
To: Texas Department of Motor Vehicles Board
From: Roland Luna, Vehicle Titles & Registration Division Director
Agenda Item: 8
Subject: Chapter 217, Vehicle Titles and Registration
Amendments to §§217.122, 217.123, 217.124, 217.125, 217.126, 217.127, 217.128, 217.129, and 217.130 and new §§217.1231, 217.1232, and 217.131
(Relating to Senate Bill 15, Texas Consumer Privacy Act Phase I; Cleanup)

RECOMMENDATION

Approval to publish the proposed amended and new sections in the *Texas Register*.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the proposed amendments and new sections is to implement Senate Bill 15, 87th Legislature, Regular Session (2021) (SB15), concerning the disclosure of personal information from motor vehicle records under Transportation Code Chapter 730; and to clarify existing language to effectively implement Chapter 730.

FINANCIAL IMPACT

The department has determined that for the first five years there will be an insignificant fiscal impact to state and local governments as a result of the enforcement or administration of the proposal. There will also be insignificant costs to the public—including small businesses, microbusinesses, and rural communities—that are incidental to costs required by SB15 and are necessary to protect the public's interest in the privacy of personal information.

BACKGROUND AND DISCUSSION

SB15 amended Transportation Code Chapter 730, the Motor Vehicle Records Disclosure Act. Transportation Code Chapter 730 implements 18 U.S.C. Chapter 123 and protects the interest of an individual in the individual's personal privacy by limiting the disclosure and use of personal information contained in motor vehicle records. SB15 amended multiple existing sections of Transportation Code Chapter 730 and created three new sections, including creating additional criminal offenses and increasing the punishment for an existing criminal offense.

The existing 43 TAC Chapter 217, Subchapter F, regulates how a person can access personal information from the department's motor vehicle records, the responsibilities associated with possessing that information, and the repercussions for misusing that information. The proposed amendments and new sections (i) modify the subchapter's defined terms; (ii) clarify the process for requesting personal information from the department's motor vehicle records; (iii) create additional processes for requests from law enforcement agencies; (iv) establish processes for accessing motor vehicle records in bulk under a contract; (v) establish a process for submitting annual reports required in Transportation Code §730.014(c)(7); (vi) address requirements for providing reasonable assurances regarding the requestor's permitted use; (vii) remove the term "resale" to conform with SB15's amendments to Transportation Code §730.013; (viii) establish processes for ceasing the disclosure of personal information under Transportation Code §730.014; (ix) establish requirements for the deletion of information under Transportation Code §730.0121; and (x) clarify existing rules to improve processes and facilitate compliance.

1 changes for clarity, and remove definitions for terms that are defined under Transportation Code
2 §730.003.

3 SB 15 amended Transportation Code §730.006 by clarifying that the department must disclose
4 information to the person who is the subject of the motor vehicle record. The proposed amendments to
5 §217.123(a)(4), in part, clarify the people who can file a request for personal information to be consistent
6 with Transportation Code §730.006.

7 SB 15 amended the list of permitted disclosures in Transportation Code §730.007(a)(2) by both
8 amending existing permitted uses and creating new permitted uses. The amendments to §730.007(a)(2)
9 are, in part, incorporated in the proposed amendments to §217.125 regarding additional documentation
10 required to establish a requestor's permitted use.

11 In Transportation Code §730.007(a-1), SB 15 created a new allowance for disclosure—the
12 department may disclose personal information without first receiving a request for information when (1)
13 referring potential violations to law enforcement agencies and other regulatory agencies, (2) responding
14 to subpoenas or discovery requests, and (3) communicating with a county tax assessor-collector regarding
15 an audit or investigation. Proposed amendments to §217.123 address requests from law enforcement
16 agencies and subpoenas and discovery requests. SB 15 also created a requirement in Transportation Code
17 §730.007(g) that a person in possession of personal information from department motor vehicle records
18 must respond to inquiries from the department regarding compliance with laws that apply to the disclosed
19 personal information not later than the fifth business day after the submission of the department's
20 request, which is addressed in §217.128.

21 SB 15 added Transportation Code §730.0121, requiring the department to adopt rules that
22 require requestors to delete any personal information received from the department, should the

1 requestor become aware that they do not meet the definition of an "authorized recipient." Proposed
2 §217.131 addresses the deletion of information.

3 New Transportation Code §730.0122 prohibits a person from selling personal information to
4 persons who are not authorized recipients, making such a sale a misdemeanor offense punishable by a
5 fine up to \$100,000. Proposed amendments to §§217.126, 217.127, 217.128, and 217.130 remove
6 "resale" from the rules for consistency with amendments in SB 15; and §217.123 and §217.1231 address
7 repercussions to requestors who are convicted of violations of Transportation Code Chapter 730.

8 SB 15 also amended Transportation Code §730.013, removing references to "resale," limiting
9 redisclosure to only third parties that have a permitted use, adding a requirement for authorized
10 recipients to notify any third parties to whom they redisclose information that the third party may not
11 redisclose that information to anyone who does not have an authorized use, and increasing the maximum
12 monetary penalty for criminal sanctions related to that section from \$25,000 to \$100,000. The
13 amendments to §730.013 are addressed in the proposed amendments to §§217.126, 217.127, 217.128,
14 and 217.130.

15 SB 15's amendments to Transportation Code §730.014 created contract terms for situations
16 where the department discloses personal information in bulk under a contract, required that the
17 department monitor requestors' compliance with Transportation Code Chapter 730, and provided the
18 department the authority to cease disclosing in the case of a contract violation. SB 15 states the
19 department must include the following in a contract to provide a requestor access to personal information
20 in motor vehicle records in bulk: (1) a requirement that the requestor post a performance bond, (2) a
21 prohibition on the sale or redisclosure for the purpose of marketing extended vehicle warranties by
22 telephone, (3) a requirement that the requestor provide proof of general liability and cyber-threat
23 insurance coverage, (4) a requirement that the requestor notify the department not later than 48 hours

1 after the discovery of a breach, (5) a requirement that the requestor include in each contract with a third
2 party that receives the personal information from the requestor that the third party must comply with
3 federal and state laws regarding the records, (6) a requirement that the requestor protect the personal
4 information under industry standard security measures, and (7) a requirement that the requestor submit
5 an annual report of all third parties to which personal information is redisclosed and the purpose of the
6 redisclosure.

7 SB 15 added a requirement in Transportation Code §730.014 that the department include in a
8 disclosure of bulk records at least two records that are created solely for monitoring compliance with
9 Transportation Code Chapter 730. New Transportation Code §730.014(f) requires the department to
10 designate an employee to be responsible for monitoring compliance with Transportation Code Chapter
11 730, referring potential violations to law enforcement, and making recommendations to the department
12 on the eligibility of a person to receive personal information under Transportation Code §730.016. Lastly,
13 new Transportation Code §730.014(g) states that if the department determines a person has violated a
14 term of a contract for disclosure of personal information, the department may cease disclosing personal
15 information to the person and allow the person an opportunity to remedy the violation and resume
16 receiving personal information. SB 15's amendments to Transportation Code §730.014 are addressed by
17 proposed amendments to §§217.122, 217.123, 217.1231, 217.1232, 217.126, 217.127, 217.128, and
18 217.129.

19 Finally, SB 15 amended Transportation Code §730.016, regarding ineligibility to receive, retain, or
20 redisclose personal information. SB 15's amendments to Transportation Code §730.016(a), in part, require
21 that persons convicted of a violation of Transportation Code Chapter 730 or any related rules must cease
22 redisclosing personal information received under the chapter and delete all personal information received

1 from the department not later than one year after the date of conviction. The amendments to
2 Transportation Code §730.016 are addressed in §§217.123, 217.1231, and 217.131.

3 The department posted an informal draft of amendments to §§217.122, 217.123, 217.124,
4 217.125, 217.126, 217.127, 217.128, 217.129, and 217.130 and informal drafts of new §§217.1231,
5 217.1232, and 217.131, for public comment on the department's website on December 17, 2021, with
6 comments due January 17, 2022. The department appreciates all the serious consideration from the
7 submitted comments.

8 The department recognizes that authorized recipients, particularly law enforcement agencies,
9 frequently need to receive personal information as soon as possible. The department analyzed its current
10 processes for disclosing motor vehicle records to evaluate whether there are any inefficiencies. The
11 department's processes for disclosing motor vehicle records to law enforcement requestors provide
12 multiple ways to submit a request: by email, mail, or in-person at one of the department's Regional
13 Service Centers. The proposed amendments and new sections provide clarity for the purposes of
14 readability and ease of compliance with department processes, while maintaining the department's duty
15 to diligently protect the personal information of Texans. Proposed amendments to §217.123 focus, in
16 part, on new process efficiencies for law enforcement requests, to allow the department to assist law
17 enforcement agencies with making their requests and promptly provide personal information under the
18 parameters of Transportation Code Chapter 730.

19 The following paragraphs address the amendments in this proposal.

20 **Section 217.122.** The amendments to §217.122 add new subsections (a) and (b)(5)–(14); remove
21 existing subsections (1), (3), and (4); and renumber existing subsections (2), (5), (6), and (7).

22 New §217.122(a) incorporates all definitions found in Transportation Code Chapter 730 for
23 consistent interpretations between the corresponding statutes and rules. The incorporation of the

1 statutory definitions necessitates the removal of duplicative terms in existing subsections (b)(1), (b)(3),
2 and (b)(4), to avoid any unintended conflicts. The remaining existing definitions are renumbered
3 accordingly to (b)(1), (b)(2), (b)(3), and (b)(4).

4 The amendments to renumbered §217.122(b)(2) clarify the definition of "requestor" to include
5 "this state" and "an agency of this state." The definition of "person" in Transportation Code §730.003(5)
6 specifically excludes "this state or an agency of this state." The amendment to renumbered §217.122(b)(2)
7 clarifies that the incorporation of the statutory definition of "person" does not modify who is permitted
8 to submit a request for personal information to the department. The subchapter continues to apply to
9 people, states, and agencies of this state equally as "requestors," unless specifically stated otherwise.

10 The amendments to renumbered §217.122(b)(3) clarify the definition of "service agreement." A
11 service agreement is a contract between the department and a "requestor," under its amended definition.
12 The amendments replace "individuals, businesses or governmental entities or institutions" with
13 "requestor" as the description of who can enter into a service agreement with the department, because,
14 under the its new definition, "requestor" includes individuals, businesses, or government entities or
15 institutions. Service agreements always provide electronic access to motor vehicle records, so for clarity
16 the term "electronic" is added to the definition and removed from §217.123, which includes regulations
17 related to service agreements. The amendment changing "the department's" to "department" clarifies
18 that a service agreement may provide access to some but not all the department's motor vehicle records,
19 depending on the terms and conditions of the service agreement.

20 A service agreement is one type of contract for access to department motor vehicle records. SB
21 15 created another type of contract for access to department motor vehicle records in Transportation
22 Code §730.014, where the department provides a requestor access to personal information in motor
23 vehicles in bulk. The requirements in Transportation Code §730.014 do not apply to service agreements,

1 because service agreements do not provide access to information in bulk. Service agreements are
2 contracts to receive access to records under §217.123 (relating to Access to Motor Vehicle Records) where
3 the department discloses personal information based upon requests for specific, individual motor vehicle
4 records.

5 The amendments to renumbered §217.122(b)(4) change the term "made" to "submitted" for
6 consistency within the subchapter and to specify that a request can be submitted by mail as well as the
7 listed electronic methods.

8 New §217.122(b)(5) defines the term "signature" to establish that any signature requirement in
9 this subchapter can be met using an electronic signature, as defined by Transportation Code §501.172.
10 The definition includes "to the extent the department accepts such electronic signature" to recognize that
11 there may be subsets of or advancements in these types of electronic signatures that the department's
12 technology may not be able to accept at the time of submission.

13 New §217.122(b)(6) defines the term "Batch Inquiry" to identify one of the department's
14 information products that provides a requestor access to non-bulk motor vehicle records. Entering into a
15 service agreement to submit Batch Inquiries allows the requestor to submit requests for multiple, specific
16 motor vehicle records simultaneously and receive the responses in a batch format. A Batch Inquiry is
17 distinguishable from a request for information in bulk—a Batch Inquiry is a method of sending multiple
18 requests for individual records simultaneously and then receiving the response associated with each
19 request simultaneously; whereas a request for information in bulk is one request that will require the
20 disclosure of bulk information. In a Batch Inquiry, each motor vehicle record that is disclosed is a separate
21 disclosure.

22 New §217.122(b)(7) defines the term "MVInet Access," to identify one of the department's
23 information products that provides a requestor access to non-bulk motor vehicle records. MVInet Access

1 provides the requestor access to query the department's motor vehicle registration and title database. To
2 run a query in MVInet, the requestor must enter data associated with a specific motor vehicle record—a
3 Texas license plate number, vehicle identification number, placard number, or document number. The
4 MVInet system is not designed to return information from multiple motor vehicle records from a single
5 search of the system, and therefore does not disclose personal information in bulk. Each search made in
6 MVInet is a separate disclosure. To gain access to MVInet, a requestor must apply for and enter into a
7 service agreement.

8 New §217.122(b)(8) defines the term "bulk" to implement SB 15's amendments to Transportation
9 Code §730.014. SB 15 established required contract terms when the department provides a requestor
10 access to personal information in motor vehicle records in bulk under a contract under Transportation
11 Code §730.007. SB 15 also established a requirement that the department include at least two records
12 that are created solely for monitoring compliance with Transportation Code Chapter 730 in any bulk
13 disclosure. The new definition of "bulk" in §217.122(b)(8) establishes what types of disclosures are subject
14 to the requirements for disclosures of personal information in bulk under Transportation Code §730.014.
15 New §217.122(b)(8) establishes that a disclosure of at least 250 motor vehicle records containing personal
16 information is "bulk." The minimum amount of 250 motor vehicle records coincides with Business and
17 Commerce Code §521.053(i), which requires a person to provide notice to the Texas Attorney General of
18 any breach of system security that involves at least 250 residents of this state. The "bulk" definition goes
19 on to include examples of department information products that disclose records in bulk.

20 New §217.122(b)(9) defines the term "bulk contract" to implement SB 15's amendments to
21 Transportation Code §730.014 that establish required contract terms when the department provides a
22 requestor access to personal information in motor vehicle records in bulk under a contract under

1 Transportation Code §730.007. The new definition clarifies the types of contracts that will contain the
2 contract terms required by Transportation Code §730.014.

3 New §217.122(b)(10) defines the term "Master File" to identify one of the department's
4 information products that provides a requestor access to personal information in department motor
5 vehicle records in bulk. The Master File contains all the department's active and inactive registration and
6 title records.

