a person submitting information or acting on behalf of an applicant or license holder has authority to do so, help prevent unauthorized filings or communications, and improve the integrity and efficiency of the licensing process. Proposed amendments to §221.14(f) and (g), as relettered by the proposed changes, would correct cross-references and a rule title to align with changes the department has recently adopted in 43 TAC Chapter 211, relating to Criminal History Offense and Action on License, and with the proposed renumbering of the subparagraphs in §221.14(b).

§221.15

Proposed amendments to §221.15(a) would make the rule more resilient to changes in the formatting of the department's website by stating that a salvage vehicle dealer can access the department's licensing system through the department's website, rather than specifying the page and icon to click. Additional proposed amendments to §221.15(b)(10) would align cross-references with changes the department has recently adopted in 43 TAC Chapter 211.

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§221.19

Proposed amendments to §221.19(b)(2) would align cross-references with changes the department has recently adopted in 43 TAC Chapter 211.

§221.20

Proposed amendments to §221.20 would delete §221.20(i) because it is redundant with statute, specifically Government Code, §2001.054. The department identified the need for this change as part of its review by TREO. The proposed amendments would reletter the remaining paragraph of §221.20 to accommodate the deletion.

Subchapter C, Licensed Operations

§221.44

Proposed amendments to §221.44 would align business sign requirements for salvage vehicle dealer license holders with recently amended requirements for dealers with general distinguishing numbers under 43 TAC §215.140, relating to Established and Permanent Place of Business Premises Requirements. Proposed amendments to §221.44(a) would add the term “legible” to clarify the requirements for letters on a business sign. Proposed amendments to §221.44(b) would allow a business sign to be permanently affixed or etched on an exterior window, wall, or door as an alternative to a sign permanently installed in the ground.

§221.49

The department proposes to repeal §221.49 because it is duplicative of statutory requirements in Occupations Code, §2302.255. The department identified the need for this change as part of its review by TREO.

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1 Subchapter D, Records

2 §221.71

3 The department proposes to delete §221.71(f) because it is redundant to Occupations Code, §2302.254.

4 §221.72

5 Proposed amendments to §221.72(c) would align cross-references in the rule with current titles

6 and references in 43 TAC Chapter 217, relating to Vehicle Titles and Registration.

7 §221.73

8 A proposed amendment to §221.73(a)(11) would add the phrase “unless prohibited by federal

9 law” to clarify that a salvage vehicle dealer is not required to copy a purchaser’s photo identification

10 document if doing so would violate federal law. This proposed amendment aligns with amendments the

11 department has proposed recently to 43 TAC §215.144(e)(8)(L), relating to Vehicle Records.

12

13 Subchapter E, Administrative Sanctions

14 §221.111

15 Proposed amendments to §221.111(a) would clarify the persons whose actions, omissions, or

16 background may form the basis for denial of an application or renewal. Proposed amendments to

17 §221.111(a)(1) and (2) would align the rule with Occupations Code, §2302.106 and comparable provisions

18 in 43 TAC Chapter 215. Proposed amendments to §221.111(a)(3) would revise language to align with the

19 amended structure of the section. Current §221.111(a)(4) is proposed for repeal because its provisions

20 are addressed in proposed renumbered §221.111(a)(4) and (5). Proposed amendments to renumbered

21 §221.111(a)(4) would clarify that an application may be denied when a person who is ineligible for

22 licensure or whose current or previous license, permit, or other authorization has been subject to

23 disciplinary action, has the ability to direct or control the management, policies, or activities of an

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1 applicant or license holder through an ownership, organizational, managerial, or other business
2 arrangement. Proposed amendments to proposed renumbered §221.111(a)(5) would remove language
3 that is redundant to the language proposed to be added to §221.111(a) specifying the individuals whose
4 actions are relevant to the department's determination of an applicant's eligibility for licensure. Proposed
5 new §221.111(a)(6) would allow the department to deny a license application for a violation of
6 Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, including a violation by an
7 employee or other agent. This amendment would allow the department to consider Chapter 730
8 violations in evaluating an applicant's fitness for licensure and would align the rule for salvage dealer
9 licensees with the department's treatment of Chapter 730 violations under 43 TAC §215.121. Proposed
10 new §221.111(a)(7) and (8) would allow the department to deny a license application because of prior
11 disciplinary actions and findings contained in final orders issued following contested case hearings, to
12 align the rule for salvage dealer licensees with 43 TAC §215.89, relating to Fitness, which applies to GDN-
13 holder licensees, and to allow the department to consider an applicant's prior regulatory compliance
14 history when evaluating fitness for licensure. The amendments would also align cross-references with
15 recent changes adopted in 43 TAC Chapters 211 and 224. Proposed amendments would delete
16 §221.111(c) because it is redundant of Occupations Code, §2302.108. The department identified the need
17 for this change as part of its review by TREO.

§221.112

19 Proposed amendments to §221.112(16) would align cross-references with changes the
20 department has recently adopted in 43 TAC Chapter 211. Proposed new §221.112(22) would add a
21 violation of Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, as a basis for
22 administrative sanctions against a salvage vehicle dealer, including violations committed by an employee
23 or agent. This proposed amendment would align the sanction provisions applicable to salvage vehicle

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dealers with recently amended sanction provisions applicable to other department license holders under 43 TAC §215.121, relating to Sanctions.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Chris Hayden, Chief Financial Officer, has determined that for each year of the first five years the amendments and repeals 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, 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. Monique Johnston, Director of the Motor Vehicle Division, has also determined that, for each year of the first five years the amendments and repeals are in effect, several public benefits are anticipated because the proposed amendments would improve enforcement of the Motor Vehicle Records Disclosure Act, remove redundant and unnecessary rule provisions, improve consistency with other department rules and department practices, correct cross-references, and reduce unnecessary burdens on license holders.

Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include improved protection of motor vehicle record information, increased clarity and consistency in the department's rules, more efficient administration and enforcement of the salvage vehicle dealer licensing program, and reduced regulatory burden through the repeal of unnecessary or redundant rules.

Anticipated Costs To Comply With The Proposal. Ms. Johnston anticipates that there will be no costs to comply with these rules. The proposed amendments primarily clarify existing requirements, remove redundant provisions, update cross-references, and align the rules with current department practices. The proposal does not impose new fees, equipment requirements, reporting requirements, training requirements, or operational requirements on license holders.

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1 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the
2 Government Code, §2006.002, the department has determined that the proposed amendments and
3 repeals will not have an adverse economic effect on small businesses, micro-businesses, and rural
4 communities because the proposal primarily clarifies existing requirements, removes redundant
5 provisions, updates cross-references, and aligns the rules with current department practices. The
6 proposed amendments and repeals do not require small businesses, micro-businesses, or rural
7 communities to incur additional expenses or comply with new substantive regulatory requirements.
8 Therefore, the department is not required to prepare a regulatory flexibility analysis under Government
9 Code, §2006.002.

10 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
11 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
12 that would otherwise exist in the absence of government action and, therefore, does not constitute a
13 taking or require a takings impact assessment under the Government Code, §2007.043.

14 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
15 first five years the proposed amendments and repeals are in effect, no government program would be
16 created or eliminated. Implementation of the proposed amendments and repeals would not require the
17 creation of new employee positions or elimination of existing employee positions. Implementation would
18 not require an increase or decrease in future legislative appropriations to the department or an increase
19 or decrease in fees paid to the department. The proposed amendments and repeals do create new
20 regulations and expand existing regulations to provide more flexibility to license holders, protect
21 consumers, and facilitate the department's obligation to monitor compliance with existing statutes. The
22 proposed amendments and repeals do not limit existing regulations. The proposed rule revisions would
23 repeal portions of existing regulations that are redundant of statute or otherwise unnecessary and update

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1 certain existing regulations to improve clarity, consistency, and enforcement. Lastly, the proposed
2 amendments and repeals do not affect the number of individuals subject to the rules' applicability and
3 will not affect this state's economy.

4 REQUEST FOR PUBLIC COMMENT.

5 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on September
6 28, 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,
7 including any applicable data, research, or analysis, from any person required to comply with the
8 proposed rule or any other interested person. A request for a public hearing must be sent separately from
9 your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by
10 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,
11 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
12 presented at the hearing.

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1 **STATUTORY AUTHORITY.** The department proposes amendments to and repeals in Chapter 221 under
2 Government Code, §411.122(d), which authorizes department access to criminal history record
3 information maintained by DPS; Government Code, §411.12511, which authorizes the department to
4 obtain criminal history record information from DPS and the FBI for license applicants, license holders,
5 certain affiliates of applicants and license holders, and representatives whose act or omission would be
6 cause for denying, revoking, or suspending a license issued under Occupations Code, Chapter 2302;
7 Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer
8 Occupations Code, Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set
9 reasonable and necessary application fees, license fees, renewal fees, and other fees as required to
10 implement Chapter 2302; Occupations Code, §2302.101, which requires a salvage vehicle dealer license
11 or general distinguishing number for a person to engage in certain activities related to the salvage vehicle
12 business; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on
13 a form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which
14 prescribes content that must be included in an application; Occupations Code, §2302.105, which requires
15 the department to complete an investigation of the applicant's qualifications before issuing a license;
16 Occupations Code, §2302.106, which governs issuance of licenses and use of fictitious names;
17 Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a
18 license issued under Chapter 2302 based on grounds establish by the board and consistent with the
19 requirements of Government Code, Chapter 2001; Transportation Code, Chapter 730, relating to the
20 Motor Vehicle Records Disclosure Act; Transportation Code §1001.002, which provides that the
21 department shall administer and enforce Occupations Code, Chapter 2302; and Transportation Code,
22 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
23 the powers and duties of the department. The department also proposes amendments and repeals under

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the authority of Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and to take any action that is necessary or convenient to exercise that authority; Transportation Code, §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code, Chapter 503.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to review and readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. The proposed amendments and repeals would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301, and 2302; and Transportation Code, Chapters 501-503, 730, 1001, and 1005.

