
To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 9
Subject: Chapter 215, Motor Vehicle Distribution
Amendments: Subchapters B and D
New §215.91 and §215.163
(Relating to Implementation of HB 718, 88th Legislative Session; SB 1902, SB 1818, and HB 5629, 89th Legislative Session)

***This supplement replaces the version included for Agenda Item 9 in the main Board eBook.*

RECOMMENDATION

Action Item. Approval to publish proposed rule amendments and new sections in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments and new sections would implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), Senate Bill (SB) 1902, 89th Legislature (2025), HB 5629, 89th Legislature (2025), and SB 1818, 89th Regular Session (2025), and would modify language to improve readability.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025. HB 718 requires the department to determine new distribution methods, systems, and procedures, and set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and required the department to adopt related rules by December 1, 2024. The department did so by publishing proposed rules in the July 12, 2024, issue of the *Texas Register*, and publishing adopted rules in the November 8, 2024, issue of the *Texas Register* (49 TexReg 8953).

HB 718 requires a Texas dealer beginning July 1, 2025, to ensure that an assigned general issue license plate or set of license plates stay with the vehicle if that vehicle is later sold to another Texas buyer. However, SB 1902 changed that process to require a dealer to transfer a removed license plate to another vehicle of the same class within 10 days or dispose of the license plate according to department rules effective July 1, 2025. SB 1902 requires the department to adopt rules implementing this change by October 1, 2025.

HB 5629 and SB 1818 amend Occupations Code, Chapter 55, effective September 1, 2025, to change state agency licensing requirements for military service members and military spouses. These requirements apply to all licenses issued by the department. Amendments to §215.83 and new §215.91 are proposed in Subchapter B, Licenses, Generally, which would implement these changes and apply to all licenses issued by the department under Occupations Code,

Chapter 2301, and Transportation Code, Chapter 503.

In §215.151, amendments are proposed which would implement HB 718 to address circumstances in which a dealer could mail or deliver a license plate or set of license plates to a buyer or a converter for attachment to a vehicle. These amendments are necessary because in prior rulemaking the department did not address circumstances in which a person other than a dealer may affix a license plate to a vehicle when the vehicle is not at the dealer's location.

Proposed new §215.163 would implement both HB 718 and SB 1902 to address license plate disposition when a license holder offers a vehicle for sale at auction or on consignment. This new rule is necessary because the department did not adopt a rule to address the disposition of license plates for these types of sales in prior rulemaking. The §215.163 rule proposal that the board approved for publication for public comment at the April 2025 board meeting was withdrawn because SB 1902 requires the department to propose a new rule consistent with the requirements of SB 1902.

Nonsubstantive amendments are proposed in §215.133 and §215.144 which would modify language to improve readability by using consistent terminology.

PROPOSAL OF REVISIONS TO

SUBCHAPTER B. LICENSES, GENERALLY

43 TAC §215.83

AND NEW §215.91

SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES

43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, AND 215.158

AND NEW §215.163

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter B. Licenses, Generally, §215.83 and proposes new §215.91; proposes amendments to Subchapter D, General Distinguishing Numbers and In-Transit Licenses, §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, and 215.158; and proposes new §215.163. These amendments and new sections are necessary to implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025), HB 5629, 89th Legislature, Regular Session (2025) and SB 1818, 89th Legislature, Regular Session (2025).

HB 5629 and SB 1818 amend Occupations Code, Chapter 55, effective September 1, 2025, to change state agency licensing requirements for military service members, military veterans, and military spouses. Because these requirements apply to all licenses issued by the department, a new rule, §215.91, is proposed in Subchapter B, Licenses, Generally, which would apply to all licenses issued by the department under Occupations Code, Chapter 2301, and Transportation Code, Chapter 503. Proposed amendments to §215.83 would prevent any conflict or confusion with proposed new §215.91.

HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025.

1 HB 718 requires the department to determine new distribution methods, systems, and procedures, and
2 set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to
3 implement or administer these changes in law and required the department to adopt related rules by
4 December 1, 2024. The department did so by publishing proposed rules in the July 12, 2024, issue of the
5 *Texas Register*, and publishing adopted rules in the November 8, 2024, issue of the *Texas Register* (49
6 TexReg 8953). HB 718 required a Texas dealer, beginning July 1, 2025, to ensure that an assigned general
7 issue license plate or set of license plates stayed with the vehicle if that vehicle is later sold to another
8 Texas buyer.

9 However, SB 1902 changed that process to require a dealer to transfer a removed license plate to
10 another vehicle of the same class within 10 days or dispose of the license plate according to department
11 rules. SB 1902, effective July 1, 2025, requires the department to adopt implementing rules by October 1,
12 2025. Amendments to §§215.140, 215.141, 215.150-215.152, 215.155, and 215.158 are proposed to
13 implement SB 1902.

14 In §215.151, amendments are also proposed to implement HB 718 to address circumstances in
15 which the department would permit a dealer to mail or deliver a license plate or set of license plates to a
16 buyer or a converter for attachment to a vehicle. These amendments are necessary because in prior
17 rulemaking the department did not address circumstances in which a person other than a dealer should
18 be able to affix a license plate to a vehicle because the vehicle is not at the dealer's location.

19 Proposed new §215.163, implements both HB 718 and SB 1902 to address license plate
20 disposition when a license holder offers a vehicle for sale at auction or on consignment. This new rule is
21 necessary because the department did not address disposition of license plates for these types of sales in
22 prior rulemaking. During the rulemaking process, license holders raised questions about disposition of
23 license plates when motor vehicles are sold at auctions or on consignment based on concerns that the

1 department may require operational changes that would increase business costs. In November 2024, the
2 department provided an early draft of this proposed new rule to the Motor Vehicle Industry Regulation
3 Advisory Committee (MVIRAC). Committee members voted on formal motions and provided informal
4 comments. The department incorporated input from this committee into this rule proposal, as well as
5 comments from license holders that regularly hold or participate in motor vehicle auctions. In proposing
6 this rule, the department seeks to minimize opportunities for license plate fraud related to auction and
7 other consignment sales and to eliminate any unnecessary operational or cost impacts to license holders.

8 In June 2025, the MVIRAC reviewed drafts of the proposed revisions to §§215.141, 215.150,
9 215.151, 215.152, 215.155, 215.158, 215.163 and provided the department with feedback on those
10 provisions. The department incorporated the feedback from the committee into this rule proposal.

11 Nonsubstantive amendments are proposed in §215.133 and §215.144 to modify language to
12 improve readability by using consistent terminology.

13 **EXPLANATION.**

14 §215.83

15 Proposed amendments to §215.83 would delete subsection (i) and amend subsection (h) to
16 replace specific requirements with a cross-reference to proposed new §215.91. These proposed
17 amendments would ensure that the licensure requirements for military service members, military spouses
18 and military veterans are consolidated into proposed new §215.91. These proposed amendments would
19 thus avoid any confusion or conflict between §215.83 and proposed new §215.91.

20 §215.91

21 Proposed new §215.91(a) would implement Occupations Code, §55.002, which exempts an
22 individual that holds a license from incurring a penalty for failing to renew a license in a timely manner
23 because the individual was on active duty. Proposed new §215.91(b) would implement Occupations Code,

1 §55.0041(a) and §55.0041(b), as amended by HB 5629 which require a state agency to issue a license to
2 a military service member or military spouse within ten days if the member or spouse holds a current
3 license issued by another state that is similar in the scope of practice to Texas requirements and is in good
4 standing, or held the same Texas license within the past five years, if a military service member or miliary
5 spouse submits an application and other required documents described in Occupations Code,
6 §55.0041(b). Proposed new §215.91(b)(1) would describe the application and documents the military
7 service member or military spouse must submit to the department. Proposed new §215.91(b)(2) would
8 describe the department’s review process after receiving an application and related documents, including
9 confirming licensure and good standing in the other state and comparing licensing requirements to
10 determine if the other state’s requirements are similar in scope of practice. Proposed new
11 §221.17(b)(2)(C) would state that the department will issue a provisional license upon receipt of a license
12 application from a military service member, military veteran, or military spouse. This new provision would
13 implement Occupations Code, §55.0041, as amended by SB 1818. Proposed new §215.91(b)(3) would
14 inform an applicant that within 10 days, the department will either issue a license if the applicant meets
15 the requirements in Occupations Code, §55.0041 or notify the applicant why the department is unable to
16 issue a license. Proposed new §215.91(b)(3) would also inform an applicant that the license is subject to
17 the requirements of this chapter and Occupations Code, Chapter 2301, and Transportation Code, Chapter
18 503, unless exempted or modified under Occupations Code, Chapter 55, consistent with Occupations
19 Code, §55.0041(c). Proposed new §215.91(b) is necessary to implement Occupations Code, §55.0041 as
20 amended by HB 5629. Proposed new §215.91(c) would inform a military service member, military veteran,
21 or military spouse that this rule establishes requirements and procedures authorized or required by Texas
22 law and does not affect any rights under federal law. Proposed new §215.91 would implement

Occupations Code, Chapter 55, as amended by HB 5629, and would inform military service members, veterans, and military spouses regarding eligibility for special licensing consideration.

§215.133

Proposed amendments to §215.133(i), (j), and (k) would add “dealer” to describe the type of independent motor vehicle general distinguishing number (GDN) referenced in these subsections for consistency with phrasing in other rule subsections and to improve readability without changing meaning.

§215.140

A proposed amendment to §215.140(a)(6)(E) would delete a reference to dealer license plate storage requirements for assigned license plates for vehicles in inventory and add a reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license plates. Instead, SB 1902 requires a dealer to keep a license plate removed from a sold vehicle and reassign that license plate to a sold vehicle of the same class within ten days or dispose of the license plate according to department rules.