7 New §217.122(b)(11) defines the term "Weekly Updates" to identify one of the department's
8 information products that provides a requestor access to personal information in department motor
9 vehicle records in bulk. The Weekly Updates contains any new and renewed registrations and title records
10 from the previous week.

11 New §217.122(b)(12) defines the term "Specialty Plates File" to identify one of the department's
12 information products that provides a requestor access to personal information in department motor
13 vehicle records in bulk. The Specialty Plates File contains records on issued Texas specialty license plates.

14 New §217.122(b)(13) defines the term "eTAG File" to identify one of the department's
15 information products that provides a requestor access to personal information in department motor
16 vehicle records in bulk. The eTAG File contains records of new or updated eTAGs, vehicle transfer
17 notifications, and plate-to-owner records.

18 New §217.122(b)(14) defines the term "Dealer/Supplemental File" to identify one of the
19 department's information products that provides a requestor access to department motor vehicle
20 records. The Dealer/Supplemental File is a pair of files that are disclosed jointly. One of the files contains
21 information on licensed dealers and the other contains information from registration and title
22 transactions processed by dealers with the department during the previous week. The
23 Dealer/Supplemental File does not contain personal information protected under Transportation Code

1 Chapter 730. The Dealer/Supplemental File is not a standalone information product; a requestor who
2 wants to receive the Dealer/Supplemental File must also contract for the Weekly Updates, which is a bulk
3 contract.

4 **Section 217.123.** The amendments to §217.123 improve readability and clarify the requirements
5 for a request for motor vehicle records, for proof of a requestor's identity, and for an application for a
6 service agreement. New subsections to §217.123 add new processes for law enforcement requestors and
7 clarify that other regulated methods of legal compulsion are exempt from the section's form
8 requirements.

9 The amendments to §217.123(a) improve readability and clarify the general requirements for a
10 request for personal information in department motor vehicle records. The amendments start by
11 distinguishing requests made under §217.123 from requests made to access motor vehicle records in bulk,
12 under the new §217.1231. The amendments broaden the language from "on the form" to "in a form," to
13 clarify the department's processes, which provide for one general request form and a second request
14 form that is tailored to the permitted uses afforded to law enforcement agencies under Transportation
15 Code Chapter 730. Amendments to §217.123(a) also include the following amendments that improve
16 readability and are nonsubstantive: the removal of the existing subtitle "Request for records." which is
17 unnecessary; the relocation of the requirement that information be released only in accordance with the
18 DPPA, Transportation Code Chapter 730, Government Code §552.130, and 43 Texas Administrative Code
19 Chapter 217, Subchapter F from subsection (a) to subsection (f); and the removal of "at a minimum,"
20 which is unnecessary.

21 The amendments to §217.123(a)(2) improve readability and clarify the requirement that the
22 requestor specifically identify the motor vehicle records they are requesting on their request form. For
23 the department to properly evaluate the request under Transportation Code Chapter 730 and provide a

1 prompt, responsive disclosure, the requestor must clearly identify the motor vehicle record they are
2 seeking. If a request is unclear, then the department may ask the requestor for clarification under
3 Government Code §552.222. The amendments to subsection (a)(2) specify a nonexclusive list of common
4 data points that the department often needs to locate a requested motor vehicle record. The
5 amendments also add "plate" to the "Texas license plate number" data point, to make the term consistent
6 with Transportation Code Chapter 504 and to avoid any confusion with a driver's license number issued
7 under Transportation Code Chapter 521.

8 The amendments to §217.123(a)(3) modify the existing requirement for proof of identity to
9 conform with statutory language more closely and to incorporate amended §217.123(b) and new
10 §217.123(b-1). Subsections (b) and (b-1) allow for different types of proof of identity, depending on the
11 requestor's permitted use under Transportation Code Chapter 730.

12 The amendments to §217.123(a)(4) improve the readability of the existing requirement that the
13 requestor inform the department how the requestor qualifies to receive the requested personal
14 information under Transportation Code Chapter 730. The nonsubstantive amendments change the
15 language to conform with the Transportation Code §730.006 and §730.007 more closely. The
16 amendments clarify that the requestor must establish the requestor's authorized use on their request
17 form. The amendments establish paragraphs (a)(4)(A)-(C) to clarify that the requestor is only required to
18 meet one of the existing authorized use options.

19 The amendments to §217.123(b) and new §217.123(b-1) improve readability and specify the
20 acceptable forms of proof of identity for this subchapter. Transportation Code Chapter 730 requires the
21 department to protect personal information contained in its motor vehicle records and only authorizes
22 disclosure of personal information under certain circumstances. To determine whether a request qualifies
23 for disclosure, the department must verify the identity of the requestor. For most requestors, this proof

1 is provided using standard photo identifications. But the department recognizes that requestors seeking
2 information for a law enforcement agency's use often possess other reliable means of identification that
3 are unique to law enforcement. Therefore, the amendments remove law enforcement requestors from
4 existing subsection (b) and establish separate proof of identity requirements for requests from law
5 enforcement agencies in the new subsection (b-1).

6 The amendments to subsection §217.123(b) exempt requests that meet the requirements of new
7 subsection (b-1), to establish the separate proofs of identity available to law enforcement requestors. The
8 amendments improve the readability of subsection (b) by affirmatively stating the requirements and
9 removing the surplus subtitle "Identification required" and the word "document." The amendments to
10 subsection (b) add allowances for "Texas Department of Public Safety Identification" and "North Atlantic
11 Treaty Organization identification or identification issued under a Status of Forces Agreement" to better
12 conform with other Texas laws that require proof of identity. The amendments remove the allowance for
13 a "copy of current law enforcement credentials if the requestor is a law enforcement officer" as those
14 requests are addressed by the new subsection (b-1).

15 New §217.123(b-1) establishes proof of identity requirements for requests for personal
16 information for use by law enforcement agencies. Law enforcement agencies have commented on
17 §217.123's existing limitation to only accept law enforcement credentials as proof of identity from law
18 enforcement requestors. Considering the time-sensitivity and public interest in law enforcement
19 investigations, new §217.123(b-1) includes two new options for proof of identity for law enforcement
20 requestors. The new options for law enforcement requestors increase flexibility for the requestors while
21 continuing to allow the department to meet its obligations under Transportation Code Chapter 730 to
22 confirm that a requestor has a permitted use for the requested personal information and is not falsely
23 holding themselves out to be associated with a law enforcement agency.

1 The first of the three options, §217.123(b-1)(1), continues the existing allowance for a law
2 enforcement requestor to provide their law enforcement credentials as proof of identity. This option
3 provides consistency for those that wish to continue following the existing processes. The second option,
4 §217.123(b-1)(2), allows law enforcement agencies to "electronically submit the request in a manner that
5 the department can verify that the requestor is acting on behalf of a law enforcement agency." This option
6 provides for multiple electronic submission methods—including methods that are currently available,
7 such as submission using an email address issued and controlled by a law enforcement agency, and future
8 methods that may be accomplished through technological advancements at the department. The third
9 option, §217.123(b-1)(3), provides the ability for the requestor's superior or commanding officer to affirm
10 the requestor's identity. Unlike subsection (b-1)(2), subsection (b-1)(3) establishes a new option that can
11 be used for in-person requests, should an officer wish to request records at a Regional Service Center
12 without presenting their credentials.

13 New §217.123(b-2) establishes an exception for law enforcement requestors to the requirement
14 in §127.123(a) that requests be made in writing. The department recognizes the public benefit of
15 providing law enforcement requestors prompt assistance with their requests over the phone. New
16 subsection (b-2) establishes a process for law enforcement agencies to provide required proof of identity
17 for the people authorized to submit requests on behalf of the law enforcement agency before a request
18 is made. The department will create a vetting form that law enforcement agencies can use to provide
19 proof of identity. The department will review the submitted form and track which forms are complete and
20 accepted. To ensure the information provided on the forms does not become inaccurate over time, a law
21 enforcement requestor will be required to file a new form every 12 months, which must be approved by
22 the department if the law enforcement requestor would like to continue submitting requests to the
23 department verbally.

1 New §217.123(b-2) also establishes that the department may require the law enforcement
2 requestor to confirm a verbal request in writing. If the department requires the law enforcement
3 requestor to confirm their request in writing, the department will not disclose any personal information
4 related to the request until confirmation in writing is received.

5 The amendments to §217.123(c) improve readability and clarify that a requestor must submit an
6 application to enter into a service agreement. A service agreement is a contract that provides electronic
7 access to department motor vehicle records through a method that does not disclose personal
8 information in bulk. The amendments to §217.123(c) remove the subtitle "Electronic access." because it
9 is an unnecessary restatement of an element of a service agreement.

10 The amendments to §217.123(c)(1) improve readability and specify that a requestor must submit
11 an application to enter into a service agreement with the department. Before the department will begin
12 the process of drafting a service agreement, the requestor must provide reasonable assurances as to their
13 identity and that the use of the personal information will be used only as authorized, under Transportation
14 Code §730.007(a) and §730.012. The amendments to §217.123(c)(1) remove "with a business or
15 individual" and "written," as those terms are incorporated into the definitions of "requestor" and "service
16 agreement" in proposed §217.122(2) and (3), respectively. The removal of "with a business or individual"
17 and "written," are nonsubstantive.

18 The amendments to paragraphs (c)(1)(A)-(E) make the requirements for an application for a
19 service agreement consistent with the requirements for a request under §217.123(a), to avoid any
20 unintended consequences. The amendments to paragraph (c)(1)(A) change the existing requirement for
21 the requestor to provide their permitted use on the application for a service agreement to conform with
22 §217.123(a)(4)(C) and Transportation Code Chapter 730. The amendments to paragraph (c)(1)(A) are
23 nonsubstantive.

1 The amendments to §217.123(c)(1)(B) specify that an applicant for a service agreement must
2 comply with Transportation Code §730.007(a)(1) and provide their name and address in the application.
3 The existing requirement for an adjustable account in paragraph (c)(1)(B) is moved to proposed
4 §217.123(c)(2) for clarity, since an adjustable account is a term or condition in a service agreement and
5 not part of the application for a service agreement.

6 The amendments to §217.123(c)(1)(C) require an applicant for a service agreement to provide
7 proof of identity, as established under subsections (b) and (b-1). Since a service agreement is a contract
8 regarding the disclosure of personal information, the department has a duty to confirm the identity of the
9 contracting recipient. The amendments to §217.123(c)(1)(C) remove the existing requirement for
10 "termination and default provisions," as those are not part of an application for a service agreement.
11 Executed service agreements will contain termination and default provisions, but it is not necessary for
12 this rule to require them, as they are standard contract terms and conditions.

13 The amendments to §217.123(c)(1)(D) clarify that a requestor applying to enter into a service
14 agreement may be an individual, an organization, or an entity. If the requestor is an organization or entity,
15 the amendments require an officer or director to sign the application on the entity's behalf. It is necessary
16 for the department to know that an organization or entity's upper management understands the extent
17 of the requestor's responsibility to protect the personal information contained in the department motor
18 vehicle records before entering into a service agreement that provides electronic access to the
19 department motor vehicle records.

20 The amendments to §217.123(c)(1)(E) remove the existing requirement and add a new
21 requirement. The amendments to §217.123(c)(1)(E) add a requirement that the application for a service
22 agreement contain a certification that the statements made in the application are true and correct. The
23 certification will not make the application more arduous on the part of the requestor, and will provide

1 assurances to the department that the requestor has confirmed that the statements made in the
2 application are true and correct before submission. This certification is not required to be notarized.

3 The amendments to §217.123(c)(1)(E) remove the existing requirement for a statement that the
4 use of personal information will be in accordance with the DPPA, Transportation Code Chapter 730, and
5 the permitted use specified in the service agreement to improve readability and make the rules more
6 concise. The existing requirement is not something a requestor must provide in its application for a service
7 agreement; rather, it is an unnecessary restatement of requirements under the DPPA and Chapter 730.
8 The requirement that a requestor comply with the DPPA and Chapter 730 will continue to be required
9 under a service agreement but the unnecessary restatement of laws is removed from §217.123(c)(1)(E)
10 to avoid any unintended conflict with those laws.

11 The amendments remove existing §217.123(c)(1)(F), which requires that applications for service
12 agreements contain "the statements required by subsection (a) of this section." Any "statements required
13 by subsection (a)" that are required in an application for a service agreement are specifically included in
14 the proposed amendments to §217.123(c). Therefore, the existing requirement in §217.123(c)(1)(F) is
15 unnecessary and removed to avoid any confusion.

16 The amendments to §217.123(c)(2) simplify the existing requirements related to adjustable
17 accounts and the payment of fees under a service agreement by incorporating the requirements currently
18 located in §§217.123(c)(1)(B), 217.123(c)(2)(B), and 217.123(e) into one subdivision. Service agreements
19 include adjustable accounts established to pay fees incurred for the individual requests or searches made
20 under the service agreement. The adjustable account requirements can be modified depending on the
21 number of requests the requestor needs to submit. Additionally, some requestors are exempt from the
22 payment of fees in this subchapter under §217.124(b) and (e), which negates the need for an adjustable

1 account. The amendments to §217.123(c)(2) combine all the existing regulations regarding adjustable
2 accounts to one subdivision in the rule, making the rule more concise and improving readability.

3 The amendments remove existing §217.123(c)(2), which contains a separate set of regulations for
4 service agreements with Texas governmental entities. In existing §217.123(c)(2), the only substantive
5 distinctions between the regulations for a service agreement with a governmental entity and a service
6 agreement with a requestor that is not a governmental entity was the existence of the adjustable account
7 and the recognition that a governmental entity may have statutory authority to obtain social security
8 numbers. The distinction that governmental entities may be exempt from paying fees is addressed by the
9 amendments to §217.124(e), making the requirement in existing §217.123(c)(2)(B) unnecessary. The
10 amendments remove existing §217.123(c)(2)(A)(v) which requires a statement citing to the governmental
11 entity’s authority to obtain social security number information, because it is an unnecessary restatement
12 of existing law in Chapter 730. Section 730.003(6) defines “personal information” to include a social
13 security number. If a governmental entity has authority to obtain social security numbers under Chapter
14 730, that authority is not modified by this rule. The removal of §217.123(c)(2) is nonsubstantive and avoids
15 any potential conflict with existing laws.