[§221.1. Purpose and Scope.]

~~[Transportation Code, §1001.002, provides that the department shall administer and enforce Occupations Code, Chapter 2302. Chapter 2302 provides that a person may not act as a salvage vehicle dealer, unless the department issues that person a salvage vehicle dealer license, or an independent motor vehicle dealer's general distinguishing number issued under Chapter 503, Transportation Code, or~~

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~~a person is exempt from licensure under Occupations Code, Chapter 2302. This chapter describes the procedures by which a person obtains a salvage vehicle dealer license and the rules governing how a license holder or an independent motor vehicle dealer with authority to operate as a salvage vehicle dealer, must operate, and the procedures by which the department will administer and enforce Occupations Code, Chapter 2302, and this chapter.]~~

SUBCHAPTER B. LICENSING**43 TAC §§221.11, 221.13 – 221.15, 221.19, AND 221.20**

STATUTORY AUTHORITY. The department proposes amendments to Chapter 221 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a license issued under Occupations Code, Chapter 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set reasonable and necessary application fees, license fees, renewal fees, and other fees as required to implement Chapter 2302; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on a form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which prescribes content that must be included in an application; Occupations Code, §2302.105, which requires the department to complete an investigation of the applicant's qualifications before issuing a license; Occupations Code, §2302.106, which governs issuance of licenses and use of fictitious names; Occupations Code, §2302.108, which authorizes the

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1 department to deny, suspend, revoke, or reinstate a license issued under Chapter 2302 consistent with
2 the requirements of Government Code, Chapter 2001; and Transportation Code, §1002.001, which
3 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and
4 duties of the department.

5 The department also proposes amendments and repeals under the authority of Transportation
6 Code, §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054,
7 in addition to the statutory authority referenced throughout this preamble.

8 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
9 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
10 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
11 department to adopt rules to administer Transportation Code, Chapter 503.

12 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
13 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
14 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.
15 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
16 suspension, annulment, or withdrawal of a license.

17 **CROSS REFERENCE TO STATUTE.** The proposed amendments and repeals would implement Government
18 Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301, and 2302; and Transportation
19 Code, Chapters 501–503, 730, 1001–1003, and 1005.

20
21 Text.

22 [~~§221.11. License Required.~~]

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1 ~~[(a) A person must hold a salvage vehicle dealer license, or an independent motor vehicle~~
2 ~~dealer's general distinguishing number issued under Chapter 503; Transportation Code to:]~~

3 ~~[(1) act as a salvage vehicle dealer or rebuilder; or]~~

4 ~~[(2) store or display a motor vehicle as an agent or escrow agent of an insurance~~
5 ~~company.]~~

6 ~~[(b) A person may not engage in the business of buying, selling or exchanging motor vehicles~~
7 ~~that can be titled or registered to operate on public highways, including selling a salvage motor vehicle~~
8 ~~that has been rebuilt, repaired or reconstructed, unless the person holds a general distinguishing~~
9 ~~number issued by the department under Transportation Code, Chapter 503.]~~

10 ~~[(c) The provisions of this subchapter do not apply to a person exempt from licensure under~~
11 ~~Occupations Code, Chapter 2302.]~~

12
13 §221.13. License Term and Fees.

14 (a) The term of a salvage vehicle dealer license ~~[issued by the department under Occupations~~
15 ~~Code, Chapter 2302, and this chapter,]~~ is two years. The fee for a salvage vehicle dealer license is \$190.
16 The entire amount of the fee is due at the time of application for the license.

17 (b) The department may prorate ~~[the fee for]~~ a salvage vehicle dealer license fee to allow the
18 salvage vehicle dealer license to expire on the same day as another license issued by the department
19 under Occupations Code, Chapter 2301, ~~[-Chapter 2302,]~~ or Transportation Code, Chapter 503.

20 (c) The ~~[fee for a]~~ license amendment fee is \$25 and applies to a license amendment changing a
21 license holder's name, changing ownership or management, or when adding a new business address and
22 assumed name.

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§221.14. License Applications Generally.

(a) A salvage vehicle dealer license may be issued for multiple locations within a single county. A separate license and fee is required for a business location in another county.

(b) An application for a new license, license amendment, or license renewal filed with the department must be:

(1) ~~[on a form prescribed by the department;]~~

~~[(2)]~~ completed by the applicant, license holder, or authorized representative who is an employee, a licensed attorney, or a certified public accountant; and

(2) ~~[(3)]~~ accompanied by the required fee from an account held by the applicant or license holder, or from a trust account of the applicant's or license holder's attorney or certified public accountant.

(c) An authorized representative of the applicant or license holder who files an application with the department on behalf of an applicant or license holder may be required to provide written proof of authority to act on behalf of the applicant or license holder.

(d) ~~[(e)]~~ License applications and fees must be submitted to the department electronically in a system designated by the department for licensing. Fees may be paid by credit card or electronic funds transfer.

(e) ~~[(d)]~~ In evaluating a new or renewal salvage vehicle dealer license application or an application for a new location, the department may require a site visit to determine if the business location meets the requirements in this chapter.

(f) ~~[(e)]~~ An applicant for a salvage vehicle dealer license must also comply with fingerprint requirements in §211.13 ~~§211.6~~ of this title (relating to Fingerprint Requirements for Designated License Types ~~[Applicants and License Holders]~~).

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(g) [(f)] The department will not provide information regarding the status of an application, application deficiencies, or pending new license numbers to a person other than a person listed in subsection (b)(1)[(2)] of this section unless the person files a written request under Government Code, Chapter 552.

§221.15. Required License Application Information.

(a) An applicant for a new salvage dealer license must register for an account in the department-designated licensing system by accessing the licensing system through ~~[selecting the licensing system icon on the dealer page of]~~ the department's ~~[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.

(b) Once registered, an applicant for a new salvage dealer license may apply for a license and must provide the following:

(1) the application reason;

(2) business information including:

(A) the name, provided that the applicant may not use a name or assumed name under which the applicant is authorized to do business that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public;

(B) mailing address;

(C) the full business physical address, including number, street, municipality, county, and zip code for each location where the applicant will conduct business in the same county;

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- 1 (D) business email;
- 2 (E) telephone number;
- 3 (F) Texas Sales Tax Identification Number;
- 4 (G) National Motor Vehicle Title Information System (NMVTIS) Identification
- 5 Number;
- 6 (H) Secretary of State file number, if applicable; and
- 7 (I) website address, if applicable.
- 8 (3) application contact name, email address, and telephone number;
- 9 (4) the name, social security number, date of birth, identity document information, and
- 10 ownership percentage for each owner, partner, member, beneficiary, or principal if the applicant is not
- 11 a publicly traded company;
- 12 (5) the name, social security number, date of birth, and identity document information
- 13 for each officer, director, manager, trustee, or other representative authorized to act on behalf of the
- 14 applicant if the applicant is owned in full or in part by a legal entity;
- 15 (6) the name, employer identification number, ownership percentage, and non-profit or
- 16 publicly-traded status for each legal entity that owns the applicant in full or in part;
- 17 (7) the name, social security number, date of birth, and identity document information
- 18 of at least one manager or other bona fide employee who will be present at the business location if the
- 19 license holder is out of state or will not be present during business hours at the business location in
- 20 Texas;
- 21 (8) criminal history record information under the laws of Texas, another state of the
- 22 United States, the United States, and any foreign jurisdiction for each person listed in the application,
- 23 including offense description, date, and location;

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(9) military service status;

(10) licensing history required to evaluate business reputation, character, and fitness for

licensure including a statement indicating whether the applicant or any person described in §211.9

~~§211.2~~ of this title (relating to Application of Subchapter B) has previously applied for a license under

this chapter or the salvage vehicle dealer licensing laws of another jurisdiction, the result of the previous

application, and whether the applicant, including a person described in §211.9 ~~§211.2~~ of this title, has

ever been the holder of a license issued by the department or another jurisdiction that was revoked,

suspended, or subject of an order issued by the board or by another jurisdiction to pay an administrative

penalty that remains unpaid;

(11) information about each business location and business premises to demonstrate

compliance with related rules in this chapter;

(12) signed Certification of Responsibility, which is a form provided by the department;

and

(13) any other information required by the department to evaluate the application

under current law and board rules.

(c) A salvage vehicle dealer renewing or amending its license must verify current license

information and provide related information for any new requirements or changes to the license.

§221.19. Notice of Change in License Holder Information.