§215.141

A proposed amendment to §215.141(a)(26) would expand the sanction for failure to securely store a license plate after July 1, 2025, to include failure to destroy a previously issued but not currently assigned license plate within the time prescribed by statute. This proposed amendment would implement SB 1902, which amended Transportation Code, §504.901 to require a dealer to either transfer a license plate removed from a vehicle to the same class of vehicle within ten days or dispose of the license plate no later than the tenth day after the license plate was removed from the vehicle.

A proposed amendment to §215.141(a)(34) would delete a sanction for failure to remove a license plate from a vehicle sold to an out-of-state buyer or from a vehicle sold for export and substitute a sanction for failure to remove a license plate from a vehicle as required by statute or rule. This proposed

1 amendment is necessary to conform the language to the requirements of SB 1902, which requires dealers
2 to remove a license plate from a vehicle that is transferred to or purchased by the dealer, and is necessary
3 to conform with proposed new §215.163 which requires a dealer to remove a license plate from a vehicle
4 in certain other circumstances such as before a vehicle is offered for sale at auction or on consignment.

5 §215.144

6 Proposed amendments to §215.144(i)(2) would add the phrase “GDN holder that acts as a ” to
7 clarify the type of motor vehicle auction referenced in subsection (i). Proposed amendments to
8 §215.144(i)(2)(A) would substitute the phrase “before offering a vehicle for sale at auction” for “it offers
9 for sale.” These proposed amendments would improve readability by using consistent terminology
10 without changing meaning.

11 §215.150

12 Proposed amendments to §215.150(a) and §215.150(e) would add a reference to a general issue
13 license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle, to implement
14 SB 1902 because SB 1902 allows a dealer to transfer an existing buyer’s general issue license plate to a
15 purchased vehicle of the same class within ten days. A proposed amendment to §215.150(a)(2) would
16 delete a reference to issuing a license plate if the vehicle did not come with a buyer’s license plate because
17 SB 1902 eliminated the requirement for a license plate to remain with a vehicle upon subsequent retail
18 sale. A proposed amendment to §215.150(d)(3) would add a closed GDN to the list of circumstances in
19 which a GDN dealer could no longer issue a buyer’s license plate. The amendment recognizes that a dealer
20 may choose to close a GDN issued by the department at any time, and after closure the person would not
21 be a licensed GDN dealer under Transportation Code, Chapter 503, and therefore not authorized to issue
22 a buyer’s license plate or a buyer’s temporary license plate. Proposed amendments to §215.150(f)(4)
23 would delete a reference to license plates assigned to vehicles in inventory, delete unnecessary

punctuation, and add a reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license plates. Rather, SB 1902 requires a dealer to reassign a removed license plate within a ten-day window before disposing of the license plate.

§215.151

Proposed amendments throughout §215.151(a) and in §215.151(c) would add a reference to a general issue license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle. These amendments implement SB 1902 because SB 1902 allows a dealer to transfer an existing buyer's general issue license plate to a purchased vehicle within ten days. Proposed amendments to §215.151(a)(3) would delete a reference to when a dealer must, or a governmental agency may, issue a buyer's license plate to the buyer of a used vehicle, and replace that language with issuing a buyer's license plate when the buyer does not have a general issue, specialty, personalized or other qualifying license plate to transfer to the vehicle. These amendments implement SB 1902, which no longer requires a license plate to remain with a vehicle and allows a previously issued general issue license plate to be reassigned to a different vehicle of the same class within ten days.

A proposed amendment to §215.151(c) would delete a reference to a vehicle that has an assigned license plate because SB 1902 eliminated the requirement for a license plate to remain assigned to a vehicle upon subsequent retail sale. Proposed amendments to §215.151(c) would add language to require the removal of any previously assigned license plate and require the dealer to reassign that license plate to a vehicle of the same class within ten days before disposing of that license plate when a buyer provides a different qualifying license plate to be assigned to a purchased vehicle. This proposed amendment would implement the requirements for plate transfer or disposal by a dealer in Transportation Code, §504.901, as amended by SB 1902. Proposed amendments to §215.151(d) would implement the requirements of SB 1902 by adding language that would allow a dealer to reassign a license plate to a vehicle of the same

1 class within ten days, and deleting references to providing an assigned license plate to a Texas retail buyer
2 or Texas dealer and references to voiding plates for vehicles sold to out-of-state or exporting buyers.
3 These proposed amendments are necessary because SB 1902 eliminated the requirement for a license
4 plate to remain assigned to a vehicle upon subsequent retail sale and instead requires a dealer to dispose
5 of any license plate that is not reassigned after ten days according to department rules.

6 Proposed amendments would add new §215.151(e) to describe circumstances in which a dealer
7 is not required to secure or affix an assigned license plate to a vehicle after a lawful sale. Proposed new
8 §215.151(e)(1) would allow a retail buyer who purchases a vehicle for direct delivery to the buyer to
9 authorize the dealer in writing to mail or securely deliver the dealer-assigned buyer's license plate to the
10 buyer. Proposed new §215.151(e)(1) is necessary to accommodate lawful sales in which vehicles are
11 shipped directly to a retail buyer, which is common in multi-vehicle or fleet purchases. Proposed new
12 §215.151(e)(2) would allow a retail buyer to authorize a dealer in writing to mail or securely deliver a
13 license plate or set of license plates to a licensed converter who could then affix the assigned buyer's
14 license plate to the vehicle once the vehicle is complete prior to delivery to the customer, or allow the
15 converter to provide the license plate to the customer at vehicle delivery. Proposed new §215.151(e)(1)
16 and new §215.151(e)(2) are necessary to facilitate delivery of a dealer-assigned buyer's license plate when
17 a vehicle is sold in a retail transaction, but the purchased vehicle is not located at the dealer's licensed
18 location.

19 §215.152

20 Proposed amendments to §215.152(c) and §215.152(d) would add "new" to describe the type of
21 buyer's license plates that the department will be allocating to each dealer and would delete the term
22 unassigned. These amendments would implement SB 1902, which amended Transportation Code,

1 §504.901, to require a dealer to transfer an unassigned license plate to a purchased vehicle of the same
2 class within 10 days or destroy the license plate.

3 A proposed amendment to §215.152(d)(4) would add “or decrease” to allow the department to
4 decrease the annual allotment of license plates for dealers based on changes in the market, temporary
5 conditions, or other relevant factors in the state, county, or other geographical or population area. For
6 example, sales may decline during an economic recession, resulting in dealers needing fewer plates to
7 assign to new cars. When this happens, the state should not incur the expense to manufacture or
8 distribute license plates that will not be used, and a dealer should not be required to undergo the expense
9 or effort to store and track a larger supply of license plates than what the dealer will likely use. To address
10 this, a proposed amendment to §215.152(g) would allow a new dealer to request fewer buyer’s license
11 plates or buyer’s temporary license plates than what would be allocated under §215.152(e).

12 Proposed new §215.152(i) describes the circumstances in which a dealer would not be eligible to
13 receive a quarterly allocation of buyer’s license plates delivered to the dealer’s licensed physical location.
14 These circumstances are: if the dealer’s license has been closed, canceled, or revoked in a final order; if
15 the department has issued a notice of department decision for a violation of premises requirements
16 because the dealer appears to have abandoned the licensed location; if the dealer has been denied access
17 to the temporary tag system or the license plate system; if a dealer fails a compliance review performed
18 by the department under Transportation Code, §503.063(d); if the dealer’s license expires during that
19 quarter and a renewal application has not been submitted to the department; if a dealer does not have
20 an owner or bona fide employee at the licensed location during posted business hours to accept a license
21 plate delivery; or if a dealer fails to keep license plates or the license plate system secure. In accordance
22 with Occupations Code, §2301.152, the department is responsible for reducing the opportunities for

1 license plate fraud or misuse. This proposed new subsection is necessary for the department to fulfill that
2 obligation.

3 Proposed new §215.152(j) would allow a dealer with an active license and access to the license
4 plate database who is ineligible to receive a quarterly license plate allocation under subsection (i) to
5 request that the department conduct a compliance review under Transportation Code, §503.063(d) to
6 determine if the dealer is eligible to receive a future allocation. A dealer would be able to request a
7 compliance review by submitting an email request to DealerCompliance@txdmv.gov, and the department
8 will perform the requested compliance review within 14 days. This subsection would allow a dealer to
9 become eligible for a future license plate allocation once the dealer passes a compliance review
10 performed by the department, consistent with Transportation Code, §503.063(d).

11 Proposed new §215.152(k) would allow the department to require a dealer with an active license
12 to obtain buyer's license plates from a county tax assessor-collector or department regional service center
13 if the dealer is not eligible to receive license plates under §215.152(i). This proposed new subsection
14 would allow a licensed dealer to continue to operate while the dealer addresses a security or other
15 operational issue that would prevent the department from securely delivering license plates to the
16 licensed location. A proposed amendment would reletter §215.152(i) to (l) to accommodate the three
17 new proposed subsections described above.

18 A proposed amendment would add new §215.152(m), which would describe when a dealer may
19 request fewer buyer's license plates or buyer's temporary license plates. A dealer may request fewer
20 license plates after using less than 50 percent of the quarterly allocation of general issue license plates or
21 buyer temporary license plates in a quarter, or after using less than 50 percent of the allotted annual
22 maximum number of general issue license plates or buyer temporary license plates in a year. A dealer
23 should not be required to undergo the expense or effort to store and track a significantly larger supply of

1 license plates than what the dealer will use. Proposed amendments would reletter §215.152(j) to (n) and
2 reletter remaining subsections accordingly to accommodate the new proposed subsections described
3 above.

4 Proposed amendments to relettered §215.152(n) would add a reference to a dealer being able to
5 request a decrease in a quarterly or annual allocation by submitting a request in the department's
6 designated license plate system, and delete a reference to subsection (i). These amendments are
7 necessary to inform a dealer how to request a decrease in a quarterly or annual buyer's license plate or
8 buyer's temporary license plate allocation.