16 The amendments to §217.123(d) remove the existing regulation and replace it with a new one.
17 The amendments remove existing §217.123(d), which addresses the ineligibility to receive personal
18 information after a violation of a term or condition of the contract. Transportation Code §730.014 and
19 §730.016 address the repercussions to a contracted authorized recipient should they violate their
20 contract, including the ineligibility to receive personal information. The amendments remove the existing
21 §217.123(d) to avoid any conflict with these statutes.

22 New §217.123(d) implements Transportation Code §730.016(a), which states that if a person is
23 convicted of an offense under Transportation Code Chapter 730 or if the person violates a rule adopted

1 by an agency relating to the terms or conditions for a release of personal information, then the person is
2 ineligible to receive personal information under §730.007. New §217.123(d) establishes that if the
3 contracted requestor is convicted of an offense under Transportation Code Chapter 730 or is found to
4 have violated a rule under Subchapter F of Chapter 217, then the contract with that requestor is
5 terminated as of the date of the court's final determination since the person would no longer be eligible
6 to receive personal information under Transportation Code §730.016(a).

7 The amendments to §217.123(e) establish an exemption from the form requirements in
8 §217.123(a) for people seeking personal information using another regulated method of legal compulsion.
9 Discovery requests, subpoenas, and other methods of legal compulsion have specific form requirements
10 set out in law. The amendments to §217.123(e) clarify that §217.123 does not create additional form
11 requirements for these methods of legal compulsion. For example, if the department receives a proper
12 request for production, under Rule 196.1 of the Texas Rules of Civil Procedure, the department will not
13 also require the filing of a form required under §217.123(a). The amendments to §217.123(e) also remove
14 the existing language from §217.123(e), as the requirements for an adjustable account are addressed by
15 the amendments to §217.123(c)(2).

16 New §217.123(f) incorporates the existing requirement in §217.123(a) to improve readability and
17 clarity. Regardless of how a person requests personal information under §217.123, the department will
18 only disclose personal information in accordance with Title 18 U.S.C. §2721 et seq., Transportation Code
19 Chapter 730, Government Code §552.130, and Title 43 Texas Administrative Code Chapter 217,
20 Subchapter F. The terms and conditions of a service agreement do not exempt the department from its
21 obligations to protect personal and confidential information. If the department fails to meet its obligations
22 to protect personal information under the DPPA, it "shall be subject to a civil penalty imposed by the
23 Attorney General of not more than \$5,000 a day for each day of substantial noncompliance," under 18

1 U.S.C. §2723. If the department fails to meet its obligations regarding the disclosure of confidential
2 information under Government Code Chapter 552, the department's officers or employees may be subject
3 to criminal prosecution under Government Code Chapter 552, Subchapter I.

4 **Section 217.1231.** New §217.1231 implements SB 15's amendments to Transportation Code
5 §730.014, which include contract requirements when an agency provides a requestor access to personal
6 information in motor vehicle records in bulk under a contract under Transportation Code §730.007. New
7 §217.1231 specifies the requirement for a bulk contract; what must be present in an application for a bulk
8 contract; when a conviction of an offense under Transportation Code Chapter 730 or a violation of 43
9 Texas Administrative Code Chapter 217, Subchapter F terminates a bulk contract; and what records the
10 department may release under a bulk contract.

11 New §217.1231(a) establishes that "[a] requestor seeking access to department motor vehicles
12 records in bulk must enter into a bulk contract with the department." To ensure compliance with
13 Transportation Code §730.014, the department will not disclose information in bulk outside of a contract.

14 New §217.1231(a)(1) specifies that a requestor must submit an application for a bulk contract
15 with the department before the department will initiate the contracting process and establishes the
16 requirements for an application for a bulk contract. Before the department will begin the process of
17 entering into a contract, the requestor must provide reasonable assurances as to their identity and that
18 the use of the personal information will be used only as authorized, under Transportation Code
19 §730.007(a) and §730.012.

20 New paragraphs §217.1231(a)(1)(A) through (a)(1)(E) establish the requirements for an
21 application for a bulk contract, which conform with the requirements for an application for a service
22 agreement under §217.123(c). New §217.1231(a)(1)(A) incorporates the requirement under
23 Transportation Code §730.007(a)(2) that a requestor must establish a permitted use before the

1 department can disclose personal information from motor vehicle records. New §217.1231(a)(1)(B)
2 addresses the requirement under Transportation Code §730.007(a)(1) that a requestor must provide the
3 requestor's name and address with the request. New §217.1231(a)(1)(C) addresses the requirement from
4 Transportation Code §730.007(a)(1) that a requestor must provide proof of identity with the request and
5 incorporates the acceptable forms of proof of identity established in §217.123(b) and (b-1) to create
6 consistency across all requests under this subchapter. New §217.1231(a)(1)(D) specifies that the
7 application must contain a certification that the statements made in the application are true and correct.
8 This certification will provide assurances to the department that the requestor has confirmed that
9 statements made in the application are true and correct before submission. This certification is not
10 required to be notarized. New §217.1231(a)(1)(E) establishes a signature requirement for the application.
11 A requestor applying to enter into a bulk contract may be either an individual, an organization, or an
12 entity. If the requestor is an organization or entity, the amendments require an officer or director to sign
13 the application on the organization's or entity's behalf. It is necessary for the department to know that an
14 organization's or entity's upper management understands the extent of the requestor's responsibility to
15 protect the personal information contained in the department's motor vehicle records before entering
16 into a bulk contract.

17 New §217.1231(a)(2) implements SB 15's requirements in Transportation Code §730.014(c)(1)
18 and (c)(3). Transportation Code §730.014(c) requires requestors seeking a bulk contract to post a
19 performance bond, and to provide proof of general liability and cyber-threat insurance coverage. New
20 §217.1231(a)(2) establishes that the requestor must provide proof that they have a performance bond
21 and insurance coverage that meet the requirements of Transportation Code §730.014 before a bulk
22 contract is executed. New §217.1231(a)(2) allows a requestor to submit proof of a performance bond and
23 insurance coverage after submitting an application to enter into a bulk contract to provide the requestor

1 the flexibility to wait until their application is approved before expending the resources on these items.
2 The requestor may choose to submit proof of the performance bond and insurance coverage
3 requirements with their application, but the department will consider an application for a bulk contract
4 complete without that proof if all requirements in §217.1231(a)(1) are met.

5 New §217.1231(a)(2)(A) implements Transportation Code §730.014(c)(1), requiring "that the
6 requestor post a performance bond in an amount of not more than \$1 million." New §217.1231(a)(2)(A)
7 establishes that, for bulk contracts with the department, performance bonds must be in the amount of
8 \$1 million and specifically tied to compliance with Transportation Code Chapter 730 and 43 Texas
9 Administrative Code Chapter 217, Subchapter F. The department considered developing a process for
10 varying the amount for the bond requirement; but determined that the requestors' obligations to protect
11 the personal information in the department's motor vehicle records do not vary significantly between
12 different bulk files and contracts. Because the performance bond addresses a consistent obligation to
13 protect the personal information in the department's motor vehicle records, the rule cannot fairly and
14 logically vary the bond amount.

15 New §217.1231(a)(2)(B) implements Transportation Code §730.014(c)(3) requiring "that the
16 requestor provide proof of general liability and cyber-threat insurance coverage in an amount specified
17 by the contracting agency that is: (A) at least \$3 million; and (B) reasonably related to the risks associated
18 with unauthorized access and use of the records." New §217.1231(a)(2)(B) establishes that a requestor
19 must provide proof of at least \$3 million in coverage that complies with Transportation Code
20 §730.014(c)(3) to be consistent with the statute. The requirement provides requestors with the flexibility
21 to evaluate their business and determine their insurance coverage needs, as long as they comply with
22 Transportation Code §730.014(c)(3).

1 New §217.1231(b) implements Transportation Code §730.016(a), which states that if a person is
2 convicted of an offense under Transportation Code Chapter 730 or if the person violates a rule adopted
3 by an agency relating to the terms or conditions for a release of personal information, then the person is
4 ineligible to receive personal information under Transportation Code §730.007. New §217.1231(b)
5 establishes that if the requestor under a bulk contract with the department is so convicted or found to
6 have violated a rule under Subchapter F of Chapter 217, "any contract with that person to access
7 department motor vehicle records is terminated as of the date of the court's final determination." Upon
8 conviction of an offense under Transportation Code Chapter 730 or upon a court's determination that the
9 person violated a rule under Subchapter F of Chapter 217, the requestor will "become aware" that they
10 are not an "authorized recipient," which is addressed by Transportation Code §730.0121 and §217.131.

11 New §217.1231(c) provides that the department will only disclose personal information under a
12 bulk contract in accordance with Title 18 U.S.C. §2721 et seq., Transportation Code Chapter 730,
13 Government Code §552.130, and Title 43 Texas Administrative Code Chapter 217, Subchapter F. The terms
14 and conditions of a bulk contract do not exempt the department from its obligations to protect personal
15 and confidential information. If the department fails to meet its obligations to protect personal
16 information under the DPPA, it "shall be subject to a civil penalty imposed by the Attorney General of not
17 more than \$5,000 a day for each day of substantial noncompliance," under 18 U.S.C. §2723. If the
18 department fails to meet its obligations regarding the disclosure of confidential information under
19 Government Code Chapter 552, the department's officers or employees may be subject to criminal
20 prosecution under Government Code Chapter 552, Subchapter I.

21 **Section 217.1232.** New §217.1232 implements SB 15's requirement under Transportation Code
22 §730.014(c)(7) that an authorized recipient under a bulk contract must "annually provide to the agency a
23 report of all third parties to which the personal information was disclosed under this section and the

1 purpose of the disclosure." New §217.1232 establishes the reporting period for the annual report, the
2 required elements of an annual report, the process for requesting an extension for filing the annual report,
3 the repercussions of failing to file the annual report, and the requirement for a final annual report at the
4 termination of a contract.

5 New §217.1232(a) establishes that an authorized recipient under a bulk contract must submit an
6 annual report to the department electronically, using a form prescribed by the department. The
7 department will provide a form for the annual report to aid contract holders in providing consistent and
8 compliant reports. New §217.1232(a) establishes the reporting period as a 12-month period that begins
9 September 1st of the previous year. For example, the annual report due on October 1, 2026, would cover
10 September 1, 2025, through August 31, 2026. The department considered other cyclical obligations its
11 staff might have at various times of the year before choosing the 12-month period for the annual report.
12 The October 1st due date should facilitate a prompt review by department staff of the significant amount
13 of information the department anticipates it will receive from its bulk contract holders.

14 New §217.1232(b) specifies what information is required in an annual report. New
15 §217.1232(b)(1) implements the requirement from Transportation Code §730.014(c)(7) that the annual
16 report include the name of each third party to whom the contracted party provided personal information
17 from the department motor vehicle records. New §217.1232(b)(1) requires both the name of the person
18 who made the request and the business or entity for whom the request was made, if known. New
19 §217.1232(b)(1) addresses the requirement in Transportation Code §730.013(c)(1) that an authorized
20 recipient maintain records "as to any person or entity" to whom the authorized recipient rediscloses
21 personal information from department motor vehicle records. The information provided in the annual
22 report is also necessary for the department to monitor compliance, as required under Transportation
23 Code §730.014(f)(1), and to monitor whether people who are ineligible to receive personal information

1 under Transportation Code §730.016 are acquiring the department's personal information from an
2 authorized recipient.

3 New §217.1232(b)(2) implements the requirement from Transportation Code §730.014(c)(7) that
4 the annual report include the third party's permitted use under Transportation Code §730.007.
5 Transportation Code §730.013(b) only allows the authorized recipient to redisclose "for a use permitted
6 under Section 730.007"; therefore, every third party must inform the authorized recipient of their
7 permitted use before personal information can be redisclosed. If a third party claims more than one
8 permitted use, the annual report should reflect each permitted use.

9 New §217.1232(c) requires an annual report to contain the signature of the requestor certifying
10 that the statements made in the annual report are true and correct. If the requestor is an organization or
11 entity, new §217.1232(c) requires an officer or director to sign the annual report on the organization's or
12 entity's behalf. While the information for the annual report may be assembled by other staff, §217.1232(c)
13 requires the signature of an officer or director certifying that the information in the annual report is true
14 and correct. The certification will ensure that the organization's or entity's upper management
15 understands the requestor's use of the personal information from the department motor vehicle records
16 and whether the requestor's processes comply with Transportation Code Chapter 730. This certification
17 will provide assurances to the department that the requestor has confirmed the information in the annual
18 report is correct before submission. This certification is not required to be notarized.

19 New §217.1232(d) addresses an authorized recipient's request for an extension to file the annual
20 report. The department understands that circumstances may arise that affect an authorized recipient's
21 ability to timely file an annual report. Section 217.1232(d) establishes a process for requesting an
22 extension. A request for an extension must be made in writing, no later than September 1st, one month
23 before the annual report is due. A request for an extension must include proof of an event beyond the

1 control of the authorized recipient that is preventing the timely submission of the annual report. The
2 department will consider the request and may grant an extension of up to two months, resulting in a due
3 date as late as December 1st. Because the information for the annual report will be pulled from records
4 that are required to be maintained by the authorized recipient under §217.127, gathering the information
5 is not expected to be an arduous task for the authorized recipient. If the authorized recipient is unable to
6 file an annual report by December 1st, the department will evaluate possible repercussions under new
7 §217.1232(e).

8 New §217.1232(e) establishes the possible repercussions for failing to timely submit an annual
9 report or failing to properly request an extension for filing the annual report. Failing to timely submit the
10 annual report is a violation of §217.1232 and the terms of a bulk contract. Under Transportation Code
11 §730.014(g)(1), if the department determines a person has violated the terms or conditions of a contract,
12 the department is authorized to cease disclosing personal information and allow the person to remedy
13 the violation. New §217.1232(e) establishes that if the authorized recipient fails to meet the annual report
14 deadlines, the department may cease disclosing records under the bulk contract, under Transportation
15 Code §730.014(g)(1). If the authorized recipient does not remedy the violation by December 1st, the
16 department may terminate the bulk contract for a violation of new §217.1232 and any associated terms
17 or conditions of the contract.

18 New §217.1232(f) establishes a requirement for a final report at the termination of a bulk
19 contract. This requirement for a final report provides the department with information on any
20 redisclosures that occurred since the authorized recipient filed their last annual report or since the
21 execution of the contract, if the person has not previously filed an annual report. The requirement for a
22 final report addresses the possibility of contract holders attempting to avoid the reporting requirements
23 by terminating their bulk contract before October 1st. The deadline to submit the final report is 90 days

1 after the date of the end of the contract, which should provide sufficient time to any contract holders that
2 may be taking other steps to wind down their business. Failure to submit a final report will be a violation
3 of §217.1232, which may result in the person becoming ineligible to receive future personal information
4 under Transportation Code §730.016.