(a) A license holder shall notify the department by electronically submitting a license

amendment application in the department-designated licensing system to amend its license within 30

days of a change in the license holder's business name or assumed name. Upon submission of an

amendment to change the business name or assumed name, the department shall reflect the new

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business name in the department's records. The dealer shall retain the same salvage vehicle dealer license number except if the business name change is the result of a change in the type of entity being licensed, such as a sole proprietorship becoming a corporation, or if the ownership of the business changes as discussed in subsection (b) of this section.

(b) A salvage vehicle dealer shall notify the department by electronically submitting a license amendment application in the department-designated licensing system within 30 days of a change to:

- (1) the entity type of the applicant or license holder;
- (2) the departure or addition of any person reported to the department in the original license application or most recent renewal application, including any person described in §211.9 [~~§211.2~~] of this title (relating to Application of Subchapter B);
- (3) an ownership, organizational, managerial, or other business arrangement that would allow the power to direct or cause the direction of the management and policies and activities of an applicant or license holder, whether directly or indirectly, to be established in or with a person not described in paragraph (1) or (2) of this subsection; or
- (4) a business email address, telephone number, mailing address, or change in license contact.

(c) The license holder must submit to the department all information required by the department to evaluate the license amendment application under current law and rules.

§221.20. License Renewal.

(a) A salvage vehicle dealer license expires on the second anniversary of the date the license was issued.

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(b) A salvage vehicle dealer license may be renewed for an additional period of two years upon timely submission of a renewal application on a form prescribed by the department with all required information, attachments, and fees. A renewal application is considered "timely" submitted if the renewal application with all required information, attachments, and required fees is received by the department on or before the expiration date of the existing license.

(c) The department will send a written notice of expiration to a license holder's email address at least 31 days before expiration of a license.

(d) Failure by the department to send written notice of expiration under this section does not relieve a license holder from timely renewing a license.

(e) The renewal fee for a salvage vehicle dealer license is \$170.

(f) A license holder may renew an expired license by submitting a renewal application and paying a late renewal fee of \$85 in addition to the renewal fee, if 90 or fewer days have elapsed since the license expired.

(g) A license holder may renew an expired license by submitting a renewal application and paying a late renewal fee of \$170 in addition to the renewal fee, if more than 90 days but less than one year has elapsed since the license expired.

(h) If a license has been expired for one year or longer and the department has not received a renewal application, the department will close the license, and the license holder must apply for a new license.

~~[(i) In accordance with Government Code, §2001.054, a license holder that timely submits a renewal application under subsection (b) of this section may continue to operate under the expired license until the status of the renewal application is determined by the department.]~~

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1 (i) [(j)] If the department does not receive a timely renewal application with all required
2 information and attachments and the applicable renewal fee on or before the license expiration date, a
3 salvage vehicle dealer may not engage in the activities that require the license until the license has been
4 renewed by the department.

SUBCHAPTER C. LICENSED OPERATIONS**43 TAC §§221.44 AND 221.49**

8 **STATUTORY AUTHORITY.** The department proposes amendments to and repeals of §221.44 and §221.49
9 under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer
10 Occupations Code, Chapter 2302; Occupations Code, §2302.255, which establishes requirements relating
11 to the assignment of unique inventory numbers to component parts; Occupations Code, §2301.151, which
12 gives the board authority to regulate the distribution, sale, and lease of motor vehicles and to take any
13 action that is necessary or convenient to exercise that authority; Transportation Code, §501.0041, which
14 authorizes the department to adopt rules to administer Transportation Code, Chapter 501; Transportation
15 Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code,
16 Chapter 502; Transportation Code, §503.002, which authorizes the department to adopt rules to
17 administer Transportation Code, Chapter 503; Transportation Code, §1002.001, which authorizes the
18 board to adopt rules that are necessary and appropriate to implement the powers and duties of the
19 department; and Government Code, §2001.004, and §2001.039. Government Code, §2001.004 requires
20 state agencies to adopt rules of practice stating the nature and requirements of all available formal and
21 informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with
22 amendments, or repeal a rule as the result of reviewing the rule.

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CROSS REFERENCE TO STATUTE. The proposed amendments and repeal would implement Occupations Code, Chapters 2301 and 2302, and Transportation Code, Chapters 501 - 503, and 1001 - 1003.

Text.

§221.44. Business Sign Requirements.

(a) The license holder must display a permanent business sign with legible letters at least six inches in height showing the license holder's business name or assumed name as reflected on the license issued by the department. A business sign is considered permanent only if it is made of durable, weather-resistant material.

(b) A business sign must be permanently mounted at each physical business address listed on the license. 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, or permanently affixed or etched on an exterior window, wall, or door.

(c) A license holder may use a temporary sign or banner if that license holder can show proof that a business sign that meets the requirements of this paragraph has been ordered and provides a written statement that the business sign will be promptly and permanently mounted upon delivery.

(d) A license 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 section.

~~§221.49. Unique Inventory Number.~~

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1 ~~[Occupations Code, §2302.255, sets out the requirements for a salvage vehicle dealer in~~
2 ~~assigning a unique inventory number when the salvage vehicle dealer purchases or takes delivery of a~~
3 ~~component part.]~~

SUBCHAPTER D. RECORDS**43 TAC §§221.71 – 221.73**

8 **STATUTORY AUTHORITY.** The department proposes amendments to and repeals of §§221.71 – 221.73
9 under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer
10 Occupations Code, Chapter 2302; Occupations Code, §2302.254, which establishes recordkeeping
11 requirements for salvage vehicle dealers; Transportation Code, §501.0041, which authorizes the
12 department to adopt rules to administer Transportation Code, Chapter 501; Transportation Code,
13 §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter
14 502; Transportation Code, §503.002 authorizes the department to adopt rules to administer
15 Transportation Code, Chapter 503; Occupations Code, §2301.151, which gives the board authority to
16 regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is
17 necessary or convenient to exercise that authority; Government Code, §2001.004, which requires state
18 agencies to adopt rules of practice stating the nature and requirements of all available formal and informal
19 procedures; Government Code, §2001.039, which requires state agencies to readopt, readopt with
20 amendments, or repeal a rule as the result of reviewing the rule and Transportation Code, §1002.001,
21 which authorizes the board to adopt rules that are necessary and appropriate to implement the powers
22 and duties of the department.

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CROSS REFERENCE TO STATUTE. The proposed amendments and repeal would implement Occupations Code, Chapters 2301 and 2302, and Transportation Code, Chapters 501 - 503 and 1001 - 10023.

Text.

§221.71. Records; Generally.

(a) A salvage vehicle dealer shall maintain a record of each salvage motor vehicle and nonrepairable motor vehicle purchased, sold, or exchanged by the salvage vehicle dealer.

(b) A salvage vehicle dealer's records must be maintained at the licensed business location.

(c) Any records required to be maintained by a license holder may be maintained in an electronic format if the record can be reviewed and printed at the licensed business location or provided electronically upon request of the department.

(d) A salvage vehicle dealer must make records available for review and copying upon request by the department. The department may request records in person, by mail, or electronically from a department email or a department-designated system.

(e) A salvage vehicle dealer must provide copies of requested records to the department within 15 days of receipt of the request.

~~[(f) Occupations Code, §2302.254, establishes the requirements that a salvage vehicle dealer maintain a record of an inventory of component parts purchased by or delivered to the salvage vehicle dealer.]~~

§221.72. Record Retention.

(a) A salvage vehicle dealer must retain at the licensed business location, or have electronic access at the licensed business location of records stored electronically, a complete record of all

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1 purchases and sales of salvage motor vehicles and nonrepairable motor vehicles for a minimum period
2 of 36 months from the date of the transaction.

3 (b) A salvage vehicle dealer shall maintain at the licensed business location a record of each
4 vehicle that is dismantled, scrapped or destroyed, and a photocopy of the front and back of all salvage
5 vehicle titles and nonrepairable vehicle titles, or a photocopy or electronic copy of all salvage records of
6 title, and nonrepairable records of title, and, if applicable, a photocopy of any out-of-state evidence of
7 ownership surrendered to the department, until the third anniversary of the date the report was
8 acknowledged as received by the department.

9 (c) A salvage vehicle dealer utilizing the department's web-based title application known as
10 webDEALER, as defined in §217.71 of this title (relating to Definitions [~~Automated and Web-Based~~
11 ~~Vehicle Registration and Title Systems~~]), must comply with §217.74 of this title (relating to webDEALER
12 Access, Use, and Training [~~Access to and Use of webDEALER~~]). Original hard copy titles are not required
13 to be kept at the licensed business location but must be made available to the department upon
14 request.

15
16 §221.73. Content of Records.