9 A proposed amendment to relettered §215.152(o) would add "or decrease" in recognition that a
10 dealer may request a decrease in a maximum annual allotment. Proposed amendments throughout
11 relettered §215.152(o) would delete "additional" to describe license plates because amendments to this
12 rule are proposed to allow a dealer to request fewer license plates. A proposed amendment to relettered
13 §215.152(o)(2) would delete the phrase "for more license plates" to describe the type of additional
14 requests a dealer may submit because a dealer may submit additional requests for fewer license plates.
15 A proposed amendment to relettered §215.152(o)(3)(D) would delete a reference to issuing no additional
16 license plates because a dealer may request to reduce the number of license plates, and the department
17 may deny that request. Proposed amendments to relettered §215.152(o)(3)(E)(ii) would delete a
18 reference to additional license plates being added to the dealer's allocation and would substitute text to
19 state that the dealer's allocation will be adjusted. These proposed amendments would recognize that a
20 dealer's request for fewer license plates may be adjusted by the designated director in the department's
21 Vehicle Titles and Registration Division. A proposed amendment to relettered §215.152(o)(3)(E)(ii) would
22 add "informed about" to improve readability without changing meaning. A proposed amendment to

relettered §215.152(o)(5) would delete a reference to additional license plates because this proposal would allow a dealer to submit a subsequent request for fewer license plates during a calendar year.

§215.155

Proposed amendments to §215.155(c) would delete §215.155(c)(2), which requires a selling dealer to provide a license plate to a purchasing dealer for placement on the vehicle at time of retail sale, and would modify related punctuation and numbering. These proposed amendments would implement SB 1902, which eliminated the requirement for an assigned license plate to stay with a vehicle upon a subsequent retail sale of the vehicle.

§215.158

Proposed amendments to §215.158(b) would delete a reference to removing a previously assigned buyer's license plate or other type of license plate for a vehicle sold to an out-of-state buyer or for another reason allowed by rule and would simplify the subsection to apply only when a dealer is required to void a previously assigned buyer's license plate from a vehicle. These proposed amendments would align the rule text with Transportation Code, §504.901, as amended by SB 1902, which requires a dealer to void a previously assigned buyer's license plate within 10 days unless the dealer has reassigned that license plate to another vehicle of the same class.

§215.163

Proposed new §215.163 would address how a license holder must manage a license plate or set of license plates for motor vehicles sold at auction or on consignment. Proposed new §215.163 is necessary to clarify license plate disposition and the reporting responsibilities of a dealer and a wholesale motor vehicle auction GDN holder when offering a motor vehicle for sale at a wholesale auction, and to clarify a dealer's responsibilities when offering a motor vehicle for sale at auction or on consignment at

1 the dealer's licensed location consistent with the requirements of Transportation Code, §§503.063,
2 503.0633, and 504.901 as amended by HB 718 and SB 1902, effective July 1, 2025.

3 Proposed new §215.163(a) would address license plate disposition requirements for motor
4 vehicles offered for sale at a wholesale motor vehicle auction, in which only dealers are allowed to
5 purchase a motor vehicle under Transportation Code, §503.037. Proposed new §215.163(a) would require
6 a wholesale motor vehicle auction GDN holder who receives a motor vehicle on consignment from a
7 person who is not a GDN holder to remove and mark any license plate with the vehicle as void; and
8 destroy, recycle, or return any license plate in keeping with the requirements of §215.158 (relating to
9 General Requirements for Buyer's License Plates). Proposed new §215.163(a) is necessary to prevent
10 Texas license plates from being distributed out-of-state or exported and used fraudulently. These
11 proposed amendments are also consistent with Transportation Code, §503.063 and §504.901, as
12 amended by HB 718 and SB 1902, which authorizes dealers to issue a buyer's license plate and access the
13 license plate system but does not authorize motor vehicle auction license holders to do so.

14 Proposed new §215.163(b) would describe a dealer's license plate disposition responsibilities if a
15 motor vehicle with a license plate is sold at a public auction, at which members of the public can bid on
16 and purchase a motor vehicle. Proposed new §215.163(b) would require a dealer who is authorized to sell
17 a consigned vehicle to return an assigned license plate to the vehicle's owner in keeping with
18 Transportation Code §504.901(b), or destroy, recycle, or return the license plate in accordance with
19 §215.158 (relating to General Requirements for Buyer's License Plates). The option for a dealer to destroy
20 an assigned license plate is necessary because in some circumstances a dealer may be unable to return
21 an assigned plate to the vehicle's owner. For example, a dealer could not do so if the vehicle's owner has
22 died or the vehicle's owner relocated without a forwarding address. If a dealer offers a motor vehicle from
23 the dealer's inventory for sale at a public auction, the dealer is required to remove and securely store the

1 license plate before offering the vehicle for sale at a public auction as required in proposed 43 TAC
2 §215.150(f) (relating to Dealer Authorization to Issue License Plates) and may reassign the license plate
3 within ten days. If the purchaser is a Texas retail buyer, the dealer must issue a buyer's license plate to
4 the purchaser and update the license plate database unless the buyer has a general issue, specialty,
5 personalized, or other qualifying license plate to transfer, consistent with proposed amendments to 43
6 TAC §215.151 (relating to License Plate General Use Requirements). If the purchaser at the public auction
7 is a dealer, export buyer, or out-of-state buyer, the selling dealer must not issue a buyer's license plate.
8 Additionally, if the purchaser at an auction is an out-of-state buyer, the dealer may only issue a buyer's
9 temporary license plate if the buyer requires this license plate to transport the vehicle to another state in
10 accordance with Transportation Code, §503.063, as amended by HB 718, and with 43 TAC §215.150(c)
11 (relating to Dealer Authorization to Issue License Plates). Proposed new §215.163(b) is necessary to clarify
12 license plate disposition for different types of sales that can occur at a public auction and to minimize
13 potential fraud or misuse of license plates that may occur, consistent with the requirements of
14 Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, and of proposed
15 amendments to 43 TAC §§215.150, 215.151, and 215.158.

16 Proposed new §215.163(c) would implement dealer requirements for other types of consignment
17 sales which occur at a dealer's licensed location and not at auction. Proposed new §215.163(c) is necessary
18 to address license plate disposition for other types of consignment sales and to minimize potential fraud
19 or misuse of license plates, consistent with the requirements of Transportation Code, §503.063 and
20 §504.901, as amended by HB 718 and SB 1902, and the requirements of the department's adopted and
21 proposed rules implementing HB 718. Proposed new §215.163(c)(1) would require a dealer to remove
22 and return any license plate to the vehicle's owner. Proposed new §215.163(c)(1) would further clarify

1 that a dealer may use its dealer's temporary license plate to demonstrate the consigned vehicle to a
2 potential purchaser, in accordance with 43 TAC §215.138 (relating to Use of Dealer's License Plates).

3 Proposed new §215.163(c)(2) would align the requirements for dealer consignment sales with the
4 general license plate disposition requirements in the department's rules implementing HB 718 adopted
5 effective July 1, 2025. Proposed new §215.163(c)(2) would require a dealer, upon the sale of a consigned
6 motor vehicle, to assign a license plate to a Texas retail buyer that purchases the vehicle unless the buyer
7 has a general issue, specialty, personalized, or other qualifying license plate to transfer and to update the
8 license plate database, consistent with 43 TAC §215.151 (relating to License Plate General Use
9 Requirements). If the vehicle is sold to an out-of-state buyer, for export, or to a Texas dealer, a dealer may
10 not issue a buyer's license plate and may only issue a buyer's temporary license plate if the out-of-state
11 purchaser requires a license plate to transport the vehicle to another state for titling and registration in
12 that jurisdiction.

13 Proposed new §215.163(c)(3) is necessary to clarify license plate disposition requirements for
14 independent motor vehicle dealers whose business includes the sale of salvage vehicles or total loss
15 vehicles as defined by the applicable insurance contract, and who may receive consignments from non-
16 GDN holders such as insurance or finance companies. In these situations, an independent motor vehicle
17 dealer must remove and destroy, recycle, or return the license plate as required in §215.158 (relating to
18 General Requirements for Buyer's License Plates). Under Occupations Code, §2302.009, an independent
19 motor vehicle dealer that acts as a salvage vehicle dealer or displays a motor vehicle as an agent of an
20 insurance company must comply with Occupations Code, Chapter 2302, including the requirement to
21 immediately remove any unexpired license plate. Requiring an independent motor vehicle dealer to either
22 transfer or void, destroy, recycle, or return the license plate as required in §215.158 (relating to General
23 Requirements for Buyer's License Plates) is necessary to reduce the risk of fraud or misuse of the plates,

1 since salvage or total loss vehicles may not be driven on Texas roads. Proposed new §215.163(c) is
2 necessary to minimize potential fraud or misuse of these license plates and is consistent with the
3 requirements of Occupations Code, Chapter 2302, and Transportation Code, §503.063 and §504.901, as
4 amended by HB 708 and SB 1902.

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 rule will be in effect, there will be no significant
7 fiscal impact to state or local governments as a result of the enforcement or administration of the
8 proposal.

9 Monique Johnston, Director of the Motor Vehicle Division (MVD), Annette Quintero, Director of
10 the Vehicle Titles and Registration Division (VTR), and Corrie Thompson, Director of the Enforcement
11 Division (ENF), have determined that there will be not be a measurable effect on local employment or the
12 local economy as a result of the proposal because the overall number of motor vehicle sales will not be
13 affected.

14 **PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston, Ms. Quintero, and Ms. Thompson have also determined
15 that, for each year of the first five years amended and new sections are in effect, there are multiple public
16 benefits anticipated because of the reduction in opportunities for license plate fraud, and that certain
17 applicants and license holders may incur costs to comply with the proposal. The department prioritized
18 the public benefits associated with reducing fraud and related crime and improving public health and
19 safety, while carefully considering potential costs to license holders consistent with board and department
20 responsibilities.