5 **Section 217.124.** The amendments to §217.124 improve readability and incorporate new terms
6 defined by this rule proposal.

7 The amendments to §217.124(a) through (c) make nonsubstantive changes and improve
8 readability by simplifying language and removing unnecessary punctuation. The amendments in
9 §217.124(b) replace "entity" with "agency" to conform the reference to law enforcement requestors with
10 Transportation Code Chapter 730. The amendments to §217.124(b) replace the hyphen with "through"
11 for clarity. The amendments to §217.124(c) remove "For new contracts and renewals, the costs are" as
12 these costs apply to all nonexempt requests, including requests under §217.123(a) that do not require a
13 contract, making this language unnecessary.

14 The amendments remove §217.124(d)(5) to avoid an unintended conflict with Transportation
15 Code §502.058 and §217.40(d), which authorize the owner of a vehicle for which the registration receipt
16 has been lost or destroyed to obtain a duplicate receipt from the department or the county tax assessor-
17 collector who issued the original receipt. Transportation Code §502.058 limits the disclosure of duplicate
18 registration receipts to the owner of the vehicle, and therefore any release of any personal information
19 on the disclosed receipt is under Transportation Code §730.006.

20 The amendments to §217.124(d) incorporate newly defined terms from §217.122. The
21 amendments to subsection (d) are nonsubstantive and replace the existing descriptions of the
22 department's information products with newly defined terms.

1 The amendments to §217.124(e) relate to the amendments made to §217.123(c)(2)(B) and are
2 not substantive. Existing §217.124(e) references an exemption granted in existing §217.123(c)(2)(B) to
3 government entities and toll project entities from paying certain fees for department motor vehicle
4 records. The exemption was removed from §217.123(c)(2)(B) in the proposed amendments because the
5 exemption applies to all requests by these entities under the subchapter, including requests for records
6 under §217.123(a), requests for service agreements under §217.123(c), and requests for bulk contracts
7 under §217.1231. The exemption was moved to §217.124(e), to provide a consistent application of the
8 exemption across the different types of requests.

9 **Section 217.125.** The amendments to §217.125 implement SB 15's amendments to
10 Transportation Code §730.007(a)(2), which amended existing permitted uses and created new permitted
11 uses. The amendments to §217.125 also clarify that the department may require the requestor to provide
12 additional documentation after the initial request to provide reasonable assurances as to the requestor's
13 permitted use. The amendments remove "Certain" from the title of the rule to clarify that the
14 department's authority under Transportation Code §730.012 to request reasonable assurances that the
15 use of the personal information will comply with Transportation Code Chapter 730 is not limited to certain
16 permitted uses.

17 The amendments to §217.125(a) are nonsubstantive and ensure consistency with Transportation
18 Code §730.003(5) and §730.007. The amendments to subsection (a) change the language from "the
19 business or government entity" to "the organization, entity, or government agency," to conform with
20 Transportation Code §730.003(5) and §730.007. The amendments avoid any unintended consequences
21 or confusion that might be caused using similar, but not identical terms.

22 The amendments to §217.125(b) improve readability and clarify that the additional documents
23 required by the subsection are only required when a request is made to the department. While

1 Transportation Code §730.013 restricts the redisclosure of personal information to third parties who have
2 a permitted use under §730.007, the department allows authorized recipients to determine their own
3 business practices for performing their due diligence to determine whether redisclosure to a specific third
4 party is permitted under Transportation Code Chapter 730. The amendments to §217.125(b) clarify the
5 subsection only applies when the requestor is requesting personal information from the department. A
6 person can request motor vehicle records with personal information redacted from the department
7 without submitting additional documentation under §217.125(b).

8 Subsections 217.125(b)(1) through (11) tell a requestor what documents or information needs to
9 be submitted to the department with a request. The required documents or information help the
10 department to determine the requestor's permitted use and avoid the need for the department to seek
11 clarification of the request under Government Code §552.222.

12 The amendments to §217.125(b)(1) through (b)(9) clarify that Transportation Code §730.007 does
13 not require the inclusion of the documentation. Under the authority of Transportation Code §730.012,
14 §217.125(b) requires the inclusion of the documentation as an attachment to the application that is
15 submitted to the department. The amendments to §217.125(b)(1) through (b)(9) also correct the
16 repeated omission of subsection (a) from the citations to the permitted uses under Transportation Code
17 §730.007(a)(2).

18 The amendments to §217.125(b)(1) also add the word "personal" to conform with Transportation
19 Code §730.007(a)(2)(C). The amendments to §217.125(b)(1) address SB 15's addition of Transportation
20 Code §730.007(a-2), which requires a requestor under Transportation Code §730.007(a)(2)(C) to be a
21 business that is "licensed by, registered with, or subject to regulatory oversight by a government agency,"
22 by requiring a requestor to include proof of compliance with Transportation Code §730.007(a)(2)(C) with
23 their request to the department.

1 The amendments to §217.125(b)(2) also make nonsubstantive changes to improve readability and
2 conform the reference to "anticipation of litigation" with Transportation Code §730.007(a)(2)(D).

3 The amendments to §217.125(b)(4) also clarify that if a requestor supplies a license number
4 provided by the Texas Department of Insurance, an out-of-state relevant regulatory authority, or for an
5 insurance support organization, that license must be active at the time of the request for personal
6 information.

7 The amendments to §217.125(b)(5) also clarify that if a requestor supplies a license number
8 provided by the Texas Department of Licensing and Regulation or an out-of-state relevant regulatory
9 authority, that license must be active at the time of the request for personal information.

10 The amendments to §217.125(b)(6) also clarify that if a requestor supplies a license number
11 provided by the Texas Department of Public Safety or an out-of-state relevant regulatory authority, that
12 license must be active at the time of the request for personal information.

13 The amendments to §217.125(b)(7) also clarify that if a requestor supplies a commercial driver's
14 license, that license must be active at the time of the request.

15 The amendments to §217.125(b)(8) also incorporate SB 15's amendments to Transportation Code
16 §730.007(a)(2)(J), which remove the term "private" and add "or another type of transportation project
17 described by Section 370.003."

18 The amendments to §217.125(b)(9) also make nonsubstantive changes that improve readability
19 by eliminating the unnecessarily repetitive reference to "the Fair Credit Reporting Act."

20 New §217.125(b)(10) addresses the new permitted use added by SB 15 under Transportation
21 Code §730.007(a)(2)(L). New §217.125(b)(10) requires that the requestor provide proof that the
22 requestor holds an active license as a manufacturer, dealership, or distributor at the time of the request

1 for personal information as Transportation Code §730.007(a)(2)(L) authorizes the department to disclose
2 personal information to a manufacturer, dealership, or distributor.

3 New §217.125(b)(11) addresses the new permitted use added by SB 15 under Transportation
4 Code §730.007(a)(2)(M). New §217.125(b)(11) requires that the requestor provide proof that the
5 requestor is licensed by or is subject to regulatory oversight by one of the entities listed in Transportation
6 Code §730.007(a)(2)(M), since those are the only types of people to whom the department is authorized
7 to disclose personal information under Transportation Code §730.007(a)(2)(M).

8 The amendments remove existing §217.125(c) to more consistently conform with Transportation
9 Code §730.007(a)(2)(M). The only permitted use in Transportation Code §730.007 that is limited to a
10 requestor that holds a license or authorization issued by the state of Texas is Transportation Code
11 §730.007(a)(2)(M). To eliminate any conflict with Transportation Code §730.007, the amendments
12 remove this section and add language addressing out-of-state licenses to subdivisions §217.215(b)(4),
13 (b)(5), (b)(6), and (b)(10).

14 New §217.215(d) clarifies that the department may require information regarding proof of the
15 requestor's permitted use under Transportation Code Chapter 730, in addition to what is required under
16 §217.125(b). Transportation Code §730.012(a) authorizes the department to require a requestor to
17 provide reasonable assurance that the use of the personal information will be only as authorized. While
18 §217.125(b) generally provides for what must be included with a request for personal information to the
19 department, the new §217.215(d) clarifies that if the initial submission is insufficient or unclear, the
20 department will request additional information as part of its due diligence to get the statutorily required
21 proof that the requestor meets the requirements of their stated permitted use.

22 **Section 217.126.** The amendments to §217.126 remove the terms "resale," "resell," and
23 "reselling" from the title and throughout the section to conform with SB 15's removal of the terms from

1 Transportation Code §730.013. The amendments to §217.126(a) replace the term "provided" with
2 "disclose," which is a nonsubstantive change for consistency throughout the subchapter and with
3 Transportation Code Chapter 730. The amendments to §217.126(a) clarify that the regulation addresses
4 only the department's motor vehicle records. Transportation Code Chapter 730 applies to other agencies
5 in addition to the department, and an authorized recipient may receive information from more than one
6 agency. Section 217.126(a) only addresses the redisclosure of personal information from the
7 department's motor vehicle records, not personal information received from another source.

8 The amendments remove existing §217.126(b) to avoid unintended conflict or confusion between
9 §217.126(b) and Transportation Code §730.013. Transportation Code §730.013 prohibits the redisclosure
10 of personal information in the identical or substantially identical format. The redisclosure of "the entire
11 motor vehicle records database in its complete format" under the existing §217.126(b) would be a
12 prohibited "identical or substantially identical" disclosure under Transportation Code §730.013.
13 Therefore, the amendments remove the unnecessary, existing §217.126(b).

14 The new §217.126(b) specifies that the department may request information regarding how an
15 authorized recipient intends to vet any third parties to whom the authorized recipient will redisclose the
16 department's personal information. Under Transportation Code §730.013, an authorized recipient can
17 only redisclose the department's personal information to a person with a permitted use under §730.007.
18 Additionally, under Transportation Code §730.014(f) the department is charged with monitoring
19 compliance with Chapter 730. The new §217.126(b) specifies that the department may monitor
20 compliance with Transportation Code §730.013 by asking the requestor questions regarding how the
21 authorized recipient intends to complete its vetting process to determine the permitted use of a third
22 party.

1 The amendments to §217.126(c) make nonsubstantive changes that improve readability and
2 clarify that §217.126(c) only addresses the redisclosure of personal information from the department's
3 motor vehicle records, not personal information received from another source.

4 The amendments remove the existing §217.126(d), which made authorized recipients responsible
5 for any misuse of personal information committed by third parties to whom the authorized recipients
6 redisclosed the personal information. The amendments remove subsection (d) to avoid confusion
7 between it and the various statutorily created responsibilities of and repercussions to the authorized
8 recipient. SB 15 established new courses of action that can be taken should a third party misuse personal
9 information, under Transportation Code §§730.0122 (regarding Sale Prohibited), 730.0123 (regarding Civil
10 Suit), 730.013 (regarding Redisclosure; Offense), and 730.016 (regarding Ineligibility of Certain Persons to
11 Receive, Retain, or Redisclose Personal Information). SB 15's amendments provide sufficient civil and
12 criminal liability for authorized recipients and third parties, rendering subsection (d) unnecessary, and it
13 is therefore removed by the amendments.

14 New §217.126(d) clarifies that any resale of personal information that happened before the
15 effective date of SB 15 is still bound by the limitations of the section. While the amendments to §217.126
16 conform with SB 15's removal of "resale" from Transportation Code §730.013, new subsection (d) ensures
17 that the amendments do not create an inadvertent regulatory loophole for personal information that was
18 resold before SB 15's amendments went into effect.

19 **Section 217.127.** The amendments to §217.127 remove the terms "resell," "resold," and "sold"
20 from the title and throughout the section, to conform with SB 15's removal of the term from
21 Transportation Code §730.013.

22 The amendments to §217.127(a) clarify that this regulation addresses only the records an
23 authorized recipient must maintain related to redisclosures of personal information from the

1 department's motor vehicle records. Transportation Code Chapter 730 applies to other agencies in
2 addition to the department, and an authorized recipient may receive information from more than one
3 agency. Section 217.127(a) only addresses the redisclosure of personal information from the
4 department's motor vehicle records, not personal information received from another source.

5 The amendments to §217.127(b)(1) improve readability and conform to Transportation Code
6 §730.013, under which a third-party recipient is identified as a "person." The amendments to
7 §217.127(b)(1) also require the records to reflect the third-party recipient's individual name and, when
8 known, the name of the organization or entity receiving the records. This amendment addresses the
9 inclusion of organizations and entities in Transportation Code §730.003(5)'s definition of "person" and the
10 requirement under Transportation Code §730.013, that the authorized recipient maintain records "as to
11 the person or entity receiving the information."

12 The amendments to §217.127(b)(2) are nonsubstantive, provide clarity, and improve readability.
13 The amendments clarify Transportation Code §730.013's requirement that redisclosure be limited to
14 persons with permitted uses under §730.007. The amendments remove the reference to §217.125(b), as
15 those documents are only required when a person requests information from the department and
16 replaces it with a more general description of "any documentation the authorized recipient received
17 related to the person's permitted use." While an authorized recipient is not required to request the
18 documents listed in §217.125(b), if the authorized recipient relies on documentation to confirm a third
19 party's permitted use, the department may want to see the documentation when monitoring compliance
20 under Transportation Code §730.014(f).

21 The amendments to §217.127(b)(3) are nonsubstantive, provide clarity, and improve readability.
22 The addition of "under each permitted use" acknowledges that a person may qualify under more than
23 one permitted use. Therefore, they may receive some records under one permitted use and other records

1 under another permitted use. The amendments to §217.127(b)(3) address the requirement under
2 Transportation Code §730.013, that the authorized recipient maintain records "as to...the permitted use
3 for which it was obtained."

4 The amendments to §217.127(b)(4) improve readability by removing the unnecessarily repetitive
5 use of "the authorized recipient." Subsection (b)(4) describes one of the elements of an authorized
6 recipient's records regarding redisclosure; since they are the authorized recipient's records there is no
7 need to state that the statement contained in the records is the authorized recipient's statement.

8 The amendments to §217.127(b)(5) are nonsubstantive, provide clarity, and improve readability.
9 The change from "the agreement" to "any agreement" clarifies that this section does not create a
10 requirement that an authorized recipient have an agreement with a third party to redisclose personal
11 information from the department's records. The amendments also clarify that the agreement referenced
12 would be between the authorized recipient and a third party, and is therefore separate from a contract
13 with the department. The amendments to §217.127(b)(5) continue the clarification throughout the
14 subchapter that these records only pertain to the redisclosure of personal information from department
15 motor vehicle records, not personal information received from another source.