17 (a) The records of a salvage vehicle dealer for purchases and sales shall include:

18 (1) the date the license holder purchased the salvage motor vehicle, or nonrepairable
19 motor vehicle;

20 (2) the name and address of the person who sold the salvage motor vehicle or
21 nonrepairable motor vehicle to the salvage vehicle dealer;

22 (3) if the person is not an insurance company or a license holder, a photocopy of the
23 photo identification document of the person who purchased the salvage motor vehicle or nonrepairable

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1 motor vehicle from the salvage vehicle dealer or sold the salvage motor vehicle or nonrepairable motor
2 vehicle to the salvage vehicle dealer;

3 (4) a description of the salvage motor vehicle or nonrepairable motor vehicle, including
4 the model, year, make, and vehicle identification number, if applicable;

5 (5) the ownership document number and state of issuance of the salvage motor vehicle
6 or nonrepairable motor vehicle ownership document, if applicable;

7 (6) a copy of the salvage record of title or nonrepairable record of title, if applicable, or a
8 copy of the front and back of the ownership document for the salvage motor vehicle or nonrepairable
9 motor vehicle;

10 (7) a copy of the form if the ownership document has been surrendered to the
11 department;

12 (8) any evidence indicating that the motor vehicle was dismantled, scrapped, or
13 destroyed;

14 (9) the sales contract or buyer's order;

15 (10) the salvage disclosure notice required under §221.51 of this title (relating to Duty to
16 Identify a Motor Vehicle Offered for Sale);

17 (11) a copy of the photo identification document required for export sales under
18 §221.52 (relating to Export-Only Sales), unless prohibited by federal law;

19 (12) records for a casual sale as required under §221.53 (relating to Casual Sales); and

20 (13) any other records required under current rules in this title.

21 (b) If the salvage motor vehicle has been rebuilt, repaired, or reconstructed by the salvage
22 vehicle dealer the salvage vehicle dealer's records must also include a form prescribed by the
23 department in accordance with §217.89 of this title (relating to Rebuilt Salvage Motor Vehicles).

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SUBCHAPTER E. ADMINISTRATIVE SANCTIONS**43 TAC §§221.111, AND 221.112**

STATUTORY AUTHORITY. The department proposes amendments to §§221.111 and 221.112 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a license issued under Occupations Code, Chapter 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a license issued under Chapter 2302 consistent with the requirements of Government Code, Chapter 2001; 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; Transportation Code, Chapter 730, relating to the Motor Vehicle Records Disclosure Act; Transportation Code, §501.0041, which authorizes the department to adopt rules to administer Transportation Code, Chapter 501; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §503.002, which authorizes the department to adopt rules to administer Transportation Code, Chapter 503; 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, §2001.039, which requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.;

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Government Code, §2001.054, which specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license; 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.

CROSS REFERENCE TO STATUTE. The proposed amendments would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301 and 2302; and Transportation Code, Chapters 501 – 503, 730 and 1001 - 1003.

Text.

§221.111. Denial of License.

(a) The department may deny an application for a new license or an application for a license renewal under Occupations Code Chapter 53 or Chapter 2302, and §211.10 [§211.3] of this title (relating to Criminal Offense Guidelines) or this chapter, if the applicant, license holder, or any person who is acting at the time of application, or will later act, in a representative capacity for an applicant or holder, including the applicant's or holder's officers, directors, members, managers, trustees, partners, principals, or managers of business affairs:

(1) fails to meet or maintain the qualifications and requirements of licensure [all the information required on the application is not complete];

(2) omits or provides false, misleading, or incomplete information on an initial application, renewal application, amendment application or application attachment, for a license or other authorization issued by the department or by any local, state, or federal regulatory authority [the applicant or any owner, officer, director, or other person described in §211.2 of this title (relating to

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Application of Subchapter) made a false statement, material misrepresentation, or a material omission, on the application to issue, renew, or amend a license];

(3) is, [the applicant,] or any owner, officer, director, or other person described in §211.9 [§211.2] of this title (relating to Application of Subchapter B), has been convicted, or considered convicted under Occupations Code §53.021(d), by any local, state, federal, or foreign authority, of an offense that directly relates to the duties or responsibilities of the licensed occupation as described in §211.10 [§211.3] of this title (relating to Criminal Offense Guidelines) or is convicted of an offense that is independently disqualifying under Occupations Code §53.021;

[(4) the applicant's or any owner's, officer's, director's, or other person described in §211.2 of this title, previous license was revoked;]

(4) [(5)] [the applicant,] has an ownership, organizational, managerial, or other business arrangement that would allow a person the power to direct, management, policies, or activities, of the applicant or license holder, whether directly or indirectly, when the person is ineligible for licensure, or the person's current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority [who] has been subject to disciplinary action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment for a current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority; [or]

(5) [(6)] [the applicant, or any owner, officer, or director, or other person described in §211.2 of this title] whose current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority has been subject to disciplinary action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment; [-]

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1 (6) has violated a provision of Transportation Code, Chapter 730, Motor Vehicle Records

2 Disclosure Act, including a violation by an employee or other agent;

3 (7) is assessed a civil penalty, administrative fine, fee, or similar assessment, by the

4 board, department, or a local, state, or federal regulatory authority, for violation of a requirement

5 governing or impacting the acquisition, sale, repair, rebuild, reconstruction, or other dealing of a salvage

6 motor vehicle or nonrepairable motor vehicle, and fails to comply with the terms of a final order or fails

7 to pay the penalty pursuant to the terms of a final order; or

8 (8) is found in a final order issued after a contested case hearing to be acting in a

9 manner detrimental to the system of distribution or sale of salvage or nonrepairable motor vehicles in

10 Texas, the economy of the state, the public interest, or the welfare of Texas residents.

11 (b) If the department denies an application for a license to be issued under the authority of
12 Occupations Code Chapter 2302, the applicant may request an administrative hearing in the manner
13 specified in §224.56 [~~§224.54~~] of this title (relating to Notice of Department Decision).

14 ~~[(c) In accordance with Occupations Code §2302.108, the department shall reject any~~
15 ~~application for issuance of a new license under Occupations Code Chapter 2302 filed by a person whose~~
16 ~~license is revoked before the first anniversary of the date of revocation.]~~

17
18 §221.112. Suspension, Revocation and Administrative Penalties.

19 The department may suspend or revoke a license or impose an administrative penalty if the
20 license holder, or any person who is acting, or will later act, in a representative capacity for a holder of a
21 license, including the holder's officers, directors, members, managers, trustees, partners, principals, or
22 managers of business affairs:

23 (1) fails to meet or maintain the qualifications and requirements for a license;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 221- Salvage Vehicle Dealers

1 (2) violates any law relating to the purchase, sale, exchange, storage, or distribution of
2 motor vehicles, including salvage motor vehicles and nonrepairable motor vehicles;

3 (3) willfully defrauds a purchaser;

4 (4) fails to maintain purchase, sales, and inventory records as required by Occupations
5 Code, Chapter 2302, Transportation Code, Chapter 501, Chapter 217, Subchapter D of this title, or this
6 chapter;

7 (5) refuses or fails to comply with a request by the department to examine, during
8 normal business hours, the license holder's records as required by Occupations Code, Chapter 2302, or
9 this chapter;

10 (6) engages in motor vehicle or salvage business without the required license;

11 (7) engages in business as a salvage vehicle dealer at a location for which a license has
12 not been issued by the department;

13 (8) fails to notify the department of a change of the salvage vehicle dealer's license
14 holder information as required under §221.19 of this title (relating to Notice of Change in License Holder
15 Information);

16 (9) fails to notify the department of a change in location prior to operating in a new
17 location or closing a location in accordance with §221.18 of this title (relating to Additional, New, or
18 Closed Location);

19 (10) fails to remain regularly and actively engaged in the business for which the salvage
20 vehicle dealer license is issued;

21 (11) sells more than five (5) nonrepairable motor vehicles or salvage motor vehicles to
22 the same person in a casual sale during a calendar year;

TITLE 43. TRANSPORTATION

Proposed Sections

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Chapter 221- Salvage Vehicle Dealers

(12) violates any provision of Occupations Code Chapters 2301 or 2302, Transportation

Code Chapters 501, 502, or 503, or any board rule or order promulgated under those statutes;

(13) uses or allows use of the salvage vehicle dealer's license or business location for the

purpose of avoiding the requirements of Occupations Code Chapters 2301 or 2302, Transportation

Code, Chapters 501, 502 or 503, or any board rule or order promulgated under those statutes;

(14) violates any law, ordinance, rule or regulation governing the purchase, sale,

exchange, or storage, of salvage motor vehicles or nonrepairable motor vehicles;

(15) sells or offers for sale a nonrepairable motor vehicle or a salvage motor vehicle

from any location other than the salvage vehicle dealer's licensed business location;

(16) is, or any owner, officer, director, or other person described in §211.9 [~~§211.2~~] of

this title (relating to Application of Subchapter B), is convicted, or considered convicted under

Occupations Code §53.021(d), by any local, state, federal, or foreign authority, of an offense that

directly relates to the duties or responsibilities of the licensed occupation as described in §211.10

[~~§211.3~~] of this title (relating to Criminal Offense Guidelines) or an offense that is independently

disqualifying under Occupations Code §53.021 after initial issuance or renewal of the salvage vehicle

dealer license, or that has not been reported to the department as required;

(17) makes a false statement, material misrepresentation, or material omission in any

application or other information filed with the department;

(18) fails to timely remit payment for administrative penalties imposed by the

department;

(19) engages in business without a license required under Occupations Code Chapters

2301 or 2302, or Transportation Code Chapter 503;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 221- Salvage Vehicle Dealers

- 1 (20) operates a salvage motor vehicle or a nonrepairable motor vehicle on public
2 highways or allows another person to operate a salvage motor vehicle or a nonrepairable motor vehicle
3 on public highways; ~~[or]~~
- 4 (21) deals in used automotive parts as more than an incidental part of the salvage
5 vehicle dealer's primary business; or [-]
- 6 (22) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
7 Disclosure Act, including a violation by an employee or other agent.