21 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include
22 limiting the criminal activity of a small subset of dealers who may fraudulently obtain, sell, or issue license
23 plates to persons seeking to engage in violent criminal activity, including armed robbery, human

1 trafficking, and assaults on law enforcement, or to criminally operate uninsured and uninspected vehicles
2 as a hazard to Texas motorists and the environment.

3 Anticipated Costs to Comply With The Proposal. Ms. Quintero anticipates that certain license holders may
4 incur costs to comply with these proposed rules. In proposed new §215.151(e), a dealer could incur a fee
5 to mail a license plate or set of license plates to a buyer or a converter when the buyer authorizes the
6 dealer to do so in writing because the vehicle is being delivered directly to the buyer by a transporter or
7 converter. Department research suggests that the average cost to mail a set of license plates is \$10.10.
8 Ms. Quintero has determined that the cost for a license holder to mail or otherwise securely transfer a
9 license plate to a buyer or converter would be offset by a dealer's cost savings in not having to travel to a
10 buyer's or converter's location to affix the assigned license plate, and is necessary to facilitate lawful sales
11 in which the purchased vehicle is not at the dealer's licensed location. A dealer may choose to affix a
12 buyer's license plate to a sold vehicle, or mail or securely transfer a license plate to a buyer or converter
13 and can choose the method that is operationally efficient and cost effective. Industry stakeholders have
14 requested this flexibility in affixing license plates to facilitate these types of vehicle sales.

15 Regarding proposed new §215.163, Ms. Quintero anticipates that while dealer GDN holders will
16 not incur additional costs to comply with the proposed rule, wholesale motor vehicle auction GDN holders
17 may incur costs to comply with this proposed rule. For dealers, proposed new §215.163 does not have
18 any new cost requirements because the same requirements are already in place under other previously
19 adopted rules or existing statutes.

20 However, this proposal may require wholesale motor vehicle auction GDN holders to make an
21 operational change or incur a cost. The department can estimate certain associated costs. Proposed new
22 §215.163 would require a wholesale motor vehicle auction GDN holder to permanently mark the front of
23 license plates with the word "void" or a large "X". Department research suggests that the cost of a

1 permanent marker is \$1.35 per marker. Proposed new §215.163 would also require a wholesale motor
2 vehicle auction GDN holder to destroy a void buyer's license plate, recycle a void plate with a registered
3 metal recycler, or return the void plate to the department, or to a county tax assessor-collector. Aviation
4 tin snips may be used to destroy a void license plate. Department research suggests that the cost of tin
5 snips, which can cut metal, is approximately \$18.50. A motor vehicle auction GDN holder may choose to
6 recycle void license plates. Department research suggests that the cost of doing so through a metal
7 recycler will vary by locality and the availability of local recycling facilities, with some regions benefitting
8 from free curbside-pickup recycling programs and others requiring license holders to expend
9 transportation costs to take the plates to a recycling facility. Department research also suggests that scrap
10 aluminum, such as voided license plates, is currently worth an average of about \$.65 per pound when sold
11 to a metal recycler. Lastly, a motor vehicle auction GDN holder may return a void buyer's license plate to
12 the department, including one of the regional service centers, or a county tax assessor-collector office, or
13 mail a void plate to the department. Department research suggests that a typical average cost to mail a
14 set of license plates is \$10.10. The proposed rules provide a motor vehicle auction GDN holder with
15 multiple options for responsible disposal of void license plates and each license holder may choose which
16 option is least expensive or most convenient based on the license holder's operation. Ms. Quintero has
17 reviewed the department research regarding the cost of marking and the options for destroying, recycling,
18 or returning void license plates and has determined that these costs are reasonable and necessary to
19 reduce the potential for fraudulent plate use and to protect the public, including law enforcement
20 personnel. Indeed, it is possible that many wholesale motor vehicle auction GDN holders will incur no
21 costs as a result of the proposed rule: the wholesale motor vehicle auction GDN holders who commented
22 or provided informal feedback on the draft rule stated that they already have existing systems in place to

1 collect and dispose of license plates and to report vehicle transfers using the currently available web-
2 based tools.

3 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.**

4 As required by Government Code, §2006.002, the department has determined that this proposal
5 may have an adverse economic effect or disproportionate economic impact on small or micro-businesses.
6 More specifically, the department believes that the requirements in proposed new §215.163 for
7 wholesale motor vehicle auction GDN holders may have an adverse impact if any motor vehicle auction
8 GDN holder is a small or micro-business. The department does not believe the costs associated with
9 shipping plates when requested by a buyer under certain circumstances in proposed amended §215.151
10 will create an adverse economic impact because the department believes the costs will be completely
11 offset by the savings for a dealer from not having to travel to a buyer's or converter's location to affix a
12 license plate to a sold vehicle. The department has determined that the proposed amendments will not
13 have an adverse economic effect on rural communities because rural communities are exempt from the
14 requirement to hold a GDN under Transportation Code, §503.024.

15 The cost analysis in the Public Benefit and Cost Note section of this proposal determined that the
16 proposed new rule may result in additional costs for existing license holders. Based on data from the
17 Comptroller and the Texas Workforce Commission, the department cannot determine if any wholesale
18 motor vehicle auctions are small or micro-businesses but can estimate that most dealers are small or
19 micro-businesses. The department has tried to minimize costs to both wholesale motor vehicle auction
20 and dealer GDN holders. The proposed new requirements are designed to set minimum standards that
21 will prevent license plate fraud and protect public health and safety and to allow these license holders to
22 operate without incurring significant ongoing or unreasonable costs. These requirements do not include

1 requirements that will cause a license holder to incur unnecessary or burdensome costs, such as
2 employing additional persons.

3 Under Government Code, §2006.002, the department must perform a regulatory flexibility
4 analysis. The department considered the alternatives of not adopting amendments, exempting small and
5 micro-business license holders from these amendments, and adopting a limited version of these
6 amendments for small and micro-business applicants and license holders. The department rejected all
7 three options. The department reviewed licensing records, including records for license holders who have
8 been denied access to the temporary tag system, and determined that small and micro-business license
9 holders are largely the bad actors who have historically perpetrated fraud. The department, after
10 considering the purpose of the authorizing statutes, does not believe it is feasible to waive or limit the
11 requirements of the proposed amendments for small or micro-business GDN holders. Also, Government
12 Code, §2006.002(c-1) does not require the department to consider alternatives that might minimize
13 possible adverse impacts on small businesses and micro-businesses if the alternatives would not be
14 protective of the health and safety of the state.

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

19 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
20 first five years the proposed new sections and amendments are in effect, no government program would
21 be created or eliminated. Implementation of the proposed new sections and amendments would not
22 require the creation of new employee positions or elimination of existing employee positions.
23 Implementation would not require an increase or decrease in future legislative appropriations to the

1 department or a decrease of fees paid to the department. The proposed rules create new regulations,
2 specifically proposed new §215.91 and §215.163. It would limit existing regulations by allowing dealers to
3 ship or deliver license plates to be affixed by others in certain situations in proposed amendments to
4 §215.151, and by allowing for lesser license plate allocations in proposed amendments to §215.152. The
5 proposed rule revisions would not expand or repeal an existing regulation. Lastly, the proposed new
6 sections do not affect the number of individuals subject to the rule's applicability and will not affect this
7 state's economy.

8 **REQUEST FOR PUBLIC COMMENT.**

9 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on August 25,
10 2025. A request for a public hearing must be sent separately from your written comments. Send written
11 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas
12 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the
13 department will consider written comments and public testimony presented at the hearing.

SUBCHAPTER B. LICENSES, GENERALLY

43 TAC §215.83 AND §215.91

STATUTORY AUTHORITY. The department proposes amendments and a new section to Chapter 215 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature (2025), which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as amended by House Bill (HB) 5629, 89th Legislature, which requires the

1 department to adopt rules for the issuance of a license to military service members, military veterans, or
2 military spouses that allow licensure if the applicant holds a current license issued by another state that
3 is similar in scope to the license in Texas and is in good standing with that state’s licensing authority, or
4 has held a license in Texas within the preceding five years; Occupations Code, §2302.051, which authorizes
5 the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Transportation
6 Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code,
7 Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain
8 contested cases; Transportation Code, §503.0296, which requires the board to adopt a rule requiring that
9 an applicant for an original or renewal general distinguishing number who proposes to be an independent
10 motor vehicle dealer complete web-based education and training developed or approved by the
11 department; Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the
12 form of the notice of a surety bond and the procedure by which a claimant may recover against the surety
13 bond; Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
14 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632, which require the
15 board to adopt rules necessary to implement and manage the department's temporary tag databases;
16 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
17 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
18 throughout this preamble.

19 The department also proposes amendments and a new rule under the authority of Transportation
20 Code, §501.0041 and §502.0021; and Government Code, §§2001.004, and 2001.039, and 2001.054, in
21 addition to the statutory authority referenced throughout this preamble.

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

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

CROSS REFERENCE TO STATUTE. This proposed new section would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

Text.

§215.83. License Applications, Amendments, or Renewals

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

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

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

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

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

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

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

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

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

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

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

17 (f) If an applicant, license holder, or authorized representative does not provide the
18 information or documentation required by the department, the department will issue a written notice of
19 deficiency. The information or documentation requested in the written notice of deficiency must be
20 received by the department within 20 calendar days of the date of the notice of deficiency, unless the
21 department issues a written extension of time. If an applicant, license holder, or authorized representative
22 fails to respond or fully comply with all deficiencies listed in the written notice of deficiency within the

1 time prescribed by this subsection, the application will be deemed withdrawn and will be administratively
2 closed.