16 New §217.127(c) clarifies that authorized recipients are required to maintain records for any
17 resales that happened before the effective date of SB 15 for five years. While the amendments to
18 §217.127 conform with SB 15's removal of "resale" from Transportation Code §730.013, authorized
19 recipients are still required to maintain records of resales for five years. New subsection (c) ensures that
20 the amendments do not create an inadvertent regulatory loophole for personal information that was
21 resold before SB 15's amendments.

1 **Section 217.128.** The amendments to §217.128 remove the terms "resale" and "resell" from the
2 title and throughout the section, conforming with SB 15's removal of the term from Transportation Code
3 §730.013.

4 The amendments to §217.128(a) improve readability and clarify that the department may request
5 information from an authorized recipient's records. The department is authorized to request information
6 sufficient for the agency to determine compliance, under Transportation Code §730.007(g). Information
7 maintained under §217.127 is the type that could assist the department in determining compliance. The
8 amendment specifies that the department may request those records, but the department is not limited
9 to only requesting those records under Transportation Code §730.007(f). These amendments are
10 nonsubstantive.

11 The amendments to §217.128(b) clarify the department's process to request the authorized
12 recipient's records in writing. The amendments improve readability and are nonsubstantive.

13 The amendments to §217.128(c) remove the existing regulation regarding the deadline to reply
14 to a request from the department to implement and avoid any conflict with SB 15's new Transportation
15 Code §730.007(g). Transportation Code §730.007(g) established that a person must reply to a request for
16 information regarding compliance from the department in five business days, making the existing
17 requirement in §217.128(c) unnecessary.

18 The amendments to §217.128(c) incorporate SB 15's new Transportation Code §730.014(g).
19 Transportation Code §730.014(g) allows the department to cease disclosing information under a contract
20 when it determines an authorized recipient has violated a term or condition of their contract with the
21 department. If the department chooses to cease disclosing information, §730.014(g)(2) requires that the
22 department to allow the authorized recipient an opportunity to remedy the violation to resume the flow
23 of information from the department. Failure to timely provide information requested by the department

1 would be a violation of Transportation Code §730.007(g) and the contract with the department. New
2 §217.128(c) specifies that if an authorized recipient fails to timely provide information requested by the
3 department, the department may cease disclosing information under the contract. New §217.128(c)
4 provides an authorized recipient 30 days to remedy the violation and provide the requested records. If
5 the authorized recipient does not provide the requested records after 30 days, the department may
6 terminate the contract. Thirty days is ample time to provide the department with information the
7 authorized recipient is required to maintain under §217.127. Since compliance with this request should
8 be relatively easy for an authorized recipient that is properly maintaining records, failure to do so for 30
9 days will likely indicate larger compliance issues. After 30 days of not responding the department's
10 request, the violation is more significant. The department has an interest in terminating contracts where
11 a contract holder has significantly violated a term or condition of the contract. For this violation, the
12 department recognized that failure to provide the information after 30 days would be egregious and
13 therefore would be grounds for termination of the contract.

14 The amendments remove existing §217.128(d) because it is unnecessary under the proposed
15 amendments to §217.128(c).

16 The amendments remove existing §217.128(e) because it is unnecessary. Transportation Code
17 §730.014(f) requires the department to designate an employee who is responsible for monitoring
18 compliance with Transportation Code Chapter 730 and required contract terms, making existing
19 §217.128(e) an unnecessary restatement of the department's statutory duty.

20 The amendments remove existing §217.128(f) because it is unnecessary under the proposed
21 amendments to §217.128(c).

22 **Section 217.129.** The amendments to §217.129 improve readability, modify language to conform
23 with statute, and clarify potential ambiguities. The amendments add "Personal Information Contained in"

1 to the title of the section, to clarify that the rule only addresses a person's eligibility to receive the personal
2 information contained in motor vehicle records under Transportation Code Chapter 730, and not motor
3 vehicle records in their entirety. A person who is ineligible to receive personal information from motor
4 vehicle records under Transportation Code Chapter 730 may still be authorized to receive information
5 other than personal information from motor vehicle records under Government Code Chapter 552.

6 The amendments to §217.129(a) incorporate the department's authority to cease disclosing
7 personal information under a contract under Transportation Code §730.014(g). The amendments specify
8 that this subsection applies to both requests for information and contracts for access to the department's
9 records. The methods of requesting and receiving information does not affect the department's obligation
10 to protect the public's interest in personal information.

11 The amendments to §217.129(b) remove the term "of motor vehicle records" to limit the
12 identification of the subject of the regulation to "authorized recipient," which SB 15 defined in
13 Transportation Code §730.003(1-a). Conforming the description to the defined term provides consistency
14 and avoids potential confusion that can be caused by using differing terms to describe the same entities.
15 The amendments modify "clause or term" to "term or condition" for readability and consistency. The
16 amendments broaden multiple references from "a service agreement" to "a contract with the department
17 to access motor vehicle records." These amendments incorporate the newly defined "bulk contracts,"
18 clarifying that this subsection applies to all contracts for motor vehicle records, not just service
19 agreements. The amendments to §217.129(b) provide for consistent processes for all requests under
20 contracts with the department.

21 The amendments to §217.129(c) broaden the subsection's use of a "service agreement" to a
22 "contract with the department to access motor vehicle records." These amendments incorporate the
23 newly defined "bulk contracts," clarifying that this subsection applies to all contracts for motor vehicle

1 records, not just service agreements. This amendments to §217.129(c) provide for consistent processes
2 for all requests under contracts with the department. The amendments also change the subsection's use
3 of "a business, partnership, or entity" to "organization or entity" for consistency in the subchapter and
4 with Transportation Code §730.002(5). The amendments to §217.129(c) also clarify that applying for a
5 contract after termination is addressed by §217.130 and not Transportation Code §730.016 (regarding
6 Ineligibility of Certain Persons to Receive, Retain, or Redisclose Personal Information; Offense). A contract
7 termination on its own is not a basis for ineligibility under Transportation Code §730.016.

8 **Section 217.130.** The amendments to §217.130 broaden the section to apply to all contracts to
9 access motor vehicle records, to incorporate the new "bulk contract," and improve readability.

10 The amendments to §217.130(a) improve readability and incorporate the new "bulk contracts"
11 by replacing "service agreement" with "contract to access motor vehicle records." The amendments
12 clarify that this rule applies to someone who has had a contract to access motor vehicle records with the
13 department terminated in the past and now wants to enter into a new contract; it does not address
14 instances where a requestor has had a different type of contract with the department previously
15 terminated. The amendments also distinguish contracts that were terminated for failure to maintain a
16 minimum balance, exempting those instances from the additional approval requirements. The
17 department considers terminations for failure to maintain a minimum balance to be less egregious, and
18 therefore it does not require the same process for approval after termination.

19 The amendments to §217.130(b) incorporate the new §217.1231 (relating to Access to Bulk Motor
20 Vehicle Records) since the previously terminated requestor may seek a bulk contract. The amendments
21 also incorporate "for reapproval" to conform with subsection (a). The amendments to §217.130(b)(1)
22 clarify that the requestor's remedial efforts must be specific to preventing "the unlawful disclosure of
23 personal information from the department" as that is the information protected under Transportation

1 Code Chapter 730. The amendments to §217.130(b)(2) clarify that the requestor will provide the
2 department information regarding agreements where the requestor anticipates it will redisclose the
3 department's personal information in the future. Since the requestor will likely not be in possession of
4 personal information from department motor vehicle records at the time of the request for reapproval,
5 any redisclosure agreement with a third party will be dependent upon the department's decision to
6 reapprove. The amendments to §217.130(b)(3) remove the terms "reselling" and "resell" to conform with
7 amendments in SB 15 to Transportation Code §730.013 and improve readability. The amendments to
8 §217.130(b)(3) clarify that this section only addresses the redisclosure of the personal information from
9 department motor vehicle records, not personal information received from another source.
10 Transportation Code Chapter 730 applies to other agencies in addition to the department, and the
11 department recognized that an authorized recipient may receive information from more than one agency.
12 The amendments to subsection (b)(3) also remove the notification requirement regarding resale or
13 redisclosure, as the stated elements are not necessary in every case. Should the department want to know
14 information about a redisclosure after a new contract to access personal information is in place, the
15 department is authorized to request that information under Transportation Code §730.007(g), making the
16 requirement in §217.130(b)(3) unnecessary.

17 The amendments to §217.130(c) improve readability by removing "any of the terms of" because
18 the language is unnecessary. The amendments to subsection (c) broaden the subsection's use of a "service
19 agreement" to a "contract with the department to access motor vehicle records" for consistency within
20 the subchapter. These amendments incorporate the newly defined "bulk contracts," clarifying that this
21 subsection applies to all contracts for motor vehicle records, not just service agreements. The
22 amendments change "inability" to "ineligibility" to conform with Transportation Code §730.016. Lastly,
23 the amendments to subsection (c) clarify that failure to comply could result in a permanent inability to

1 receive the department motor vehicle records, as the department cannot limit the release of motor
2 vehicle records from other agencies due to a violation of a contract with the department.

3 **Section 217.131.** New §217.131 implements SB 15's requirement in Transportation Code
4 §730.0121 that "[a]n agency by rule shall require a requestor to delete from the requestor's records
5 personal information received from the agency under this chapter if the requestor becomes aware that
6 the requestor is not an authorized recipient of that information."

7 New §217.131(a) establishes a slightly modified definition of "requestor" for the purposes of this
8 section. Section 217.122(b)(2) defines "requestor" as "a person, this state, or an agency of this state
9 seeking personal information contained in motor vehicle records directly from the department." New
10 §217.131(a) specifies that this section applies to any person or entity that has been a requestor in the
11 past, regardless of whether the requestor is still actively seeking records from the department. This
12 section allows the rule to more closely conform with Transportation Code §730.0121, while avoiding any
13 unintended consequence of the definition of "requestor" under §217.122(b)(2).

14 New §217.131(b) establishes a 90-day timeframe in which a requestor will complete the deletions
15 required by Transportation Code §730.0121. The department recognized that a person may not be able
16 to immediately delete all the department's personal information from its system, so the amendments
17 establish a reasonable period to complete the deletion. This deadline also balances the public's interest
18 in unauthorized persons promptly deleting this protected information.

19 New §217.131(c) and (d) clarify when the timeframe under subsection (a) will begin by addressing
20 when a requestor "becomes aware that the requestor is not an authorized recipient," under
21 Transportation Code §730.0121. Subsection (b) establishes a notice requirement for the requestor—if the
22 requestor becomes aware that they are not an authorized recipient without receiving notice from the
23 department, then the requestor will notify the department of the date the requestor became aware. The

1 department has an interest in knowing when a person becomes aware that they are not an authorized
2 recipient to monitor compliance with Transportation Code §730.0121's deletion requirements. If the
3 department has questions regarding the date or what caused the requestor to become aware that it is
4 not an authorized recipient, it can ask those questions under Transportation Code §730.007(g).

5 New §217.131(d) establishes that if the department determines that the requestor is not an
6 authorized recipient before the requestor becomes aware, then the department will send a notice to the
7 requestor. Under new subsection (c), the date of the department's notice to the requestor begins the
8 timeline to delete the personal information §217.131(a).

9 New §217.131(e) establishes that the requestor must notify the department when the
10 information has been deleted. This will allow the department to monitor compliance with the 90-day
11 deadline and to confirm compliance with Transportation Code §730.0121.

12 **Section 217.132.** New §217.132 addresses notice requirements for persons who have become
13 ineligible to receive information under Transportation Code §730.016.

14 New §217.132(a) establishes a 15-day timeframe in which a person who has become ineligible to
15 receive information under Transportation Code §730.016 must notify the department of the court's ruling
16 that is the basis of the ineligibility. Cases involving violations of Transportation Code Chapter 730 and the
17 associated rules adopted by the department are criminal cases, which may occur without extensive
18 involvement from the department. It is imperative that the department know when a person becomes
19 ineligible to take steps to ensure that the department does not make future disclosures to that person.
20 Because the department may not be notified by the court when a ruling has been issued, this new rule
21 puts the burden on the person in possession of personal information from the department to provide
22 notice to the department.

1 New §217.132(b) establishes that the requestor must notify the department when the personal
2 information previously disclosed has been deleted. This will allow the department to monitor compliance
3 with Transportation Code §730.016's one-year deadline to delete the personal information from
4 department motor vehicle records.

5 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
6 has determined that for each year of the first five years the proposed amendments and new sections are
7 in effect, there will be no significant fiscal impact to state or local governments resulting from the
8 enforcement or administration of the proposal. The proposed amendments do not increase or decrease
9 state revenues, and any changes to the cost of compliance will be insignificant.

10 The proposal may result in minor increases in costs associated with executing a modified form for
11 requesting personal information, applying for a contract to access bulk records, or entering into a contract
12 to access bulk records, but the completion of those forms, applications, and contracts is necessary to
13 implement SB 15 and Transportation Code Chapter 730. Any proposed requirements for these forms,
14 applications, and contracts will have a minimal impact on the existing cost of gathering and providing the
15 required information that cannot be estimated. Under the proposal's new definition of bulk, some
16 requests by state and local government may require a contract, where the same request under the
17 existing subchapter would not have required a contract. The department evaluated the requests received
18 from this fiscal year, and while it received some requests from local governments for records in bulk, most
19 of those requests were related to issues the department was referring out to law enforcement. After SB
20 15, a referral to law enforcement is a disclosure under Transportation Code §730.007(a-1) and, therefore,
21 would not require a bulk contract. Should a state or local government require a bulk contract, the impact
22 will be limited to the time needed to complete and submit the application and the contract itself, since
23 Transportation Code §730.014 exempts state and local governments from the bond and insurance

1 requirements. Any proposed requirements for the application or contract will have a minimal impact on
2 the existing cost of gathering and providing the required information.

3 State and local governments may see an increase in cost related to the enactment of SB 15's
4 annual report requirement under Transportation Code §730.014(c)(7), but the cost associated with
5 §217.1232 is not expected to be significant.

6 The proposal also reduces the burden for complying with requirements for forms, applications,
7 and contracts imposed on state and local governments. Proposed amendments to increase readability
8 and clarity will ease any burden associated with interpreting how to comply with requirements. Allowing
9 for electronic signatures will allow state and local governments to submit requests electronically and
10 reduce costs associated with printing and mailing request forms to the department when they are not
11 required to pay fees for motor vehicle records. State and local governments are in the best position to
12 estimate cost reductions related to electronic signing and submission of documents under §§217.123,
13 217.1231, and 217.1232. The proposal also reduces compliance costs to local law enforcement agencies
14 by making it easier for those entities to request records from the department, specifically by allowing for
15 additional options for proof of identity and creating a process for submitting verbal requests. Law
16 enforcement agencies are in the best position to estimate the cost savings associated with these proposed
17 new sections.