Board Meeting Date: 8/13/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 14
Subject: Specialty Plate Design

RECOMMENDATION

Action Item. The Vehicle Titles and Registration Division seeks board approval or denial for one plate design submitted for your consideration. The plate design is from the marketing vendor, My Plates.

PURPOSE AND EXECUTIVE SUMMARY

Oklahoma State University is a redesign of an existing My Plates (vendor) plate.

FINANCIAL IMPACT

Costs incurred by the department related to the My Plates program and a \$10 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.

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 a sponsor of a specialty license plate under Texas Transportation Code Chapter 504, Subchapter J, to contract with the private vendor authorized under Texas Transportation Code §504.851 for the marketing and sale of the specialty license plate is in Texas Transportation Code §504.6011. 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 approval for a plate to be produced. 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.

TEXAS SPECIALTY PLATE BUSINESS

Vehicle Titles and
Registration Division
Special Plates Unit (5FTEs) 12/25



VTR Director
Annette Quintero

FY 2026



FY 2025 PLATES AVAILABLE

SLP AVAILABLE _____ **570**
MILITARY AND DV _____ **220**
RESTRICTED USE _____ **64**
STATE SPECIALTY _____ **129**
VENDOR SPECIALTY _____ **157**



TOP TEN DATA FY 2025

	LINKED	UNLINKED	TOTAL
1. ANIMAL FRIENDLY	5,926	263	6,189
2. CONSERVATION: HORNED LIZARD	5,236	248	5,484
3. CONSERVATION: BLUEBONNET	4,172	242	4,414
4. CONSERVATION: WHITE-TAILED DEER	2,926	166	3,092
5. CONSERVATION: HUMMINGBIRD	1,927	129	2,056
6. BIG BEND NATIONAL PARK	1,760	104	1,864
7. CONSERVATION: LARGE MOUTH BASS	1,747	134	1,881
8. NATIVE TEXAN	1,573	90	1,663
9. CONSERVATION: CAMPING	1,567	115	1,682
10. CONSERVATION: MONARCH BUTTERFLY	1,508	132	1,640



1. CLASSIC BLACK	60,762	10,664	71,426
2. LARGE STAR WHITE-BLACK	32,891	4,415	37,306
3. CLASSIC BLACK-SILVER	24,288	3,521	27,809
4. CARBON FIBER	14,847	3,020	17,867
5. LONE STAR BLACK	14,320	2,423	16,743
6. TEXAS BLACK 1845	14,240	2,461	16,701
7. EMBOSSED BLACK & WHITE E	7,148	3,440	10,588
8. LOVE HEART	5,475	813	6,288
9. LONE STAR 1836	5,244	919	6,163
10. TEXAS OIL & GAS	4,627	832	5,459



1. DISABLED VETERAN	230,023	7,163	237,186
2. DV U.S. ARMY	64,897	1,923	66,820
3. DV U.S. MARINE CORPS	38,854	1,084	39,938
4. DV U.S. AIR FORCE	30,225	872	31,097
5. DV U.S. NAVY	27,942	838	28,780
6. DV BRONZE STAR MEDAL	16,369	439	16,808
7. MERITORIOUS SERVICE MEDAL	14,285	692	14,977
8. PURPLE HEART	11,716	379	12,095
9. U.S. MARINE CORPS	11,568	567	12,135
10. DV MERITORIOUS SERVICE MEDAL	10,252	256	10,508

SPECIAL PLATES UNIT CUSTOMER SERVICE STATISTICS FY 2025

80,641	25,424	76	12,379	2,393	22	4,886
Personalized Plate Applications Reviewed (96% Approved)	Telephone Calls	Walk-in Customers	Emails	Refunds	Public Information Open Records	Correspondence (Including Plate Applications)

Board Meeting Date: 8/13/2026

ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 15
Subject: Appointment of Members to the Automated Vehicle Regulation Advisory Committee (AVRAC) and Household Goods Rules Advisory Committee (HGRAC)

RECOMMENDATION

Action Item. That the Texas Department of Motor Vehicles Board (board) appoint the individuals from the list of potential members presented to the board by the executive director for the Automated Vehicle Regulation Advisory Committee (AVRAC) and the Household Goods Rules Advisory Committee (HGRAC).

PURPOSE AND EXECUTIVE SUMMARY

To implement Transportation Code §1001.031, which directs the board to establish advisory committees by appointing committee members.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Transportation Code §1001.031 requires the board to establish advisory committees to make recommendations to the board. The board adopted rules to establish six advisory committees in 43 Texas Administrative Code, Chapter 206, Subchapter D. Those rules require the board to appoint advisory committee members by selecting from a list of potential members provided by the executive director. Further, the board is required by statute and rule to consider the balance of the advisory committee to ensure representation of:

- industries or occupations relevant to the committee subject area that are regulated by the board,
- consumers of services provided by the regulated industry, and
- different geographical regions of the state.

Under 43 Texas Administrative Code §206.93, advisory committee members serve four-year terms. There cannot be more than 24 members on any advisory committee, in accordance with Government Code §2110.002.

AVRAC makes recommendations on topics related to regulation of the automated vehicle industry. A member of AVRAC representing regulated industry—specifically Waymo, LLC—resigned from the AVRAC in July 2026. In this agenda item, the board has the opportunity to appoint a replacement member to maintain the committee’s balance between representatives of industries or occupations regulated by the board, and consumers of those services. The executive director has recommended that the resigning member be replaced with another representative of Waymo, LLC. This

appointment will bring the total number of regulated-industry members on AVRAC to 12 and the total number of consumer members to 12.

HGRAC makes recommendations on topics related to the protection for consumers using the service of a motor carrier who is transporting household goods for compensation. Under Transportation Code, §643.155, members consist of representatives of motor carriers transporting household goods using small, medium, and large equipment, the public, and the department. The HGRAC member representing the department has resigned because he is no longer employed with the department. The executive director has recommended as a potential HGRAC member another department employee to represent the department. This appointment will make the membership of HGRAC four regulated-industry members, five consumer members, and one department representative member.

The map below shows numbered geographic regions of Texas that are used in the lists that follow to denote the location of each recommended member of the advisory committees.



Potential Member					
#	Applicant	GeoRegion	County	Employer	License Affiliation
1	Chandler Ludwick	11	Travis	Waymo LLC - Southwest Policy Manager	Autonomous Vehicle Representative

Current Members					
#	Members	GeoRegion	County	Employer	License Affiliation
1	Lloyd (Buddy) Ferguson	11	McLennan	Barack Ferrazzano Kirschbaum & Nagelberg, LLP - Of Counsel (Semi-retired)	Attorney for Manufacture/Distributor
2	Anna McAuley	10	Bexar	University of Texas at Austin Center for Transportation Research - Research Engineer	Autonomous Vehicle Research
3	Ethan Edwards	01	Irion	Merced Energy LLC/Bendito Ranch and Wildlife Services - Chief Operations Manager	Energy Representative
4	William Hardeman	11	Travis	Continental Automotive Group - Partner	Franchise Dealer
5	Misty Woodard	02	Polk	Kimberly Eakin Kia - Controller	Franchise Dealer
6	Carrell Bearden	11	Bell	Texas Motor Sports - President	Independent Dealer
7	William White	11	Williamson	Austin Police Department - Lieutenant	Law Enforcement
8	Oscar Luna	11	Williamson	Texas Department of Public Safety - Captain, Commercial Vehicle Enforcement	Law Enforcement
9	John (Travis) Pickford	11	Williamson	AISD Police Department - Assistant Chief of Police	Law Enforcement
10	Mary (Cathy) DeWitt	11	Travis	General Motors - Southwest Regional Manager	Manufacturer
11	Darran Anderson	11	Travis	Texas Department of Transportation - Senior Director of Strategy and Innovation	Public
12	Michael (Mike) Sullivan	06	Harris	Texas Governmental Affairs, LLC - Principal	Public
13	Dzuy Cao	11	Travis	Tesla Robotaxi - Senior Technical Program Manager	Autonomous Vehicle Representative
14	Brett Swanson	11	Travis	Avride - Government Relations Lead	Autonomous Vehicle Representative
15	Jeffrey Heinemeyer	04	Parker	Volvo Autonomous Solutions - Compliance & Safety Manager	Autonomous Vehicle Representative
16	Nicole Dupuis	04	Tarrant	May Mobility - Policy and Advocacy Lead	Autonomous Vehicle Representative
17	Ramsey (Blake) Calvert	10	Hays	Kodiak AI - Public Affairs Manager	Autonomous Vehicle Representative - Trucks
18	Katherine (Katie) Carmichael	11	Travis	Waabi - Sr. Manager, Policy & Public Affairs	Autonomous Vehicle Representative - Trucks
19	Bart Teeter	11	Travis	Bot Auto TX INC - Director of Fleet and Operational Safety	Autonomous Vehicle Representative - Trucks
20	Anita Kim	04	Tarrant	Torc Robotics - Senior Director, State Government and Regulatory Affairs	Autonomous Vehicle Representative - Trucks
21	Clint Kneip	04	Tarrant	Gatik.ai - Head of First Responder Engagement & Fleet Compliance	Autonomous Vehicle Representative - Trucks
22	Elizabeth Fishback	Out of State		Stack AV - Director of State and Local Affairs	Autonomous Vehicle Representative - Trucks
23	Sly Majid	11	Travis	Volkswagen ADMT - Government Affairs Manager	Manufacturer