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

8 (h) The department will process an application for a new license, license amendment, or license
9 renewal filed by a military service member, military spouse, or military veteran in accordance with
10 Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military Service
11 Members, Spouses, and Veterans). ~~[A license holder who fails to timely file a sufficient application for a~~
12 ~~license renewal because that license holder was on active duty is exempt from any increased fee or~~
13 ~~penalty imposed by the department for failing to renew the license in a timely manner.]~~

14 ~~[(i) A military service member or military spouse may engage in a business or occupation for which~~
15 ~~a department issued license is required if the military service member or military spouse meets the~~
16 ~~requirements of Occupations Code, §55.0041 and this section. This section establishes requirements and~~
17 ~~procedures authorized or required by Occupations Code, Chapter 55, and does not modify or alter rights~~
18 ~~that may be provided under federal law.]~~

19 ~~[(1) A military service member or military spouse must submit to the department:~~

20 ~~(A) notice of the military service member or military spouse's intent to engage in~~
21 ~~a business or occupation in Texas for which a department issued license is required;]~~

22 ~~[(B) proof of the military service member or military spouse's being stationed in~~
23 ~~Texas and a copy of the military service member or military spouse's military identification card; and]~~

1 ~~[(C) documentation demonstrating that the military service member or military~~
2 ~~spouse is licensed and in good standing in another jurisdiction for the relevant business or occupation.]~~

3 ~~[(2) Upon receipt of the notice and documentation required by paragraphs (1)(B) and~~
4 ~~(1)(C) of this subsection, the department shall:]~~

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

7 ~~[(B) conduct a comparison of the other jurisdiction's license requirements,~~
8 ~~statutes, and rules with the department's licensing requirements to determine if the requirements are~~
9 ~~substantially equivalent.]~~

10 ~~[(3) If the department confirms that a military service member or military spouse is~~
11 ~~currently licensed in good standing in another jurisdiction with substantially equivalent licensing~~
12 ~~requirements, the department shall issue a license to the military service member or military spouse for~~
13 ~~the relevant business or occupation within 30 days. The license is subject to requirements in Chapter 215~~
14 ~~of this title and Occupations Code, Chapter 2301 in the same manner as a license issued under the~~
15 ~~standard application process, unless modified or exempted under Occupations Code, Chapter 55.]~~

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

19 (ii) ~~[(k)]~~ A license holder who fails to timely file a sufficient license renewal application in
20 accordance with subsection (d) of this section is not authorized to continue licensed activities after the
21 date the license expires. A license holder may dispute a decision that a license renewal application was
22 not timely or sufficient by submitting evidence to the department demonstrating that the license renewal
23 application was timely and sufficient. Such evidence must be received by the department within 15 days

1 of the date the department issues notice that a timely or sufficient license renewal application was not
2 received by the department.

3 (k) ~~(4)~~ The department shall accept a late license renewal application up to 90 days after the date
4 the license expires. In accordance with subsection (k) of this section, the license holder is not authorized
5 to continue licensed activities after the date the license expires until the department approves the late
6 license renewal application. If the department grants a license renewal under this section, the licensing
7 period begins on the date the department issues the renewed license. The license holder may resume
8 licensed activities upon receipt of the department's written verification or upon receipt of the renewed
9 license.

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

13 (m) ~~(n)~~ A dealer's standard license plate issued in accordance with Transportation Code, Chapter
14 503, Subchapter C expires on the date the associated license expires, is canceled, or when a license
15 renewal application is determined, whichever is later.

16
17
18 §215.91. License Processing for Military Service Members, Spouses, and Veterans

19 (a) The department will process a license, amendment, or renewal application submitted for
20 licensing of a military service member, military spouse, or military veteran in accordance with Occupations
21 Code, Chapter 55. A license holder who fails to timely file a sufficient renewal application because the
22 license holder was on active duty is exempt from any increased fee or penalty imposed by the department.

1 (b) A military service member or military spouse may engage in a business or occupation for which a
2 department-issued license is required if the military service member or military spouse meets the
3 requirements of Occupations Code, §55.0041 and this section.

4 (1) A military service member or military spouse must submit to the department:

5 (A) a sufficient application as described in §215.83(e) of this title (relating to
6 License Applications, Amendments, or Renewals);

7 (B) proof of the military service member being stationed in Texas and a copy of
8 the military service member or military spouse's military identification card;

9 (C) if the applicant is a military spouse, a copy of the military spouse's marriage
10 license; and

11 (D) a notarized affidavit as required by Occupations Code, § 55.0041(b)(3).

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

14 (A) confirm with the other state that the military service member or military
15 spouse is currently licensed and in good standing for the relevant business or occupation; and

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

19 (C) issue a provisional license.

20 (3) If the department confirms that a military service member or military spouse is
21 currently licensed in good standing in another state with licensing requirements that are similar in scope
22 and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a
23 license to the military service member or military spouse for the relevant business or occupation, or notify

1 the applicant why the department is currently unable to issue a license pursuant to Occupations Code,
2 §55.0041(b-1), within 10 days. The license is subject to the requirements of this chapter and Occupations
3 Code, Chapter 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under
4 the standard application process, unless exempted or modified under Occupations Code, Chapter 55.

5 (c) This section establishes requirements and procedures authorized or required by Occupations
6 Code, Chapter 55, and does not modify or alter rights that may be provided under federal law.

7
8
9 **SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.**

10 **43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, 215.158, AND 215.163**

11
12 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
13 department adopts amendments and new sections to Chapter 215 under Occupations Code, §2301.151,
14 which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the
15 authority to take any action that is necessary or convenient to exercise that authority; Occupations Code,
16 §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the
17 distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to
18 prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the
19 distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301
20 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to
21 adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern
22 practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority
23 to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a

1 licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law
2 relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or
3 fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code,
4 §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license plates;
5 Transportation Code, §503.0631, which requires the department to adopt rules to implement and manage
6 the department's database of dealer-issued buyer's license plates; Transportation Code, §503.0633,
7 which allows the department to establish the maximum number of license plates or sets of license plates
8 a dealer may obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code,
9 §504.0011, which allows the board to adopt rules to implement and administer Chapter 504;
10 Transportation Code, §520.0071, which requires the board to adopt rules classifying deputies performing
11 titling and registration duties, the duties and obligations of these deputies, the type and amount of bonds
12 that may be required by a county tax assessor-collector for a deputy performing titling and registration
13 duties, and the fees that may be charged or retained by deputies; Transportation Code, §520.021, which
14 allows the department to adopt rules and policies for the maintenance and use of the department's
15 automated registration and titling system; and Transportation Code, §1002.001, which authorizes the
16 board to adopt rules that are necessary and appropriate to implement the powers and the duties of the
17 department, as well as the statutes referenced throughout this preamble.

18 The department also adopts amendments under the authority of Transportation Code,
19 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
20 §2001.054, in addition to the statutory authority referenced throughout this preamble.

21 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
22 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
23 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the

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

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

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

TEXT.

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

(a) No person may engage in business as a dealer or as a wholesale motor vehicle auction unless that person has a valid GDN assigned by the department for each location from which the person engages in business. A dealer must also hold a GDN for a consignment location, unless the consignment location is a wholesale motor vehicle auction.

(b) Subsection (a) of this section does not apply to a person exempt from the requirement to obtain a GDN under Transportation Code §503.024.

(c) A GDN dealer or wholesale motor vehicle auction application must be on a form prescribed by the department and properly completed by the applicant as required under §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or wholesale motor vehicle auction application must include all required information, required

1 supporting documents, and required fees and must be submitted to the department electronically
2 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle
3 auction GDN holder renewing or amending its GDN must verify current license information,
4 provide related information and documents for any new requirements or changes to the GDN, and
5 pay required fees including any outstanding civil penalties owed the department under a final
6 order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the
7 following:

8 (1) Required information:

9 (A) type of GDN requested;

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

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

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

18 (E) the name, social security number, date of birth, identity document
19 information, and ownership percentage for each owner, partner, member, or principal if the
20 applicant is not a publicly traded company;

21 (F) the name, social security number, date of birth, and identity document
22 information for each officer, director, manager, trustee, or other representative authorized to act
23 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

1 (G) the name, employer identification number, ownership percentage, and
2 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

3 (H) the name, social security number, date of birth, and identity document
4 information of at least one manager or other bona fide employee who will be present at the
5 established and permanent place of business if the owner is out of state or will not be present
6 during business hours at the established and permanent place of business in Texas;

7 (I) if a dealer, the name, telephone number, and business email address of
8 the account administrator for the temporary tag database prior to July 1, 2025, or for the license
9 plate system on or after July 1, 2025, designated by the applicant who must be an owner or
10 representative listed in the application;

11 (J) criminal history record information under the laws of Texas, another
12 state in the United States, the United States, and any foreign jurisdiction for each person listed in
13 the application, including offense description, date, and location;

14 (K) military service status;

15 (L) licensing history required to evaluate fitness for licensure under §215.89
16 of this title (relating to Fitness);

17 (M) information about the business location and business premises,
18 including whether the applicant will operate as a salvage vehicle dealer at the location;

19 (N) history of insolvency, including outstanding or unpaid debts, judgments,
20 or liens, unless the debt was discharged under 11 U.S.C. §§101 et seq. (Bankruptcy Act) or is
21 pending resolution under a case filed under the Bankruptcy Act;

22 (O) signed Certification of Responsibility, which is a form provided by the
23 department; and

(P) if a dealer, whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the physical address where the repair is performed; and

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

(2) A legible and accurate electronic image of each applicable required document:

(A) proof of a surety bond if required under §215.137 of this title (relating to Surety Bond);

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

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

(D) at least one of the following unexpired identity documents for each natural person listed in the application:

(i) driver license;

(ii) Texas Identification Card issued by the Texas Department of Public Safety under Transportation Code, Chapter 521, Subchapter E;

(iii) license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H;

(iv) passport; or

(v) United States military identification card.