18 Roland D. Luna, Sr., Director of the Vehicle Titles and Registration Division, has determined that
19 there will be no measurable effect on local employment or the local economy as a result of the proposal.

20 **PUBLIC BENEFIT AND COST NOTE.** Mr. Luna has also determined that, for each year of the first five years
21 the proposed amendments are in effect, there are several public benefits anticipated because of the
22 enforcement and administration of the proposal, as well as potential costs for persons required to comply
23 with the proposal. The department drafted the proposal to maximize public benefits associated with

1 protecting the interest of an individual's personal privacy under Transportation Code Chapter 730 while
2 mitigating costs associated with compliance.

3 **Anticipated public benefits.**

4 The anticipated public benefits generally include (i) updates to the existing rules to comply with
5 legislation enacted by SB 15; (ii) clarification of existing rules to facilitate compliance, implementation,
6 and enforcement of these rules; and (iii) improvements to the processes for requesting personal
7 information from department motor vehicle records.

8 *Compliance with legislation.* The anticipated public benefits of the proposed amendments and
9 new sections include implementing SB 15 and ensuring that the department's rules are accurate and
10 transparent by reflecting current Transportation Code Chapter 730. The proposed new sections that
11 create additional options for requests from law enforcement agencies will benefit the public's interest in
12 SB 15's focus on criminal offenses. The proposal also adds a new section addressing the public's interest
13 in determining when a person who was previously thought to be authorized recipient of the department's
14 personal information is not authorized under Transportation Code Chapter 730 and requiring the deletion
15 of any personal information already provided to that person.

16 *Clarification of existing rules.* Additionally, the anticipated public benefits of the proposed
17 amendments that clarify or improve the readability and ease of understanding of existing rules include:
18 (i) the use of consistent terminology throughout the subchapter; (ii) increased specificity in the
19 subchapter's limitation to only address personal information from the department's motor vehicle
20 records, not other sources; (iii) updated references and citations; (iv) increased clarity regarding the
21 requirements when requesting or applying for contracts to access motor vehicle records; (v) the
22 consolidation of duplicative regulations and removal of unnecessary regulations; (vi) increased clarity
23 regarding when additional documentation establishing a person's permitted use may be required; and

1 (vii) increased clarity regarding the process for requesting a subsequent contract for access to motor
2 vehicle records after a previous contract was terminated.

3 *Improvements to processes for requests.* In addition to the increased ease of compliance provided
4 by the increased clarity of the proposed amendments, the department anticipates the public will benefit
5 from other proposed process improvements. The proposed amendments allow for electronic signatures
6 on forms and applications, which should allow for easier electronic completion of required documents.
7 The proposed amendments also clarify the existing two-step process for entering into a contract to access
8 motor vehicle records, involving the initial application and then the contract execution. The increased
9 visibility into the department's processes will limit confusion and processing costs on behalf of requestors.

10 **Anticipated costs to comply with the proposal.**

11 There are anticipated costs to the public associated with the proposed amendments and new
12 sections, and these costs may be incurred (i) when providing reasonable assurances as to the requestor's
13 permitted use, (ii) when entering into contracts to access motor vehicle records, or (iii) in compliance with
14 record retention and reporting requirements. The costs associated with the proposal are insignificant and
15 incidental to costs required by SB 15. The department evaluated each cost and decided that they were
16 necessary to protect the public's interest in the privacy of personal information.

17 *Costs associated with providing reasonable assurances on permitted use.* Requestors from the
18 public may incur costs associated with providing additional documentation to prove the requestor's
19 permitted use under the proposed §217.125. The proposed amendments require the submission of
20 additional documents for requests under some permitted uses. These proposed amendments and new
21 subsection are necessary to implement SB 15's amendments to the permitted uses in Transportation Code
22 §730.007(a)(2). The additional requirements are not arduous and can be met with information that should
23 be in the requestor's possession, if they qualify for the permitted use. Requestors may also incur

1 additional costs if they are required to provide additional information after the request to prove they
2 qualified for a permitted use under the proposed §217.125(d). The requestor is required to provide the
3 department with reasonable assurances that it qualifies to receive the records, under Transportation Code
4 §730.007 and §730.012. Because requestors are required by Transportation Code Chapter 730 to provide
5 reasonable assurances of their permitted use to the department, any costs of complying with the
6 proposed §217.125 requirements to provide information regarding the requestor's permitted use for the
7 personal information are not the result of the proposed rules.

8 *Costs associated with entering into contracts.* The proposed amendments and new sections will
9 likely increase costs to persons whose requests require entering into a contract. The costs of entering into
10 a bulk contract are directly related to the implementation of SB 15's required terms for bulk contracts
11 under Transportation Code §730.014(c) and any costs related to the requirements from the proposal are
12 insignificant and incidental to costs required by SB 15.

13 First, the department anticipates there may be costs associated with the process of entering into
14 a bulk contract. These costs may be incurred by members of the public who are currently under a contract
15 with the department for an information product that the proposal defines as a bulk file, future requestors
16 of one of the defined bulk files, and future requestors of bulk records that are not one of the defined bulk
17 files. Authorized recipients who currently receive information products that the proposal defines as "bulk"
18 under a service agreement will be required to enter into a new "bulk contract." Requestors required to
19 switch from a service agreement to a bulk contract should not incur a significant cost because of the
20 proposed contracting process for a bulk contract. For future requests for bulk files, those requestors will
21 not incur a significant cost because of the proposal, since they would be required to go through a similar
22 contracting process under the existing rules. For future requests for bulk records that are not one of the
23 defined bulk files, the department evaluated requests for motor vehicle records over the course of this

1 fiscal year and found no requests, other than requests for defined bulk files, that would have required a
2 member of the public to enter into a bulk contract under the proposal. Therefore, the department
3 anticipates that the proposal will not result in a significant increase in contract costs for the public.

4 Before the department can start the process of executing a contract, the requestor must first
5 apply for a contract. The proposal clarifies the department's existing process of the requestor filing an
6 application for a service agreement, which provides the department with proof of the requestor's identity
7 and permitted use, as required by Transportation Code §730.007(a)(1), before it begins the contract
8 execution process. The proposed new sections incorporate this process into the issuance of bulk
9 contracts. The requirements for the application are not difficult to meet and the amendment to the
10 definition for signature will allow the applications to be completed electronically, minimizing the cost to
11 the requestor.

12 The proposal includes new sections which specify the amounts for the performance bond and
13 insurance coverage required under SB 15's Transportation Code §730.014(c). New §217.1231(a)(2)(A)
14 establishes that, for bulk contracts with the department, performance bonds must be in the amount of
15 \$1 million and specifically tied to compliance with Transportation Code Chapter 730 and this subchapter.
16 The department considered requiring varying bond amounts based on the permitted use or requestor,
17 but determined that because the requestors' obligations to protect the department's personal
18 information does not significantly vary between bulk contracts that there was not a fair or logical basis for
19 the variation. New §217.1231(a)(2)(B) establishes that a requestor must provide proof of at least \$3
20 million in coverage that complies with Transportation Code §730.014(c)(3). This is the minimum amount
21 of coverage required by §730.014(c)(3). The requirement provides requestors with flexibility to evaluate
22 their business and determine their coverage needs to pay within the statutory requirement. Any costs of
23 complying with §217.1231(a) are a result of enacting SB 15's Transportation Code §730.014(c).

1 *Costs associated with records and reports.* The proposed amendments and new sections will likely
2 result in increased costs to regulated entities that are required to provide annual reports regarding those
3 redisclosures to the department. These costs will only be incurred by authorized recipients under a bulk
4 contract who redisclose information. The data required in the annual report is required by SB 15's
5 Transportation Code §730.014(c)(7) and is required to be maintained in existing §217.127. Since
6 maintaining the data is already required, current contract holders should not experience significant costs
7 to comply with the proposal. Authorized recipients may need to modify systems or hire personnel to meet
8 the requirements of the annual report, but those are business decisions of the authorized recipient and
9 are beyond the scope of the department to determine. The annual report will be submitted electronically,
10 which will eliminate any cost associated with printing and mailing the report. The proposal also requires
11 the submission of a final report at the end of the contract. Any cost associated with providing this final
12 annual report is outweighed by the public benefit of the department receiving the redisclosure
13 information and by eliminating a potential legal loophole where a requestor could avoid filing the annual
14 report by canceling their contract before the due date.

15 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** Mr. Luna has also
16 determined that there could be an adverse economic effect on small businesses, micro-businesses, and
17 rural communities who currently receive or in the future will request personal information from
18 department motor vehicle records in bulk. The cost analysis in the Public Benefit and Cost Note section of
19 this proposal also applies to small businesses, micro-businesses, and rural communities. While rural
20 communities will likely be exempt from a bulk contract's performance bond and insurance requirement
21 under Transportation Code §730.014(d), they are not exempt from other costs associated with entering
22 into a contract and producing annual reports. The department does not have sufficient information to
23 estimate the number of small businesses, micro-businesses, or rural communities that may be affected

1 by the proposal.

2 The primary objective of this proposal is to ensure the protection of an individual's personal
3 privacy by prohibiting the disclosure and use of personal information contained in motor vehicle records,
4 except as authorized in Transportation Code Chapter 730 and enacting SB 15's amendments to the
5 chapter. The department considered the following options to minimize any adverse effect on small
6 businesses, micro-businesses, and rural communities while accomplishing the proposal's objectives:

7 (1) exempting small businesses, micro-businesses, and rural communities from bulk contract
8 requirements;

9 (2) modifying the performance bond and insurance coverage amounts for small and micro-
10 businesses; and

11 (3) creating a separate, non-bulk information product to access motor vehicle records that meets the
12 needs of small businesses, micro-businesses, and rural communities and avoids the requirements
13 of bulk contracts.

14 In considering Option 1, the department believes that, absent a statutorily created exemption, it
15 would be against the statute and legislative intent to exempt small businesses, micro-businesses, and rural
16 communities from the bulk contract requirements. Transportation Code §730.014(d) created the only
17 exemption regarding bulk contracts—it exempts a government agency, including a court or law
18 enforcement agency, from the performance bond and insurance coverage requirements. Since the
19 legislature created this one exemption, and no others, it would be against legislative intent for the
20 department to exempt small businesses, micro-businesses, and rural communities from the bulk contract
21 requirements.

22 In considering Option 2, the department decided that the rule cannot fairly and logically vary the
23 bond amount, nor can it reduce the insurance amount. The department considered requiring varying bond

1 amounts based on the permitted use or requestor but determined that because the requestors'
2 obligations to protect the department's personal information does not significantly vary between bulk
3 contracts that there was not a fair or logical basis for the variation. As for the insurance amount, the
4 proposal requires the minimum amount of insurance coverage required by the statute, therefore the
5 department is unable to reduce the cost associated with that coverage for small businesses, micro-
6 businesses, and rural communities and still comply with Transportation Code §730.014(c)(3). To ensure
7 that all bulk contracts provide the same levels of protection, the department opted not to modify the
8 bond and insurance amounts for small businesses, micro-businesses, and rural communities.

9 In considering Option 3, the department decided that creating a separate, non-bulk information
10 product to access motor vehicle that meets the needs of small businesses, micro-businesses, and rural
11 communities and avoids the requirements of bulk contracts would not be in compliance with
12 Transportation Code Chapter 730 or the Government Code Chapter 552. Any new product would meet
13 Government Code Chapter 552's definition of "public information" and therefore would be required to be
14 made available to any requestor. The department also determined the cost associated with attempting
15 to meet the needs of all small businesses, micro-businesses, and rural communities would outweigh any
16 benefit created by the new product.

17 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests
18 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property
19 that would otherwise exist in the absence of government action and, therefore, does not constitute a
20 taking or require a takings impact assessment under Government Code §2007.043.

21 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the first
22 five years the proposed new section is in effect, the proposed rule:

23 - will not create or eliminate a government program;

- 1 - will not require the creation of new employee positions or the elimination of existing employee
- 2 positions;
- 3 - will not require an increase or decrease in future legislative appropriations to the department;
- 4 - will not require an increase or decrease in fees paid to the department;
- 5 - will create new regulation;
- 6 - will expand existing regulations;
- 7 - will not repeal existing regulations;
- 8 - will not increase or decrease the number of individuals subject to the rule's applicability; and
- 9 - will not positively or adversely affect the Texas economy.

10 **REQUEST FOR PUBLIC COMMENT.**

11 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on MM, DD,
12 YYYY. A request for a public hearing must be sent separately from your written comments. Send written
13 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas
14 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the
15 department will consider written comments and public testimony presented at the hearing.

16 **STATUTORY AUTHORITY.** The department proposes amendments to §§217.122, 217.123, 217.124,
17 217.125, 217.126, 217.127, 217.128, 217.129, and 217.130 and proposes new §§217.1231, 217.1232, and
18 217.131 under Transportation Code Chapter 730.

19 Transportation Code §730.014 authorizes the department to adopt rules to administer
20 Transportation Code Chapter 730.

21 Transportation Code §730.0121 and §730.016 provides that the department shall establish rules
22 to require a requestor to delete the department's personal information from its records if the requestor

1 becomes aware that they are not an authorized recipient or they are convicted of an offense under
2 Chapter 730.

3 Transportation Code §1002.001 authorizes the board to adopt rules that are necessary and
4 appropriate to implement the powers and the duties of the department.

5 **CROSS REFERENCE TO STATUTE.** Transportation Code §§730.001-730.016.

6

7 **TEXT.**

8

Subchapter F. Motor Vehicle Records

9 **43 TAC §§217.122, 217.123, 217.1231, 217.1232, 217.124, 217.125, 217.126, 217.127, 217.128,**

10 **217.129, 217.130, 217.131, and 217.132**

11 **§217.122. Definitions.**

12 (a) Words and terms defined in Transportation Code Chapter 730 have the same meaning when used
13 in this subchapter, unless the context clearly indicates otherwise.

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

16 (1) ~~[Authorized recipient--A person receiving motor vehicle records as defined by this~~
17 ~~subchapter, in a manner authorized by Transportation Code, Chapter 730.]~~

18 ~~[(2)] Department--Texas Department of Motor Vehicles.~~

19 ~~[(3)] Motor vehicle records--Information regarding the titling or registration of motor~~
20 ~~vehicles, which may include the make, vehicle identification number, year, model, body style, license~~
21 ~~number of a motor vehicle, and the name, address, and social security number of an owner or lienholder.]~~

22 ~~[(4)] Personal information--Information that identifies an individual, including an~~
23 ~~individual's photograph or computerized image, social security number, driver identification number,~~

1 ~~personal identification certificate number, name, telephone number, medical or disability information,~~
2 ~~license plate number, or address other than the postal routing code.]~~

3 (2) [(5)] Requestor--A person, this state, or an agency of this state seeking personal
4 information contained in motor vehicle records directly from the department.