Potential Member			
#	Members	Employer	License Affiliation
1	Luis Perez	Texas Department of Motor Vehicles	TxDMV Staff

Current Members			
#	Members	Employer	License Affiliation
1	Rodney Baumgartner	US Department of Transportation, Federal Motor Carrier Safety Administration - State Programs Manager	Federal Regulatory
2	Joanne Cisneros	Federal Motor Carrier Safety Administration - Division Administrator	Federal Regulatory
3	Alexis Crockett	City of Garland - Police Officer	Law Enforcement
4	Chelsea Ellis	BBB Serving the Heart of Texas - VP of Customer Development	Public
5	Christopher Vinson	Midlothian Police Department - Police Officer	Law Enforcement
6	Bill Andis	Texas Moving Co., Inc. - Executive Vice President	Motor Carrier / Mover Representative
7	Tucker Briscoe	Willis Permian Movers/Texas Moving - Vice President	Household Goods Mover
8	Dorothy Brooks	Texas Trucking Association/Southwest Movers Association (SMA) - Director of Operations	Motor Carrier / Mover Representative
9	Christopher Moucka	IMS Relocation - General Manager	Household Goods Mover

Board Meeting Date: 8/13/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: John Ralston, Director of Budget & Forecasting
Agenda Item: 16.A
Subject: FY 2027 Recommended Operating Budget for the Fiscal Year that Begins September 1, 2026, and Ends August 31, 2027

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

The recommended FY 2027 operating budget totals \$397.4 million, includes 952 Full-Time Employees (FTEs), and is structurally balanced to meet the department's operational needs during the upcoming fiscal year. It combines appropriations set forth in the General Appropriations Act (GAA) with unexpended balances carried forward from FY 2026.

FINANCIAL IMPACT

The recommended FY 2027 operating budget of \$397.4 million will be funded by General Revenue Fund 0001 (\$164.2 million), and TxDMV Fund 0010 (\$233.2 million).

BACKGROUND AND DISCUSSION

The FY 2027 operating budget is appropriated and funded by the Texas Legislature according to goals and strategies. The department's goals and related budget amounts, as authorized in the General Appropriations Act for FY 2027, are as follows:

Goal A: Optimize Services and Systems	\$119,536,206
Goal B: Protect the Public	\$63,447,634
Goal C: Indirect Administration	\$79,988,842
Total – FY 2027 General Appropriation Act (GAA)	\$262,972,682
U.B., Capital and Other Appropriations	\$129,800,000
Contingency Appropriations Contingency Appropriations	\$4,673,620
Total – U.B. Capital and Other Appropriations	\$134,473,620
Grand Total	\$397,446,302

Goal A is supported by five strategies: (i) Titles, Registrations and Plates; (ii) Vehicle Dealer Licensing; (iii) Motor Carrier Permits & Credentials; (iv) Technology Enhancement & Automation; and (v) the Customer Contact Center. Goal B is supported by two strategies: (i) Enforcement; and (ii) Motor Vehicle Crime Prevention Authority (MVCPA). Goal C is supported by three strategies: (i) Central Administration; (ii) Information Resources; and (iii) Other Support Services.

Unexpended Balances (UB) will be carried forward from FY 2026 to FY 2027 for TxDMV Automation Systems, Headquarters Maintenance, RSC Maintenance, RTS Replacement Phase I, County Technology, PC Replacement, and RTS Modernization, and for contingency appropriations authorized in FY 2026 for the implementation of SB 2007.

Revenues

TxDMV collects revenue from a variety of sources and deposits those revenues across multiple funds.

TxDMV Fund 0010 revenues are estimated to total \$221.9 million in FY 2027. The majority of revenues will come from title and registration fees totaling \$67.1 million, processing and handling fees of \$65.7 million, and oversize/overweight permit fees of \$16.2 million. The total TxDMV Fund 0010 revenues for FY 2027 reflect an approximate increase of 2.78% over FY 2026 estimates, and the increase is primarily attributable to a full fiscal year of collections of the new metal plate fee established in FY 2026 and a full fiscal year impact from the elimination of the online discount fee.

The department also receives revenue pursuant to Section 1006.153 of the Texas Transportation Code, to support the activities of the Motor Vehicle Crime Prevention Authority (MVCPA). These revenues are deposited to the General Revenue Fund 0001 and are estimated to total \$23.0 million in FY 2026. In addition, it is estimated that MVCPA will collect approximately \$28.7 million in FY 2027 for the coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter crime in Texas.



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Texas Department of Motor Vehicles

FY 2027 Recommended Operating Budget

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Executive Summary

Legislative Appropriations Process

On May 29th, 2025, the 89th Legislature adopted a Fiscal Year (FY) 2026-2027 biennial budget of \$667.9 million for the Texas Department of Motor Vehicles. The budget is authorized through the Legislature's adoption of the General Appropriations Act (GAA).

Highlights of the two-year FY 2026-2027 budget include:

- \$125 million in General Revenue funding for RTS Modernization.
- 50 additional FTEs to enhance and improve core services and customer support.
- Continuation of full funding for the Motor Vehicle Crime Prevention Authority (MVCPA) that is in-line with statute and the Biennial Revenue Estimate.

FY 2027 Recommended Operating Budget

The FY 2027 Recommended Operating Budget provides for the implementation of the second year of the GAA.

The FY 2027 recommended operating budget totals \$397.4 million, with 952 full-time equivalents (FTEs), and is structurally balanced to support the operational needs of the department. The recommended budget includes:

- FY 2027 amounts appropriated to the TxDMV in the General Appropriations Act (GAA); and
- Unexpended balances carried forward from FY 2026 to FY 2027.

The recommended budget focuses on continuous, secure, and uninterrupted delivery of services to our stakeholders and customers through maximizing technology and adapting to new service needs.

FY 2027 Recommended Operating Budget by Goal and Strategy

The following table reflects the FY 2027 amounts approved in the GAA (SB 1, 89th Legislature, Regular Session), plus other appropriations, including carry-forward funds from previous years that are available for the department to spend in FY 2027, supplemental appropriations, and contingency appropriations.

A. Goal: Optimize Services and Systems		FY 2027 Recommended Operating Budget
Strategy:		
A.1.1. Titles, Registrations, and Plates	\$	97,555,044
A.1.2. Vehicle Dealer Licensing	\$	4,202,454
A.1.3. Motor Carrier Permits & Credentials	\$	10,707,269
A.1.4. Technology Enhancement & Automation	\$	2,972,193
A.1.5. Customer Contact Center	\$	4,099,246
Total, Goal A: Optimize Services and Systems	\$	119,536,206
B. Goal: Protect the Public		
Strategy:		
B.1.1.: Enforcement	\$	11,801,770
B.2.1. Motor Vehicle Crime Prevention Authority	\$	51,645,864
Total, Goal B: Protect the Public	\$	63,447,634
C. Goal: Indirect Administration		
Strategy:		
C.1.1. Central Administration	\$	11,832,444
C.1.2. Information Resources	\$	49,219,923
C.1.3. Other Support Services	\$	18,936,475
Total, Goal C: Indirect Administration	\$	79,988,842
Grand Total TxDMV (GAA, Article VII Line-Item Appropriations)		\$ 262,972,682
Other Appropriations		
Capital Appropriations		
- Camp Hubbard Lease Payments (U.B.)	\$	5,600,000
- HQ Maintenance (U.B.)	\$	1,500,000
- RSC Maintenance (U.B.)	\$	1,200,000
- Automation (U.B.)	\$	8,000,000
- PC Replacement (U.B.)	\$	300,000
- County Technology (U.B.)	\$	500,000
- RTS Replacement Phase I (U.B.)	\$	1,700,000
Other Appropriations		
- RTS Modernization (U.B.)	\$	111,000,000
Contingency Appropriations		
- Contingency Appropriations	\$	4,673,620
	\$	
Total, Other Appropriations	\$	134,473,620
Total TxDMV Operating Budget	\$	397,446,302

FY 2027 Recommended Operating Budget by Method of Finance

The following table reflects the amounts approved in the GAA (SB 1, 89th Legislature, Regular Session), plus other appropriations, including carry-forward funds from previous years, supplemental appropriations, and contingency appropriations, by the method of finance.

Method of Finance		
General Revenue Fund 0001	\$	51,645,864
General Revenue Fund 0001 (U.B.)	\$	112,556,517
TxDMV Fund 0010 GAA	\$	215,672,738
TxDMV Fund 0010 (U.B.)	\$	17,571,183
Total, Method of Finance	\$	397,446,302
Total Authorized FTEs		952.0

FY 2025-2027 Revenue Summary

TxDMV collects revenue from registrations, dealer licenses, titles, permits, credentials and some miscellaneous revenue. Collections are distributed to the General Revenue Fund, the State Highway Fund, and the TxDMV Fund (0010).