(E) a certificate of occupancy, certificate of compliance, or other official documentation confirming the business location complies with municipal ordinances, including zoning, occupancy, or other requirements for a vehicle business;

(F) documents proving business premises ownership, or lease or sublease agreement for the license period;

(G) business premises photos and a notarized affidavit certifying that all premises requirements in §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements) are met and will be maintained during the license period;

(H) evidence of franchise if applying for a franchised motor vehicle dealer GDN;

(I) proof of completion of the dealer education and training required under Transportation Code §503.0296, if applicable; and

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

(3) Required fees:

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

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

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

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

1 name or assumed name that may be confused with or is similar to that of a governmental entity or
2 that is otherwise deceptive or misleading to the public.

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

6 (g) An independent mobility motor vehicle dealer shall retain and produce for inspection all
7 records relating to the license requirements under Occupations Code, §2301.002(17-b) and all
8 information and records required under Transportation Code §503.0295.

9 (h) In evaluating a new or renewal GDN application or an application for a new GDN
10 location, the department may require a site visit to determine if the business location meets the
11 requirements in §215.140. The department will require the applicant or GDN holder to provide a
12 notarized affidavit confirming that all premises requirements are met and will be maintained
13 during the license period.

14 (i) A person holding an independent motor vehicle dealer GDN does not have to hold a
15 salvage vehicle dealer's license to:

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

17 (2) store or display a motor vehicle as an agent or escrow agent of an insurance
18 company.

19 (j) A person holding an independent motor vehicle dealer GDN and performing salvage
20 activities under subsection (i) must apply for a National Motor Vehicle Title Information System
21 (NMVTIS) identification number and provide the number to the department in the GDN
22 application.

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

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

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

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

§215.140. Established and Permanent Place of Business Premises Requirements.

(a) A dealer must meet the following requirements at each licensed location and maintain the requirements during the term of the license. If multiple dealers are licensed at a location, each dealer must maintain the following requirements during the entire term of the license.

(1) Business hours for retail dealers.

(A) A retail dealer's office must be open at least four days per week for at least four consecutive hours per day and may not be open solely by appointment.

(B) The retail dealer's business hours for each day of the week must be posted at the main entrance of the retail dealer's office in a manner and location that is accessible to the public. The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location

1 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
2 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
3 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
4 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business
5 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona
6 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
7 to speak to a natural person or leave a message during these hours.

8 (2) Business hours for wholesale motor vehicle dealers. A dealer that holds only a
9 wholesale motor vehicle dealer's GDN must post its business hours at the main entrance of the
10 wholesale motor vehicle dealer's office in a manner and location that is accessible to the public. A
11 wholesale motor vehicle dealer or bona fide employee shall be at the wholesale motor vehicle dealer's
12 licensed location at least two weekdays per week for at least two consecutive hours per day. A wholesale
13 motor vehicle dealer may not be open solely by appointment. Regardless of the wholesale motor vehicle
14 dealer's business hours, the wholesale motor vehicle dealer's telephone must be answered from 8:00
15 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or
16 answering machine. A caller must be able to speak to a natural person or leave a message during these
17 hours.

18 (3) Business sign requirements for retail dealers.

19 (A) A retail dealer must display a conspicuous, permanent sign with letters at
20 least six inches in height showing the retail dealer's business name or assumed name substantially
21 similar to the name reflected on the retail dealer's GDN under which the retail dealer conducts business.
22 A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main

entrance of the business office. A business sign is considered permanent only if it is made of durable, weather-resistant material.

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

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

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

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

(A) Exterior Sign

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

(ii) The sign must be permanently mounted on the business property at the physical address listed on the application. A business sign is considered permanently mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been ordered and provides a written statement that the sign will be promptly and permanently mounted upon delivery.

(B) Interior Sign

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

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

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

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

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

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

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

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

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

(F) The physical address of the dealer's office must be in Texas and recognized by the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services

1 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state
2 address and will only mail or deliver a license plate to a dealer's physical location.

3 (G) A portable-type office building may qualify as an office only if the building
4 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

5 (H) The dealer's office space must:

6 (i) include at least 100 square feet of interior floor space, exclusive of
7 hallways, closets, or restrooms;

8 (ii) have a minimum seven-foot-high ceiling;

9 (iii) accommodate required office equipment; and

10 (iv) allow a dealer and customer to safely access the office and conduct
11 business in private while seated.

12 (6) Required office equipment for a retail dealer and a wholesale motor vehicle dealer.

13 At a minimum, a dealer's office must be equipped with:

14 (A) a desk;

15 (B) two chairs;

16 (C) internet access;

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

19 (E) a locked and secured room or closet or at least one securely locked,
20 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the

1 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's
2 license plates in a dealer's possession including ~~both assigned plates for vehicles in inventory and~~
3 unissued and unassigned buyer's license plates.

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

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

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

13 (10) Dealer housed with other business.

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

18 (B) A person may conduct business as a dealer in conjunction with another
19 business not owned by that person only if the dealer owns the property on which business is conducted
20 or has a separate lease agreement from the owner of that property that meets the requirements of this
21 section. The same telephone number may not be used by both businesses. The dealer must have
22 separate business signs, telephone listings, and office equipment required under this section.

(C) A dealer's office must have permanent interior walls on all sides and be separate from any public area used by another business.

(11) Display area and storage lot requirements.

(A) A wholesale motor vehicle dealer is not required to have display space at the wholesale motor vehicle dealer's business premises.

(B) A retail dealer must have an area designated as display space for the retail dealer's inventory. A retail dealer's designated display area must comply with the following requirements.

(i) The display area must be located at the retail dealer's physical business address or contiguous to the retail dealer's physical address. The display area may not be in a storage lot.

(ii) The display area must be of sufficient size to display at least five vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the retail dealer's inventory and may not be used for customer parking, employee parking, general storage, or shared or intermingled with another business or a public parking area, a driveway to the office, or another dealer's display area.

(iii) The display area may not be on a public easement, right-of-way, or driveway unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the state highway system, use as a display area may only be authorized by a lease agreement.

(iv) If a retail dealer shares a display or parking area with another business, including another dealer, the dealer's vehicle inventory must be separated from the other business's display or parking area by a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the space necessary to allow for entry and exit of vehicle inventory.

(v) If a dealer's business location includes gasoline pumps or a charging station or includes another business that sells gasoline or has a charging station, the dealer's display area may not be part of the parking area for fuel or charging station customers and may not interfere with access to or from the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

(vi) The display area must be adequately illuminated if the retail dealer is open at night so that a vehicle for sale can be properly inspected by a potential buyer.

(vii) The display area may be located inside a building; however, if multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the space necessary to allow for entry and exit of vehicle inventory.

(C) A GDN holder may maintain a storage lot only if the storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the license holder's name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or applicant

1 must disclose the address of a storage lot or the location of a vehicle in inventory upon request by the
2 department.

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

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

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

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

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

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

19 (E) if the lease agreement is a sublease in which the property owner is not the
20 lessor, the dealer must also obtain a signed and notarized statement from the property owner including
21 the following information:

(i) property owner's full name, email address, mailing address, and
phone number; and

(ii) property owner's statement confirming that the dealer is authorized
to sublease the location and may operate a vehicle sales business from the location.

(14) Dealer must display GDN and bond notice. A dealer must display the dealer's GDN
issued by the department at all times in a manner that makes the GDN easily readable by the public and
in a conspicuous place at each place of business for which the dealer's GDN is issued. A dealer required
to obtain a surety bond must post a bond notice adjacent to and in the same manner as the dealer's
GDN is displayed. The notice must include the bond company name, bond identification number, and
procedure by which a claimant can recover under the bond. The notice must also include the
department's website address and notify a consumer that a dealer's surety bond information may be
obtained by submitting a request to the department. If the dealer's GDN applies to more than one
location, a copy of the GDN and bond notice must be displayed in each supplemental location.

(b) Wholesale motor vehicle auction premises requirements. A wholesale motor vehicle auction
must comply with the following premises requirements:

(1) a wholesale motor vehicle auction GDN holder must hold a motor vehicle auction on
a regular periodic basis at the licensed location, and an owner or bona fide employee must be available
at the business location during each auction and during posted business hours. If the owner or a bona
fide employee is not available to conduct business during the posted business hours due to special
circumstances or emergencies, a separate sign must be posted indicating the date and time operations
will resume.

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

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

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

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

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

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

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

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

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

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

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

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

16 (F) The physical address of the office must be in Texas and recognized by the U.S.
17 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property
18 address.

19 (G) A portable-type office building may qualify as an office only if the building
20 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

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

(A) a desk;

(B) a chair;

(C) internet access; and

(D) a working telephone number listed in the business name or assumed name under which business is conducted.

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

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

(B) The display area must be of sufficient size to display at least five vehicles. Those spaces must be reserved exclusively for inventory and may not be used for customer parking, employee parking, general storage, or shared or intermingled with another business or a public parking area, or a driveway to the office.

(C) The display area may not be on a public easement, right-of-way, or driveway unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the state highway system, use as a display area may only be authorized by a lease agreement.

(D) If the business location includes gasoline pumps or a charging station or includes another business that sells gasoline or has a charging station, the display area may not be part of the parking area for fuel or charging station customers and may not interfere with access to or from the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

(E) The display area must be adequately illuminated if open at night so that a vehicle for sale can be properly inspected by a potential buyer.

(F) The display area may be located inside a building.

(G) A wholesale motor vehicle auction may maintain a storage lot only if the storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the business name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or applicant must disclose the address of a storage lot or the location of a vehicle in inventory upon request by the department.