5 (3) [(6)] Service agreement--A contractual agreement with the department that allows a
6 requestor electronic [individuals, businesses or governmental entities or institutions to] access to
7 department [the department's] motor vehicle records.

8 (4) [(7)] Written request--A request submitted [made] in writing, including by mail,
9 electronic mail, electronic media, and facsimile transmission.

10 (5) Signature--Includes an electronic signature, as defined by Transportation Code
11 §501.172, to the extent the department accepts such electronic signature.

12 (6) Batch Inquiry--Access, under a service agreement, to department motor vehicle
13 records associated with Texas license plate numbers or vehicle identification numbers, where requests
14 are submitted electronically to the department in a prescribed batch format. The department makes a
15 disclosure for each record in a batch.

16 (7) MVInet Access--Electronic access, under a service agreement, to the department's
17 motor vehicle registration and title database, with the ability to query records by a Texas license plate
18 number, vehicle identification number, placard number, or current or previous document number. The
19 department makes a disclosure each time a query of the system is made.

20 (8) Bulk--A disclosure by the department under Transportation Code §730.007 of at least
21 250 motor vehicle records containing personal information, including any of the files defined by
22 subsection (b)(10) through (13) of this section.

1 (9) Bulk contract--A contractual agreement with the department for the disclosure of
2 motor vehicle records in bulk to the requestor.

3 (10) Master File--A bulk file containing all the department's active and inactive
4 registration and title records.

5 (11) Weekly Updates--A bulk file containing the department's new and renewed vehicle
6 registration and title records from the previous week.

7 (12) Specialty Plates File--A bulk file containing Texas specialty license plate records.

8 (13) eTAG File--A bulk file containing records related to new or updated eTAGs, vehicle
9 transfer notifications, and plate-to-owner records.

10 (14) Dealer/Supplemental File--A pair of files, one containing records of registration and
11 title transactions processed by dealers with the department during the previous week and another
12 containing the dealers' information, that are only available as a supplement to a bulk contract that
13 includes the Weekly Updates.

14 **§217.123. Access to Motor Vehicle Records.**

15 (a) Except as required under §217.1231 of this title (relating to Access to Bulk Motor Vehicle
16 Records), a [Request for records. A] requestor seeking personal information from department motor
17 vehicle records shall submit a written request in a [on the] form required by the department. [Information
18 will be released only in accordance with Title 18 U.S.C. §2721 et seq.; Transportation Code, Chapter
19 730; Government Code, §552.130; and this subchapter.] A completed and properly executed form must
20 include [;at a minimum]:

21 (1) the name and address of the requestor;

1 (2) a description of the requested motor vehicle records, including the Texas license plate
2 number, title or document number, or vehicle identification number of the motor vehicle about which
3 information is requested;

4 (3) proof [a photocopy] of the requestor's identity, in accordance with subsections (b) or
5 (b-1) of this section [identification];

6 (4) a statement that the requestor: [~~requested information may only be released if the~~
7 ~~requestor]~~

8 (A) is the subject of the record;

9 (B) [~~if the requestor]~~ has the written consent of the person who is [authorization
10 ~~for release from]~~ the subject of the record;[,]; or

11 (C) will strictly limit the use of the personal information in department motor
12 vehicle records to [if the intended use is for] a permitted use under Transportation Code Chapter 730, as
13 indicated on the form;

14 (5) a certification that the statements made on the form are true and correct; and

15 (6) the signature of the requestor.

16 (b) Except as required by subsection (b-1) of this section, a [Identification required- A] requestor
17 must provide the requestor's [may not apply for receipt of personal information unless the requestor
18 ~~presents]~~ current photo identification containing a unique identification number. The identification
19 [~~document]~~ must be a:

20 (1) driver's license, Texas Department of Public Safety identification, or state identification
21 certificate issued by a state or territory of the United States;

22 (2) United States or foreign passport;

23 (3) United States military identification card;

1 (4) United States Department of Homeland Security, United States Citizenship and
2 Immigration Services, or United States Department of State identification document;

3 (5) concealed handgun license or license to carry a handgun issued by the Texas Department
4 of Public Safety under Government Code [7] Chapter 411, Subchapter H; or

5 (6) North Atlantic Treaty Organization identification or identification issued under a Status of
6 Forces Agreement [copy of current law enforcement credentials if the requestor is a law enforcement
7 officer].

8 (b-1) A requestor seeking personal information from department motor vehicle records for use
9 by a law enforcement agency must:

10 (1) present the requestor's current law enforcement credentials;

11 (2) electronically submit the request in a manner that the department can verify that the
12 requestor is acting on behalf of a law enforcement agency; or

13 (3) provide a written statement from a higher level in the chain of command on the law
14 enforcement agency's letterhead stating that the requestor is not authorized to provide current law
15 enforcement credentials and identifying the law enforcement agency's incident or case number for which
16 the personal information is needed.

17 (b-2) A requestor seeking personal information from department motor vehicle records for use by a
18 law enforcement agency may submit a verbal request to the department if the law enforcement agency
19 has provided reasonable assurances that were accepted by the department as to the identity of the
20 requestor within the last 12 months on a form required by the department. If a request is submitted
21 verbally, the department may require the requestor to confirm the request in writing.

1 (c) A requestor may receive electronic access to department motor vehicle records [~~Electronic access.~~
2 ~~The department may make motor vehicle records available~~] under the terms and conditions of a [~~written~~]
3 service agreement.

4 (1) Before a requestor can enter into a service agreement, the requestor must file a completed
5 application on a form required by the department, for review and approval by the department. An
6 application for a [~~Agreement with business or individuals. The written~~] service agreement must include
7 [~~with a business or individual must contain~~]:

8 (A) a statement that the requestor will strictly limit the use of the personal information
9 from department motor vehicle records to a permitted use under Transportation Code Chapter 730, as
10 indicated on the application [~~the specified purpose of the agreement~~];

11 (B) the name and address of the requestor [~~an adjustable account, if applicable, in which~~
12 ~~an initial deposit and minimum balance is maintained in accordance with §217.124 of this title (relating~~
13 ~~to Cost of Motor Vehicle Records)~~];

14 (C) proof of the requestor's identity, in accordance with subsections (b) or (b-1) of this
15 section [~~termination and default provisions~~];

16 (D) the [~~contractor's~~] signature of the requestor or, if the requestor is an organization or
17 entity, the signature of an officer or director of the requestor; and

18 (E) a certification that the statements made in the application are true and correct. [~~a~~
19 ~~statement that the use of motor vehicle records obtained by virtue of a service agreement is conditional~~
20 ~~upon its being used:~~

21 (i) ~~in accordance with 18 U.S.C. §2721 et seq. and Transportation Code, Chapter~~
22 ~~730; and~~

23 (ii) ~~only for the purposes defined in the agreement; and~~]

1 ~~[(F) the statements required by subsection (a) of this section.]~~

2 (2) Unless the requestor is exempt from the payment of fees, a service agreement must
3 contain an adjustable account, in which an initial deposit and minimum balance is maintained in
4 accordance with §217.124 of this title (relating to Cost of Motor Vehicle Records). Notwithstanding
5 §217.124 of this title, the department may modify initial deposit and minimum balance requirements
6 depending on usage. ~~[Agreements with Texas governmental entities.~~

7 ~~(A) The written service agreement with a Texas governmental entity must contain:~~

8 ~~(i) the specified purpose of the agreement;~~

9 ~~(ii) a statement that the use of motor vehicle records obtained by virtue of a~~
10 ~~service agreement is conditional upon its being used in accordance with 18 U.S.C. §2721 et seq. and~~
11 ~~Transportation Code, Chapter 730, and only for the purposes defined in the agreement;~~

12 ~~(iii) the statements required by subsection (a) of this section;~~

13 ~~(iv) the signature of an authorized official; and~~

14 ~~(v) an attached statement citing the entity's authority to obtain social security~~
15 ~~number information, if applicable.~~

16 ~~(B) Texas governmental entities, as defined in Government Code, §2252.001, and~~
17 ~~including the Texas Law Enforcement Telecommunication System and toll project entities, as defined~~
18 ~~by Transportation Code, §372.001, are exempt from the payment of fees, except as provided by~~
19 ~~§217.124(e) of this title.]~~

20 (d) If a person is convicted of an offense under Transportation Code Chapter 730 or is found by a court
21 to have violated a rule under this subchapter, then any contract with that person to access department
22 motor vehicle records is terminated as of the date of the court's final determination. ~~[Ineligibility to~~
23 ~~receive personal information. The department may prohibit a person, business, or Texas governmental~~

1 ~~entity from receiving personal information if the department finds a violation of a term or condition of~~
2 ~~the agreement entered into in accordance with subsection (c) of this section.]~~

3 (e) The requirements of this section do not apply to discovery, subpoena, or other means of legal
4 compulsion for the disclosure of personal information. [Initial deposits and minimum balances.
5 Notwithstanding §217.124 of this title, the department may modify initial deposit and minimum balance
6 requirements on a case by case basis depending on customer usage.]

7 (f) An authorized recipient will receive requested motor vehicle records in accordance with Title 18
8 U.S.C. §2721 et seq.; Transportation Code Chapter 730; Government Code §552.130; and this subchapter.

9 **§217.1231. Access to Bulk Motor Vehicle Records.**

10 (a) A requestor seeking access to department motor vehicle records in bulk must enter into a bulk
11 contract with the department.

12 (1) Before a requestor can enter into a bulk contract, the requestor must file a completed
13 application on a form required by the department, for review and approval by the department. An
14 application for a bulk contract must include:

15 (A) a statement that the requestor will strictly limit the use of the personal information
16 to a permitted use under Transportation Code Chapter 730, as indicated on the application;

17 (B) the name and address of the requestor;

18 (C) proof of the requestor's identity, in accordance with §217.123(b) or (b-1) of this title
19 (relating to Access to Motor Vehicle Records);

20 (D) a certification that the statements made on the form are true and correct; and

21 (E) the signature of the requestor or, if the requestor is an organization or entity, the
22 signature of an officer or director of the requestor.

1 (2) Prior to the execution of a bulk contract, a requestor must provide proof the requestor
2 has:

3 (A) posted a \$1 million performance bond, payable to this state, conditioned upon the
4 performance of all the requirements of Transportation Code Chapter 730 and this subchapter; and

5 (B) insurance coverage in the amount of at least \$3 million and that meets the
6 requirements of Transportation Code §730.014(c)(3).

7 (b) If a person is convicted of an offense under Transportation Code Chapter 730 or is found by a court
8 to have violated a rule under this subchapter, then any contract with that person to access department
9 motor vehicle records is terminated as of the date of the court's final determination.

10 (c) An authorized recipient will receive requested bulk records in accordance with Title 18 U.S.C.
11 §2721 et seq.; Transportation Code Chapter 730; Government Code §552.130; and this subchapter.

12 **§217.1232. Annual Report.**

13 (a) An authorized recipient under a bulk contract must electronically submit an annual report, on a
14 form prescribed by the department, on or before October 1st of each year for the 12-month period
15 beginning September 1st of the preceding year.

16 (b) An annual report must include information regarding any third party to which the authorized
17 recipient redisclosed personal information from department motor vehicle records during the reporting
18 period, including:

19 (1) the name of the third party, including both the individual and the organization or entity with
20 which the individual is associated, when known; and

21 (2) the third party's permitted uses under Transportation Code §730.007 for the redisclosed motor
22 vehicle records.

1 (c) An annual report must include the signature of the requestor or, if the requestor is an organization
2 or entity, the signature of an officer or director of the requestor certifying that all statements in the annual
3 report are true and correct.

4 (d) An authorized recipient under a bulk contract may request an extension of time to submit an
5 annual report by sending a written request to the department no later than September 1st of the year the
6 annual report is required to be submitted. The request for extension must include proof of an event that
7 is beyond the control of the authorized recipient and prevents the timely submission of the annual report.
8 The department may grant an extension for submission of the annual report to no later than December
9 1st of the year the annual report is required to be submitted.

10 (e) If an authorized recipient under a bulk contract fails to timely submit the annual report or request
11 an extension under subsection (d) of this section, the department may cease disclosing motor vehicle
12 records until the annual report is submitted to the department. If an authorized recipient fails to submit
13 an annual report by December 1st of the year the annual report is required to be submitted, then the
14 department may terminate the bulk contract.

15 (f) If a person cancels or the department terminates a bulk contract, the person must submit a final
16 report containing all the information required under subsection (b) of this section relating to all personal
17 information from department motor vehicle records redisclosed since the last annual report or, if the
18 person has never submitted an annual report, since the execution of the bulk contract. The person must
19 submit this report by the 90th day after the date of the cancellation or termination of the bulk contract.

20 **§217.124. Cost of Motor Vehicle Records.**

21 (a) Standard costs. The department will charge fees in accordance with Government Code^[7] Chapter
22 552 and the cost rules promulgated by the Office of the Attorney General in 1 Texas Administrative Code^[7]
23 Chapter 70 (relating to Cost of Copies of Public Information).

1 (b) Law enforcement. An employee of a state, federal, or local law enforcement agency ~~[entity]~~ is
2 exempt from the payment of fees for motor vehicle records in subsection (c)(1) through (4) ~~[(c)(1)–(4)]~~
3 of this section if the records are necessary to carry out lawful functions of the law enforcement agency.

4 (c) Motor vehicle record costs ~~[-For new contracts and renewals, the costs are]:~~

5 (1) Title history - \$5.75;

6 (2) Certified title history - \$6.75;

7 (3) Title and registration verification (record search) - \$2.30; and

8 (4) Certified title and registration verification (record search) - \$3.30; ~~[-and]~~

9 ~~[(5) Duplicate registration receipt for current registration period - \$2.]~~

10 (d) Electronic motor vehicle records and files; ~~[-]~~

11 (1) Master File ~~[file of motor vehicle registration and title database]~~ - \$5,000 plus \$.38 per
12 1,000 records;

13 (2) Weekly Updates ~~[updates to motor vehicle registration and title database]~~ - deposit of
14 \$1,755 and \$135 per week;

15 (3) eTAG File ~~[e-Tag file]~~ - deposit of \$845 and \$65 per week;

16 (4) Dealer/Supplemental File ~~[Dealer supplemental file]~~ - deposit of \$1,235 and \$95 per
17 week;

18 (5) Specialty Plates File ~~[plates file]~~ - deposit of \$1,235 and \$95 per week;

19 (6) Batch Inquiry ~~[inquiry to motor vehicle registration and title database]~~ - deposit of
20 \$1,000, minimum balance of \$750 and \$23 per run plus \$.12 per record;

21 (7) MVInet Access ~~[Online motor vehicle inquiry (MVInet) access]~~ - deposit of \$200,
22 minimum balance of \$150 and \$23 per month plus \$.12 per record; and

1 (8) Scofflaw remarks (inquiry, addition, or deletion) - deposit of \$500, minimum balance
2 of \$350 and \$23 per run plus \$.12 per record.