TxDMV Fund 0010 Revenue

TxDMV Fund 0010 revenue collections are projected to total \$215.9 million in FY 2026 and \$221.9 million in FY 2027.

FYs 2025–2027 Revenue Summary				
<i>Revenue Fund and Fee Categories</i>	<i>FY 2025 Actual</i>	<i>FY 2026 Estimated</i>	<i>FY 2027 Estimated</i>	
Texas Department of Motor Vehicles Fund 0010				
Motor Vehicle Certificates of Title	\$ 50,185,938	\$ 50,973,000	\$ 51,274,000	
Motor Vehicle Registration	\$ 47,916,613	\$ 64,197,000	\$ 67,119,000	
Motor Carrier - Oversize/Overweight	\$ 15,243,053	\$ 15,055,000	\$ 16,267,000	
Motor Vehicle Business Licenses	\$ 7,221,657	\$ 5,654,000	\$ 5,711,000	
Miscellaneous Revenue	\$ 18,220,896	\$ 15,974,000	\$ 15,854,000	
Processing and Handling Fee	\$ 60,135,032	\$ 64,135,000	\$ 65,738,000	
Total Fund 0010 Revenue	\$ 198,923,189	\$ 215,988,000	\$ 221,963,000	

Motor Vehicle Crime Prevention Authority Revenues

The Motor Vehicle Crime Prevention Authority (MVCPA) is a division of TxDMV, governed by a seven-member board. MVCPA is funded by statutorily directed fees deposited to the General Revenue Fund.

In accordance with Transportation Code, Section 1006.153, MVCPA collects a \$5 fee on motor vehicle insurance policies delivered, issued, or renewed in Texas. Out of each fee collected, \$1 is to be used only for coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in this state. The remaining \$4 is allocated across three programs, with 20% allocated to the MVCPA to combat motor vehicle burglary or theft and fraud-related motor vehicle crime.

In FY 2027, MVCPA revenues are estimated, as follows.

Motor Vehicle Theft and Crime Prevention	\$22,995,633
Catalytic Converter Crime Prevention	\$28,744,542

FY 2027 Recommended Operating Budget by Budget Category

The table below outlines the total FY 2027 recommended operating budget by budget category.

Expenditure Area	FY 2027 Recommended Operating Budget
Salaries and Wages	\$ 64,847,880
Other Personnel Costs	\$ 1,716,166
Professional Fees and Services	\$ 152,884,999
Fuels & Lubricants	\$ 74,800
Consumable Supplies	\$ 1,347,854
Utilities	\$ 6,694,388
Travel In-State	\$ 556,770
Travel Out-of-State	\$ 171,600
Rent – Building	\$ 2,031,613
Rent - Machine and Other	\$ 337,775
Purchased Contract Services	\$ 51,965,326
Advertising & Promotion	\$ 252,600
Computer Equipment Software	\$ 4,117,382
Fees & Other Charges	\$ 2,341,644
Freight	\$ 4,280,458
Maintenance & Repair	\$ 9,129,114
Memberships & Training	\$ 427,617
Other Expenses	\$ 4,431,202
Postage	\$ 23,382,250
Reproduction & Printing	\$ 4,908,641
Grants	\$ 44,085,862
Other Capital	\$ 17,460,361
Total	\$ 397,446,302

Capital Project Details

TxDMV FY 2027 Capital Budget

TxDMV Capital Project Appropriations		FY 2027
Fiscal Year 2027 Appropriation	\$	40,553,788
Estimated Unexpended Balance Carry-Forward	\$	129,800,000
Total Capital Appropriations	\$	170,353,788
Facilities		
Regional Service Center Maintenance - includes ¹ (UB)	\$	1,200,000
HQ Maintenance ¹ (UB)	\$	1,500,000
Acquisition of Information Resource Technologies		
TxDMV Automation System ¹		
TxDMV Automation System - includes ¹ (UB)	\$	8,000,000
Other Technology Projects		
PC Replacement – includes ¹ (UB)	\$	1,092,000
Technology Replacement - County Support includes ¹ (UB)	\$	5,500,000
RTS Replacement Phase I ¹ (UB)	\$	1,700,000
RTS Modernization ¹ (UB)	\$	111,000,000
Data Center Consolidation		
Data Center Consolidation	\$	23,761,788
Debt Service		
Camp Hubbard Renewal - includes ¹ (UB)	\$	16,600,000
TxDMV Total Capital Budget		
	\$	170,353,788

¹Includes projects that will be funded from balances remaining at the end of FY 2026.

FY 2027 Contract Summary

The FY 2027 budget currently includes an estimated forty-one (41) contracts that each have a value of more than \$200,000 over the life of the contract. These contracts are listed on the following pages for informational purposes. The listed contracts are subject to change based on the final terms and conditions negotiated.

Contracts Greater than \$200,000

The following contracts have an estimated lifetime value of \$200,000 or more. The list is provided for informational purposes only and does not require the Board's approval, pursuant to Title 43 of the Texas Administrative Code, Part 10, Chapter 210, Section 210.2, which the Board adopted to delegate approval and signature authority. Please note that this list may not be exhaustive.

Division	Vendor	Purpose	Contract Award Date	Contract End Date	FY 2027 Estimate	Total Lifetime Contract Amount Through FY 2027
VTR	TEXAS DEPARTMENT OF CRIMINAL JUSTICE	License Plates Manufacturing	9/1/2019	8/31/2027	\$ 24,811,490	\$ 93,301,972
ITD	TEXAS DEPARTMENT OF INFORMATION RESOURCES	Data Center Services	9/1/2020	8/31/2027	\$ 23,761,788	\$ 53,484,465
VTR	PITNEY BOWES	Postage	9/1/2016	8/31/2027	\$ 17,240,000	\$ 128,518,631
ITD	NAVIGANT CONSULTING, INC.	RTS Modernization Project	5/1/2026	8/31/2027	\$ 9,942,589	\$ 9,942,589
MVCPA	DPS	Catalytic Converter Theft Prevention - IAC - Equipment	6/23/2025	8/31/2027	\$ 7,924,122	\$ 13,095,322
VTR	TAYLOR COMMUNICATIONS	Vehicle Registration Decals	8/26/2014	8/31/2027	\$ 5,343,750	\$ 46,293,965
FAO	OPEN TEXT	Digital Imaging	9/1/2020	8/31/2027	\$ 3,191,000	\$ 29,548,457
VTR	TAYLOR COMMUNICATIONS	License Plate Warehousing and Shipping	11/1/2024	8/31/2027	\$ 3,053,610	\$ 10,213,220
ITD	APPTRICITY CORP	HB 718 Inventory Management System	9/1/2024	8/31/2027	\$ 2,235,550	\$ 4,065,034
MCD	SEIKOSOFT LLC	MCCS Rewrite Project	12/23/2024	8/31/2027	\$ 2,007,417	\$ 2,007,417
MVCPA	DPS	Catalytic Converter Theft Prevention - IAC	4/15/2024	8/31/2027	\$ 1,796,686	\$ 4,163,852
FAO	WILLBANKS	Boiler Maintenance	9/1/2022	8/31/2027	\$ 1,500,000	\$ 2,100,000
VTR	WORKQUEST	Specialty Plates Mailing	8/26/2014	8/31/2027	\$ 1,404,200	\$ 5,734,792
FAO	BRAZOS VALLEY POLICE SERVICES	Security Guard Services - Austin	9/1/2020	8/31/2027	\$ 1,278,720	\$ 4,374,148
MVCPA	CGI TECHNOLOGIES	GMTS Upgrade	3/11/2026	8/31/2027	\$ 1,000,000	\$ 2,000,000
VTR	WORKQUEST	Huntsville Freight	8/31/2022	8/31/2027	\$ 950,000	\$ 2,797,000
ITD	THOMSONS-REUTERS	Identity Validation	7/1/2023	8/31/2027	\$ 924,861	\$ 1,849,722
ITD	CDW GOVERNMENT INC.	Helix software support	9/1/2026	8/31/2027	\$ 811,019	\$ 811,019
ITD	22ND CENTURY TECHNOLOGIES	County Refresh	10/20/2022	8/31/2027	\$ 745,500	\$ 1,491,000
VTR	RR DONNELLY	VTR-500 Form	9/1/2023	8/31/2027	\$ 732,160	\$ 2,173,180