(7) A wholesale motor vehicle auction must meet the following lease requirements if the business premises, including any display area, is not owned by the wholesale motor vehicle auction:

(A) the applicant or holder must maintain a lease that is continuous during the period of time for which the GDN will be issued;

(B) The lease agreement must be on a properly executed form containing at a minimum:

(i) the name of the property owner as the lessor of the premises and the name of the GDN applicant or holder as the tenant or lessee of the premises;

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

(iii) the street address or legal description of the property, provided that

if only a legal description of the property is included, a wholesale motor vehicle auction must attach a statement verifying that the property description in the lease agreement is the physical street address identified on the application as the physical address for the established and permanent place of business;

(iv) the signature of the property owner as the lessor and the signature of the applicant or holder as the tenant or lessee; and

(C) if the lease agreement is a sublease in which the property owner is not the lessor, the wholesale motor vehicle auction must also obtain a signed and notarized statement from the property owner including the following information:

(i) property owner's full name, email address, mailing address, and phone number; and

(ii) property owner's statement confirming that the wholesale motor vehicle auction is authorized to sublease the location and may operate a wholesale motor vehicle auction business from the location.

§215.141. Sanctions.

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

(1) deny an application;

- 1 (2) revoke a license;
- 2 (3) suspend a license;
- 3 (4) assess a civil penalty;
- 4 (5) issue a cease and desist order; or
- 5 (6) or take other authorized action.

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

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

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

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

13 (4) refuses or fails to comply with a request by the department for electronic records or
14 to examine and copy electronic or physical records during the license holder's business hours at the
15 licensed business location:

16 (A) sales records required to be maintained by §215.144 of this title (relating to
17 Vehicle Records);

18 (B) ownership papers for a vehicle owned by that dealer or under that dealer's
19 control;

(C) evidence of ownership or a current lease agreement for the property on which the business is located; or

(D) the Certificate of Occupancy, Certificate of Compliance, business license or permit, or other official documentation confirming compliance with county and municipal laws or ordinances for a vehicle business at the licensed physical location.

(5) refuses or fails to timely comply with a request for records made by a representative of the department;

(6) holds a wholesale motor vehicle dealer's license and sells or offers to sell a motor vehicle to a person other than a licensed or authorized dealer;

(7) sells or offers to sell a type of vehicle that the person is not licensed to sell;

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

(9) fails to submit a license amendment application in the electronic licensing system designated by the department to notify the department of a license holder's name change, or management or ownership change within 10 days of the change;

(10) issues more than one buyer's license plate or buyer's temporary license plate for a vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1, 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

(11) fails to remove a license plate or registration insignia from a vehicle that is displayed for sale;

- 1 (12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;
- 2 (13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as
- 3 required by law;
- 4 (14) holds open a title or fails to take assignment of a certificate of title, manufacturer's
- 5 certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign
- 6 the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;
- 7 (15) fails to remain regularly and actively engaged in the business of buying, selling, or
- 8 exchanging vehicles of the type for which the GDN is issued by the department;
- 9 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
- 10 Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the
- 11 sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F
- 12 of this chapter (relating to Advertising);
- 13 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
- 14 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);
- 15 (18) is determined by the board or department, in accordance with §215.89 of this title
- 16 (relating to Fitness), to be unfit to hold a license;
- 17 (19) has not assigned at least five vehicles in the prior 12 months, provided the dealer
- 18 has been licensed more than 12 months;
- 19 (20) files or provides a false or forged:
- 20 (A) title document, including an affidavit making application for a certified copy
- 21 of a title; or

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

2 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
3 provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or
4 other laws;

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

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

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

12 (25) fails to comply with a dealer responsibility under §215.150 of this title (relating to
13 Dealer Authorization to Issue License Plates);

14 (26) on or after July 1, 2025, fails to securely store a license plate or fails to destroy a
15 previously issued but currently unassigned license plate within the time prescribed by statute;

16 (27) fails to maintain a record of dealer license plates as required under §215.138 of this
17 title (relating to Use of Dealer's License Plates);

18 (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;

19 (29) fails to enter a lost, stolen, or damaged license plate in the electronic system
20 designated by the department within the time limit prescribed by rule;

1 (30) violates any state or federal law or regulation relating to the sale of a motor vehicle;

2 (31) knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or
3 reconstructed and issued a title under Transportation Code, §501.100 (relating to Application for Regular
4 Certificate of Title for Salvage Vehicle);

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

6 (33) fails to acquire or maintain a required certificate of occupancy, certificate of
7 compliance, business license or permit, or other official documentation for the licensed location
8 confirming compliance with county or municipal laws or ordinances or other local requirements for a
9 vehicle business;

10 (34) on or after July 1, 2025, fails to remove a license plate from a vehicle as required by
11 statute or rule ~~[sold to an out-of-state buyer or from a vehicle sold for export]~~; or

12 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,
13 Subchapter D or to allow an inspection of these records by the department.

14

15 §215.144. Vehicle Records.

16 (a) Purchases and sales records. A dealer and wholesale motor vehicle auction shall maintain a
17 complete record of all vehicle purchases and sales for a minimum period of 48 months and make the
18 record available for inspection and copying by the department during business hours.

19 (b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer
20 shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work
21 performed on each vehicle for a minimum period of 36 months after the date the adaptive work is

1 performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce
2 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and
3 all information and records required under Transportation Code §503.0295.

4 (c) Location of records. A dealer's record reflecting purchases and sales for the preceding 13
5 months must be maintained at the dealer's licensed location. Original titles are not required to be kept
6 at the licensed location but must be made available to the agency upon reasonable request. A dealer's
7 record for prior time periods may be kept off-site.

8 (d) Request for records. Within 15 days of receiving a request from a representative of the
9 department, a dealer shall deliver a copy of the specified records to the address listed in the request. If a
10 dealer has a concern about the origin of a records request, the dealer may verify that request with the
11 department prior to submitting its records.

12 (e) Content of records. A dealer's complete record for each vehicle purchase or vehicle sale must
13 contain:

- 14 (1) the date of the purchase;
- 15 (2) the date of the sale;
- 16 (3) the VIN;
- 17 (4) the name and address of the person selling the vehicle to the dealer;
- 18 (5) the name and address of the person purchasing the vehicle from the dealer;
- 19 (6) the name and address of the consignor if the vehicle is offered for sale by
20 consignment;

(7) except for a purchase or sale where the Tax Code does not require payment of motor vehicle sales tax, a county tax assessor-collector receipt marked paid;

(8) a copy of all documents, forms, and agreements applicable to a particular sale, including a copy of:

(A) the title application;

(B) the work-up sheet;

(C) the front and back of the manufacturer's certificate of origin or manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);

(D) the front and back of the title for the purchase and the sale, unless the dealer enters or obtains the title through webDEALER as defined in §217.71 of this title;

(E) the factory invoice, if applicable;

(F) the sales contract;

(G) the retail installment agreement;

(H) the buyer's order;

(I) the bill of sale;

(J) any waiver;

(K) any other agreement between the seller and purchaser;

(L) the purchaser's photo identification;

(M) the odometer disclosure statement signed by the buyer, unless the vehicle is exempt; and

(N) the rebuilt salvage disclosure, if applicable.

(9) the original manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a motor vehicle offered for sale by a dealer which must be properly stamped if the title transaction is entered into webDEALER as defined in §217.71 of this title by the dealer;

(10) the dealer's monthly Motor Vehicle Seller Financed Sales Returns, if any; and

(11) if the vehicle sold is a motor home or a towable recreational vehicle subject to inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

(f) Title assignments.

(1) For each vehicle a dealer acquires or offers for sale, the dealer must properly take assignment in the dealer's name of any:

(A) title;

(B) manufacturer's statement of origin;

(C) manufacturer's certificate of origin; or

(D) other evidence of ownership.

(2) Unless not required by Transportation Code, §501.0234(b), a dealer must apply in the name of the purchaser of a vehicle for the title and registration, as applicable, of the vehicle with a county tax assessor-collector.

(3) To comply with Transportation Code, §501.0234(f), a title or registration is considered filed within a reasonable time if filed within:

(A) 30 days of the vehicle sale date; or

(B) 45 days of the vehicle sale date for a dealer-financed transaction; or

(C) 60 days of the vehicle sale date for a vehicle purchased by a member or reserve member of the United States armed forces, Texas National Guard, or National Guard of another state serving on active duty.

(4) The dealer is required to provide to the purchaser the receipt for the title and registration application.

(5) The dealer is required to maintain a copy of the receipt for the title and registration application in the dealer's sales file.

(g) Out-of-state sales. For a sale involving a vehicle to be transferred out of state, the dealer must:

(1) within 30 days of the date of sale, either file the application for certificate of title on behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser; and

(2) maintain in the dealer's record at the dealer's licensed location a photocopy of the completed sales tax exemption form for out of state sales approved by the Texas Comptroller of Public Accounts.

(h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle, take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of

the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for sale by consignment.

(i) Public motor vehicle auctions.

(1) A GDN holder that acts as a public motor vehicle auction must comply with subsection (h) of this section.

(2) A GDN holder that acts as a public motor vehicle auction:

(A) is not required to take assignment of title of a vehicle before offering the vehicle ~~[it offers]~~ for sale at auction;

(B) must take assignment of title of a vehicle from a consignor prior to making application for title on behalf of the buyer; and

(C) must make application for title on behalf of the purchaser and remit motor vehicle sales tax within a reasonable time as defined in subsection (f) of this section.

(3) A GDN holder may not sell another GDN holder's vehicle at a public motor vehicle auction.

(j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license holder shall make the record available for inspection and copying by the department during business hours.

1 (1) A wholesale motor vehicle auction license holder shall maintain at the licensed
2 location a record reflecting each purchase and sale for at least the preceding 24 months. Records for
3 prior time periods may be kept off-site.

4 (2) Within 15 days of receiving a department request, a wholesale motor vehicle auction
5 license holder shall deliver a copy of the specified records to the address listed in the request.