3 (e) Texas governmental entities, as defined in Government Code §2252.001, the Texas Law
4 Enforcement Telecommunication System, and toll project entities, as defined by Transportation Code
5 §372.001, are exempt from the payment of fees, except for the fees listed in [Exemption applicability. The
6 exemption granted in §217.123(c)(2)(B) of this title (relating to Access to Motor Vehicle Records) does not
7 apply to] subsection (d)(1), (6), or (8) of this section.

8 (f) Reciprocity agreements. The department may enter into reciprocity agreements for records
9 access with other governmental entities that may waive some or all of the fees established in this section.

10 **§217.125. Additional Documentation Related to ~~Certain~~ Permitted Uses.**

11 (a) The department may require a requestor to provide reasonable assurance as to the identity of the
12 requestor and that the use of motor vehicle records is only as authorized under Transportation Code [r]
13 §730.012(a). Where applicable, each requestor submitting a request for motor vehicle records shall
14 provide documentation satisfactory to the department that they are authorized to request the
15 information on behalf of the organization, entity, [business] or government agency [entity] authorized to
16 receive the information.

17 (b) Requestors seeking personal information from motor vehicle records from the department for a
18 permitted use listed in this subsection must submit additional documentation. [Disclosure under the
19 following permitted uses requires additional documentation submitted to the department:]

20 (1) A request under Transportation Code[r] §730.007(a)(2)(C) must include [requires submitting]
21 the personal information the business is attempting to verify against the department's motor vehicle
22 records and documentation sufficient to prove the requestor is a business actively licensed by, registered
23 with, or subject to regulatory oversight by a government agency.

1 (2) A request under Transportation Code[,] §730.007(a)(2)(D) must include [~~requires submitting~~]
2 proof of a legal proceeding, or if no proceeding has been initiated, proof the requestor is in anticipation
3 of litigation [~~proceeding~~].

4 (3) A request under Transportation Code[,] §730.007(a)(2)(E) must include [~~requires submitting~~]
5 documentation sufficient to prove the requestor is employed in a researching occupation.

6 (4) A request under Transportation Code[,] §730.007(a)(2)(F) must include an active [~~requires~~
7 ~~submitting a~~] license number provided by the Texas Department of Insurance or an active out-of-state
8 license number provided by the relevant regulatory authority, an active [~~a~~] license number the insurance
9 support organization is working under, or proof of self-insurance.

10 (5) A request under Transportation Code[,] §730.007(a)(2)(G) must include an active [~~requires~~
11 ~~submitting a~~] license number provided by the Texas Department of Licensing and Regulation or an active
12 out-of-state license number provided by the relevant regulatory authority.

13 (6) A request under Transportation Code[,] §730.007(a)(2)(H) must include an active [~~requires~~
14 ~~submitting a~~] license number provided by the Texas Department of Public Safety or an active out-of-state
15 license number provided by the relevant regulatory authority.

16 (7) A request under Transportation Code[,] §730.007(a)(2)(I) must include [~~requires submitting~~] a
17 copy of an active [~~the~~] commercial driver's license.

18 (8) A request under Transportation Code[,] §730.007(a)(2)(J) must include [~~requires submitting~~]
19 documentation to relate the requested personal information with the operation of a [~~private~~] toll
20 transportation facility or another type of transportation project as described by Transportation Code
21 §370.003.

22 (9) A request under Transportation Code[,] §730.007(a)(2)(K) must include [~~requires a consumer~~
23 ~~reporting agency, as defined by the Fair Credit Reporting Act~~ (~~15 U.S.C. §1681 et. seq.~~), to submit]

1 documentation on official letterhead indicating a permitted use for personal information, as defined by
2 the Fair Credit Reporting Act (15 U.S.C. §1681 et. seq.) ~~[that Act]~~.

3 (10) A request under Transportation Code §730.007(a)(2)(L) must include an active license
4 number of a manufacturer, dealership, or distributor issued by the department or an active out-of-state
5 license number provided by the relevant regulatory authority.

6 (11) A request under Transportation Code §730.007(a)(2)(M) must include an active license or
7 registration number of a salvage vehicle dealer, an independent motor vehicle dealer, or a wholesale
8 motor vehicle dealer issued by the department; or an active license issued by the Texas Department of
9 Licensing and Regulation to a used automotive parts recycler; or other proof that the requestor is subject
10 to regulatory oversight by an entity listed in Transportation Code §730.007(a)(2)(M)(iv).

11 ~~[(c) Regarding §217.125(b)(4-6), the department may accept active out-of-state licenses as~~
12 ~~documentation of a permitted use. Under this subsection, the department will limit access to a record-~~
13 ~~by-record basis].~~

14 (c) The department may require a requestor to provide additional information to clarify the
15 requestor's use of the personal information under Transportation Code Chapter 730, if the reasonable
16 assurances provided with the request are not satisfactory to the department.

17 **§217.126. Limitations on ~~Resale and~~ Redisclosure.**

18 (a) Authorized recipients may only ~~[resell or]~~ redisclose personal information from department motor
19 vehicle records to other authorized recipients and not in the identical or substantially identical format as
20 disclosed ~~[provided]~~ by the department.

21 (b) The department may request information regarding how a person to whom the authorized
22 recipient may redisclose personal information represents to the authorized recipient that the person has

1 ~~a permitted use under Transportation Code §730.007. [Authorized recipients may not resell or redisclose~~
2 ~~the entire motor vehicle records database in its complete bulk format.]~~

3 (c) Any authorized recipient ~~[reselling or]~~ redisclosing personal information from department motor
4 vehicle records must inform the person to whom they are ~~[reselling or]~~ redisclosing of their obligations
5 under Transportation Code ~~[r]~~ Chapter 730 and this subchapter.

6 (d) An authorized recipient who resold personal information from department motor vehicle
7 records prior to June 18, 2021, is subject to the limitations in this section for that resale. ~~[Any authorized~~
8 ~~recipient is responsible for misuse of personal information by any person to whom they redisclosed the~~
9 ~~information receiving their version of the information, regardless of whether the authorized recipient~~
10 ~~approved or was aware of subsequent transfers of the information.]~~

11 **§217.127. Records Maintained by Recipients Who ~~[Resell or]~~ Redisclose Personal Information.**

12 (a) Authorized recipients who ~~[resell or]~~ redisclose personal information from department motor
13 vehicle records are required to maintain records of that transaction.

14 (b) Records must be maintained for not less than five years and must include:

15 (1) the name and contact information of any person to whom the authorized recipient
16 ~~[recipient of resold or]~~ redisclosed personal information from the department ~~[contained in]~~ motor
17 vehicle records, including both the individual's name and the organization or entity with which the
18 individual is associated, when known;

19 (2) the person's permitted use under Transportation Code §730.007 for ~~[which]~~ the
20 personal information from the department motor vehicle records ~~[were released], and any~~ ~~[or]~~
21 documentation the authorized recipient received related to the person's permitted use ~~[in accordance~~
22 ~~with §217.125(b)];~~

1 (3) the quantity of motor vehicle records redisclosed ~~[sold or disclosed]~~ to the ~~[each~~
2 ~~subsequent]~~ person under each permitted use;

3 (4) a statement ~~[by the authorized recipient]~~ specifying what data was ~~[resold or]~~
4 redisclosed and in what format; and

5 (5) ~~[any other]~~ documentation of any ~~[the]~~ agreement between the authorized recipient
6 and the person to whom the authorized recipient redisclosed ~~[to resell or redisclose]~~ personal information
7 from department ~~[contained in]~~ motor vehicle records.

8 (c) An authorized recipient who resold personal information from department motor vehicle records
9 prior to June 18, 2021, must maintain records of those transactions for five years.

10 **§217.128. Department Review of Recipient's Records of ~~[Resale or]~~ Redisclosure.**

11 (a) The department may ~~[has the authority to]~~ request and review records maintained under §217.127
12 of this title (relating to Records Maintained by Recipients Who Redisclose Personal Information) ~~[kept by~~
13 ~~all authorized recipients who resell or redisclose personal information].~~

14 (b) The department will ~~[This]~~ request records from authorized recipients ~~[will be made]~~ in writing.

15 (c) Failure to fully respond to the department's request may result in a cessation of information under
16 Transportation Code §730.014(g). If the authorized recipient has not provided the requested records to
17 the department within 30 days after the department's request, the department may terminate the
18 contract with the authorized recipient. ~~[The requested records must be provided to the department~~
19 ~~within 30 days of the request.]~~

20 ~~[(d) Failure to fully respond to the department's request may result in termination of access to motor~~
21 ~~vehicle records under Transportation Code, §730.007.]~~

22 ~~[(e) Upon receipt of the requested records, the department will evaluate the records for compliance~~
23 ~~with the service agreement, applicable statutes, and rules.]~~

1 ~~[(f) If it is determined that an authorized recipient is not in compliance with the service agreement,~~
2 ~~applicable statutes, and rules, the service agreement may be terminated.]~~

3 **§217.129. Ineligibility to Receive Personal Information Contained in Motor Vehicle Records.**

4 (a) The department may deny a request for or cease disclosing personal information contained in the
5 department's ~~[requestor's access to]~~ motor vehicle records if it determines withholding the information
6 benefits the public's interest more than releasing the information.

7 (b) If the department determines an authorized recipient ~~[of motor vehicle records]~~ has violated a
8 ~~[clause or]~~ term or condition of a contract with the department to access motor vehicle records ~~[the~~
9 ~~service agreement,]~~ and the department terminates the contract ~~[that service agreement has been~~
10 ~~terminated]~~, that authorized recipient cannot enter into a subsequent contract with the department to
11 access motor vehicle records ~~[service agreement]~~ unless approved to do so under §217.130 of this title
12 (relating to Approval for Persons Whose Access to Motor Vehicle Records Has Previously Been
13 Terminated).

14 (c) Termination of a contract with the department to access motor vehicle records ~~[the service~~
15 ~~agreement]~~ caused by any member of an organization ~~[a business, partnership,]~~ or entity shall be effective
16 on the whole organization or entity. Subsequent organizations or entities ~~[businesses]~~ formed by any
17 member, officer, partner, or affiliate of an organization or entity whose contract with the department to
18 access motor vehicle records ~~[service agreement]~~ has been terminated cannot enter into a subsequent
19 contract with the department to access motor vehicle records, unless approved to do so under §217.130
20 of this title (relating to Approval for Persons Whose Access to Motor Vehicle Records Has Previously Been
21 Terminated) ~~[will also be ineligible to receive].~~

22 **§217.130. Approval for Persons Whose Access to Motor Vehicle Records Has Previously Been**
23 **Terminated.**

1 (a) A requestor seeking a contract with the department to access motor vehicle records who has had
2 a previous contract to access motor vehicle records ~~[whose service agreement was previously]~~ terminated
3 by the department for reasons other than the failure to maintain minimum balance requirements in an
4 adjustable account, but who is not subject to Transportation Code [,] §730.016, shall submit a written
5 request for reapproval on the form required by the department.

6 (b) In addition to the requirements of §217.123 and §217.1231 of this title (relating to Access to Motor
7 Vehicle Records and to Access to Bulk Motor Vehicle Records), the request for reapproval must contain:

8 (1) any documents indicating remedial efforts the requestor has undertaken to prevent the
9 unlawful disclosure of personal information from department motor vehicle records; [,]

10 (2) any documents indicating agreements between the requestor and any person to whom the
11 requestor has reason to believe it will redisclose personal information from the department ~~[third parties~~
12 ~~receiving resold or redisclosed]~~ motor vehicle records; [,] and

13 (3) a statement that the requestor will notify the department before ~~[reselling or]~~ redisclosing any
14 personal information from the department motor vehicle records for a [the] time period prescribed by
15 the department, including all of the information required under §217.127(b) of this title (relating to
16 Records Maintained by Recipients Who ~~[Resell or]~~ Redisclose Personal Information). ~~[The notification~~
17 ~~must include the name, address, and contact information of the third party requesting resold or~~
18 ~~redisclosed motor vehicle records, and must include the form(s) used to verify the third party's lawful~~
19 ~~purpose in obtaining motor vehicle records.]~~

20 (c) Failure to comply with ~~[any of the terms of]~~ this section or a re-offense of a contract with the
21 department to access motor vehicle records ~~[the service agreement]~~ will result in the termination of the
22 contract ~~[service agreement]~~ and the permanent ineligibility ~~[inability]~~ to receive motor vehicle records
23 from the department under Transportation Code §730.007.

1 **§217.131. Notices Regarding Unauthorized Recipient.**

2 (a) For the purposes of this section, a requestor includes a person, the state, or an agency of this
3 state that previously received personal information from department motor vehicle records.

4 (b) A requestor who is not an authorized recipient must, not later than 90 days after the date the
5 requestor becomes aware that the requestor is not an authorized recipient, delete from the requestor's
6 records any personal information received from the department that the requestor is not permitted to
7 receive and use under Transportation Code Chapter 730.

8 (c) A requestor who becomes aware that the requestor is not an authorized recipient must promptly
9 notify the department that the requestor is not an authorized recipient and provide the date they became
10 aware.

11 (d) If the department becomes aware that the requestor is not an authorized recipient before
12 receiving notice from the requestor, the department will send a written notice to the requestor stating
13 that the requestor is not an authorized recipient. If the requestor was not already aware that it is not an
14 authorized recipient, within 90 days from the date the department sends its notice under this subsection,
15 requestor must delete any personal information received from the department that the requestor is not
16 permitted to receive and use under Transportation Code Chapter 730.

17 (e) A requestor who becomes aware that the requestor is not an authorized recipient must notify the
18 department when all the department's personal information has been deleted.

19 **§217.132. Notices Regarding Ineligibility.**

20 (a) A person who becomes ineligible to receive personal information under Transportation Code
21 §730.016 must notify the department of the basis of the person's ineligibility within 15 days of the court's
22 conviction or final determination.