Division	Vendor	Purpose	Contract Award Date	Contract End Date	FY 2027 Estimate	Total Lifetime Contract Amount Through FY 2027
MCD	PROMILES	Annual Support and Hosting Fees	9/1/2016	8/31/2027	\$ 703,560	\$ 5,022,640
FAO	WORKQUEST	Janitorial Services – Camp Hubbard	9/1/2020	8/31/2027	\$ 673,352	\$ 3,295,207
MCD	SOUTHWEST RESEARCH INSTITUTE	CVIEW – Maintenance Support	2/1/2020	8/31/2027	\$ 650,000	\$ 7,900,000
VTR	RR DONNELLY	Title & Registration Forms	3/6/2015	8/31/2027	\$ 586,740	\$ 5,617,465
VTR	TAYLOR COMMUNICATIONS	VTR Forms	9/1/2026	8/31/2027	\$ 559,224	\$ 559,224
ITD	GARTNER	IT Leadership Program	9/7/2023	8/31/2027	\$ 493,920	\$ 747,008
MVCPA	TDLR	MVCPA IAC	6/25/2024	8/31/2027	\$ 445,440	\$ 995,440
FAO	MEADOWS PLACE REAL ESTATE LLC	Houston South RSC Lease	10/28/2025	8/31/2027	\$ 360,500	\$ 360,500
FAO	TPJ3 REAL ESTATE HOLDINGS LP	Houston North RSC Lease	1/15/2026	8/31/2027	\$ 347,429	\$ 1,572,219
FAO	PITNEY BOWES	Presort Barcode Mail service	9/1/2023	8/31/2027	\$ 342,000	\$ 615,000
ITD	EXPLORE INFORMATION	Texas International Registration Plan (TxIRP)	4/18/2018	8/31/2027	\$ 336,640	\$ 673,280
MVCPA	DPS	MVCPA IAC	9/1/2025	8/31/2024	\$ 334,098	\$ 334,098
VTR	AMERICAN ASSOCIATION OF MOTOR VEHICLE	Title Check	8/31/2026	8/31/2027	\$ 311,541	\$ 3,589,458
ITD	PRESIDO NETWORKED SOLUTIONS GROUP LLC	Software support	6/23/2026	8/31/2027	\$ 306,938	\$ 306,938
FAO	PRESTIGE ELEVATOR SERVICES	Elevator Maintenance	9/1/2022	8/31/2027	\$ 289,967	\$ 1,514,757
FAO	JOHNSON CONTROLS	JCI Controls	9/1/2021	8/31/2027	\$ 287,584	\$ 1,185,190
FAO	WHEATLAND DUNCANVILLE LLC	Dallas South RSC Lease	5/1/2025	8/31/2027	\$ 286,402	\$ 375,869
VTR	TAYLOR COMMUNICATIONS	MyPlates Inserts	9/1/2026	8/31/2027	\$ 272,967	\$ 545,934
ITD	ADVANCED PERSONAL COMPUTING	Software support	11/24/2025	8/31/2027	\$ 269,845	\$ 269,845
FAO	US BANK VOYAGER FLEET SYST	Fleet and fuel services	9/1/2026	8/31/2027	\$ 203,900	\$ 1,428,690
FAO	ROLLING OAKS MALL REALTY HOLDING	San Antonio RSC Lease	10/22/2024	8/31/2027	\$ 200,039	\$ 200,039

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Chris Hayden, Chief Financial Officer and FAO Division Director
Agenda Item: 16.B
Subject: FY 2028 – 2029 Legislative Appropriations Request Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The proposed Legislative Appropriations Request (LAR) items for the FY 2028-2029 biennium were presented to the Board at its meeting on June 11, 2026. This item provides an update on the proposed LAR items prior to submission of the LAR to the Legislative Budget Board.

As presented in June, the LAR is divided into two components, Baseline Funding and Exceptional Items.

FINANCIAL IMPACT

In June 2026, the board approved a motion to authorize a baseline funding increase estimated to be 4%. After additional analysis, the baseline funding increase has been adjusted and is 3% of the 2026-2027 baseline. The major components of the increase include postage and freight, license plate production, and debt service for the Camp Hubbard Renewal project. The LAR will be prepared and submitted in accordance with LBB instructions. The due date is August 14, 2026.

The exceptional item presented in June has not changed.

BACKGROUND AND DISCUSSION

Baseline Increases

Baseline increases include estimated cost increases for postage and freight services, license plate production and debt service for the Camp Hubbard Renewal project.

Exceptional Items

The exceptional item presented in June has not changed.

➤ **Additional FTE for the MVCPA** \$0.0

The request is to increase the MVCPA staff by 7.0 full-time equivalent positions (FTEs) and be funded within the existing base budget.

Board Meeting Date: 8/13/2026
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Jason Gonzalez, Internal Audit Director
Agenda Item: 16.C
Subject: Internal Audit Division Status Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This status update shares details on current Internal Audit Division activities.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Internal Engagements

The Internal Audit Division (“IAD”) currently has four ongoing internal engagements: first, a Dealer Licensing Process Advisory; second, a Travel and Training Audit; third, a Network Security Audit; and fourth, a Fourth Quarter Follow-up Review.

The Dealer Licensing Process Advisory is currently in the reporting phase. Its objective is to evaluate the department’s current processes for validating dealer applicant identity and determine whether the processes are operating efficiently. The evaluation included identifying bottlenecks in the application review process and developing dealer educational materials.

Next, the Travel and Training Audit is in the reporting phase. Its objective is to review the current travel and training reimbursement payment processes and determine compliance with current department policy.

Additionally, the Network Security Audit is in the fieldwork phase. Its objective is to evaluate network security control maturity (readiness baseline), network transformation planning and governance, and the future state of network security architecture.

Finally, the Fourth Quarter Follow-up Review is currently in the reporting phase. Its objective is to evaluate whether divisions have implemented outstanding audit recommendations.

External Engagements

The department is currently undergoing a single external audit engagement, which is in the fieldwork phase.

The Texas Department of Public Safety is conducting a Criminal Justice Information Services (“CJIS”) Technical Security Audit. The audit’s objective is to ensure compliance with federal and regulatory requirements.

To:

Texas Department of Motor Vehicles Board

From:

Jason Gonzalez, Internal Audit Director

Agenda Item:

16.D

Subject:

FY 2027 Annual Audit Plan

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

In compliance with the Texas Internal Auditing Act, Texas Government Code Chapter 2102, the Texas Department of Motor Vehicles Board must approve an annual audit plan each year. The Fiscal Year (“FY”) 2027 Internal Audit Plan includes 12 engagements consisting of three risk-based audits, four advisory services, and five required activities. It also includes three alternative engagements, value-added services, and division initiatives.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Under the Texas Internal Auditing Act, specifically Texas Government Code Section 2102.008, requires that the annual audit plan developed by the internal auditor must be approved by the state agency’s governing board, or by the administrator of a state agency if the state agency does not have a governing board.

The FY 2027 Internal Audit Plan covering the period of September 1, 2026, to August 31, 2027, and will provide information on risk-based audits, advisory services, required activities, value-added services, and division initiatives for approval. The plan was developed using a risk-based methodology that includes discussions with department management, analysis of past coverage of department divisions, insights from internal audit and industry publications, and audit topics identified by the Texas State Auditor’s Office and other state agencies. The plan can be amended with Board approval, ensuring it remains flexible and responsive to evolving organizational needs.

Audits, Advisory Services, and Required Activities

The Internal Audit Division (“IAD”) plans to carry out 12 engagements in the upcoming fiscal year. These engagements include three risk-based audits, four advisory services, and five required activities, which are detailed in Table 1 below. Additionally, the Internal Audit Plan outlines three alternative engagements, as shown in Table 2 below.

Table 1: Planned Engagements

#	Type	Engagement Topic	Primary Division
1	Audit	Cybersecurity Incident Response Processes	ITSD
2	Audit	Specialty Plates	VTR
3	Audit	Autonomous Vehicle Licensing and Revocation	MCD
4	Advisory	Dealer License Plate Inventory Management	VTR

#	Type	Engagement Topic	Primary Division
5	Advisory	Modernization – Vendor Contracts	ITSD
6	Advisory	Enterprise Risk Management Evaluation	FAO
7	Advisory	Government and Strategic Communications Processes and Risk	GSC
8	Required Activity	FY 2026 Internal Audit Annual Report	IAD
9	Required Activity	Quality Assurance and Improvement Program - Internal Assessment	IAD
10	Required Activity	Audit Recommendation Implementation Status	IAD
11	Required Activity	FY 2028 Risk Assessment and Internal Audit Plan	IAD
12	Required Activity	Internal Audit Division Peer Review	IAD

Table 2: Alternative Engagements

#	Type	Engagement Topic	Primary Division
1	Audit	Payment Card Industry (PCI) Reporting Requirements	ITSD
2	Audit	Accounting Control Evaluation	FAO
3	Advisory	Rural and Emergency Customer Needs	MULTIPLE

Value-Added Services and Divisional Initiatives

IAD also provides value-added services and collaborates on division initiatives aimed at enhancing organizational value, as well as improving IAD's effectiveness and efficiency. These efforts include categories covering investigations into internal fraud, waste, and abuse; coordination of external audit / review activities; participation in work groups; and staff development.



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 8/13/2026

BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Jason Gonzalez, Internal Audit Director
Agenda Item: 16.E
Subject: Presentation of the Internal Audit Division's Fraud, Waste, and Abuse Poster

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This status update introduces the Texas Department of Motor Vehicles a Fraud, Waste, and Abuse Awareness poster developed by the Internal Audit Division.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

To further strengthen the department's commitment to integrity, accountability, and responsible stewardship of state resources, the Internal Audit Division has developed a Fraud, Waste, and Abuse Awareness Poster for distribution throughout headquarters and all regional service centers.

The poster is designed to reinforce employee awareness of potential fraud, waste, and abuse risks and to promote a culture where concerns can be identified, reported, and addressed in a timely manner. It provides employees with up-to-date reporting channels and encourages everyone to take responsibility for safeguarding state and department resources.



Texas Department
of Motor Vehicles