6 (3) A wholesale motor vehicle auction license holder's complete record of each vehicle
7 purchase and sale must, at a minimum, contain:

8 (A) the date of sale;

9 (B) the VIN;

10 (C) the name and address of the person selling the vehicle;

11 (D) the name and address of the person purchasing the vehicle;

12 (E) the dealer's license number of both the selling dealer and the purchasing
13 dealer, unless either is exempt from holding a license;

14 (F) all information necessary to comply with the federal odometer disclosure
15 requirements in 49 CFR Part 580;

16 (G) auction access documents, including the written authorization and
17 revocation of authorization for an agent or employee, in accordance with §215.148 of this title (relating
18 to Dealer Agents);

19 (H) invoices, bills of sale, checks, drafts, or other documents that identify the
20 vehicle, the parties, or the purchase price;

(I) any information regarding the prior status of the vehicle such as the
Reacquired Vehicle Disclosure Statement or other lemon law disclosures; and

(J) a copy of any written authorization allowing an agent of a dealer to enter the
auction.

(k) Electronic records. A license holder may maintain a record in an electronic format if the
license holder can print the record at the licensed location upon request by the department, except as
provided by subsection (I) of this section.

(I) Use of department electronic titling and registration systems:

(1) webDEALER. A license holder utilizing the department's web-based title application
known as webDEALER, as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle
Registration and Title Systems), shall comply with §217.74 of this title (relating to Access to and Use of
webDEALER). Original hard copy titles are not required to be kept at the licensed location but must be
made available to the department upon request.

(2) License Plate System. A license holder must comply with §215.151 of this title
(relating to Buyer's License Plates General Use Requirements) regarding requirements to enter
information into the department-designated electronic system for license plates.

§215.150. Dealer Authorization to Issue License Plates.

(a) A dealer that holds a GDN must issue a buyer's license plate for a vehicle type the dealer is
authorized to sell to:

1 (1) a buyer of a new vehicle to be titled and registered in Texas, unless the buyer has a
2 general issue license plate or a specialty, personalized, or other qualifying license plate eligible to be
3 assigned to the vehicle with approval of the department; or

4 (2) a buyer of a used vehicle to be titled and registered in Texas if ~~a buyer's license plate~~
5 ~~did not come with the vehicle and~~ the buyer does not have a general issue license plate or a specialty,
6 personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the
7 department.

8 (b) Notwithstanding subsection (a), a dealer that holds a GDN is not required to issue a buyer's
9 license plate to a vehicle sold to a commercial fleet buyer authorized as a Dealer Deputy under §217.166
10 of the title (relating to Dealer Deputies).

11 (c) A dealer that holds a GDN must issue a buyer's temporary license plate to an out-of-state
12 buyer for a vehicle that is to be registered in accordance with the laws of the buyer's state of residence.

13 (d) A dealer may issue a license plate under Transportation Code §503.063 until:

14 (1) the department denies access to the license plate system under Transportation Code
15 §503.0633(f) and §224.58 of this title (relating to Denial of Dealer Access to License Plate System);

16 (2) the dealer issues the maximum number of license plates authorized under
17 Transportation Code, §503.0633(a) - (d); or

18 (3) the GDN is closed, canceled, revoked, or suspended.

19 (e) A governmental agency that is exempt under Transportation Code, §503.024 from the
20 requirement to obtain a dealer general distinguishing number may issue a buyer's license plate or a
21 buyer's temporary license plate to the buyer of a vehicle owned by the governmental agency unless the

1 buyer has a general issue license plate or a specialty, personalized, or other qualifying license plate that
2 is eligible to be assigned to the vehicle with approval of the department. A governmental agency that
3 issues a buyer's license plate or buyer's temporary license plate under this subsection:

4 (1) is subject to the provisions of Transportation Code §503.0631 and §503.0671
5 applicable to a dealer; and

6 (2) is not required to charge the registration fee authorized under Transportation Code
7 §503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

8 (f) A dealer is responsible for all use of and access to all license plates in the dealer's possession
9 and the license plate system under the dealer's account, including access by any user or unauthorized
10 person. Dealer duties include monitoring license plate storage and issuance, managing account access,
11 and taking timely and appropriate actions to maintain license plate and system security, including:

12 (1) establishing and following reasonable password policies, including preventing the
13 sharing of passwords;

14 (2) limiting authorized users to owners and bona fide employees with a business need to
15 access license plates and the license plate system;

16 (3) removing users who no longer have a legitimate business need to access the system;

17 (4) securing all license plates, including ~~[license plates assigned to vehicles in~~
18 ~~inventory]~~dealer's license plates[,], and unissued or unassigned buyer's license plates, by storing license
19 plates in a locked and secured room or closet or one or more securely locked, substantially constructed
20 safes or steel cabinets bolted or affixed to the floor or wall of sufficient size to store all dealer and
21 buyer's license plates in a dealer's possession, and by promptly marking and destroying, recycling, or

1 returning void license plates as required under §215.158 of this title (relating to General Requirements
2 for Buyer's License Plates; and

3 (5) securing equipment used to access the license plate system.
4

5 §215.151. License Plate General Use Requirements.

6 (a) If a buyer purchases a vehicle to be registered in Texas, a dealer must secure, or a
7 government agency may secure, a license plate to the vehicle in accordance with §217.27 of this title
8 (relating to Vehicle Registration Insignia) and update the license plate system accordingly.

9 (1) A dealer must secure, or a governmental agency may secure, a buyer-provided
10 license plate on the purchased vehicle if a buyer provides a general issue, or specialty, personalized, or
11 other qualifying license plate that is eligible to be assigned to the vehicle with approval of the
12 department and update the license plate system accordingly.

13 (2) A dealer must issue a buyer's license plate to the buyer if a buyer purchases a new
14 vehicle from a dealer and the buyer does not have a general issue, specialty, personalized, or other
15 qualifying license plate to transfer to the vehicle.

16 (3) A dealer must issue, or a governmental agency may issue, a buyer's license plate to a
17 buyer purchasing a used vehicle if ~~[the vehicle does not have an assigned license plate in the license~~
18 ~~plate system or the assigned license plate is missing or damaged and]~~ the buyer does not have a general
19 issue, specialty, personalized, or other qualifying license plate to transfer to the vehicle.

20 (b) If a non-resident buyer purchases a vehicle to be titled and registered in accordance with the
21 laws of the buyer's state of residence, a dealer must issue, or a governmental agency may issue, a

1 buyer's temporary license plate and secure the temporary license plate to the rear of a vehicle in
2 accordance with §217.27 of this title and update the license plate system accordingly.

3 (c) If ~~[a vehicle has an assigned license plate and]~~ the buyer provides a general issue, specialty,
4 personalized, or other qualifying license plate to transfer to the vehicle, a dealer must update the license
5 plate status in the license plate system, remove any previously assigned general issue ~~[mark the]~~ license
6 plate and reassign that license plate to a vehicle of the same class within ten days, before marking as
7 void and destroy, recycle, or return the license plate as required in §215.158 of the title (relating to
8 General Requirements for Buyer's License Plates).

9 (d) A dealer, including a wholesale dealer, must remove a buyer's license plate from a purchased
10 vehicle and store the license plate in a secure location in accordance with §215.150(f) of this title
11 (relating to Dealer Authorization to Issue License Plates). ~~[Upon vehicle sale,]~~ The ~~[the]~~ dealer must
12 update the license plate database and may:

13 (1) reassign the ~~[provide the assigned]~~ license plate to a vehicle of the same class within
14 10 days if purchased by a Texas retail buyer ~~[that purchases the vehicle]; or~~

15 (2) ~~[if the vehicle is sold to a Texas dealer, securely transfer the assigned license plate to~~
16 ~~the purchasing dealer; or]~~

17 ~~[(3) if the vehicle is sold to an out-of-state buyer or for export,]~~ mark the license plate as
18 void and destroy, recycle, or return the license plate as required in §215.158 of this.

19 (e) Notwithstanding subsection (a) or subsection (b), a dealer is not required to secure an
20 assigned buyer's license plate to a lawfully purchased vehicle in the following circumstances:

(1) when a retail buyer purchases a vehicle for direct delivery to the buyer and the buyer authorizes the dealer in writing to mail or securely deliver the assigned license plate to the buyer; or

(2) when a retail buyer purchases a vehicle to be converted and authorizes the dealer in writing to mail or securely deliver the assigned license plate to a licensed converter who will affix the license plate to the completed vehicle prior to delivery to the buyer.

§215.152. Obtaining Dealer-Issued Buyer's License Plates.

(a) A dealer or governmental agency is required to have internet access to connect to webDEALER and the license plate system maintained by the department and is responsible for verifying receipt of license plates in the license plate system.

(b) Except as provided by §215.157 of this title (relating to Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available) before a license plate may be issued or secured on a vehicle, a dealer or governmental agency must enter in the license plate system true and accurate information about:

(1) the vehicle;

(2) the buyer; and

(3) the license plate number issued or assigned to the vehicle.

(c) The department will inform each dealer annually of the maximum number of new buyer's license plates the dealer is authorized to obtain during the calendar year under Transportation Code, §503.063, including:

(1) an allotment of ~~unassigned~~ buyer's license plates to be issued to a buyer of a vehicle that is to be titled and registered in Texas, and

(2) a separate allotment of buyer's temporary license plates to be issued to a non-resident buyer for a vehicle that will be registered and titled in another state.

(d) The department will calculate a dealer's maximum annual allotment of new ~~unassigned~~ buyer's license plates and buyer's temporary license plates based on the following formula:

(1) Vehicle title transfers, sales, or license plate issuance data determined from the department's systems from the previous fiscal year;

(2) the total value of paragraph (1) of this subsection will be increased by a multiplier based on the dealer's time in operation giving a 10 percent increase for each year the dealer has been in operation up to 10 years; and

(3) the total value of paragraph (2) of this subsection will be increased by a multiplier that is the greater of:

(A) the dealer's actual growth rate percentage identified from the preceding two fiscal years, calculated by the growth of the number of in-state or out-of-state sales transactions processed through the department-designated registration and title system or license plate system, except that it may not exceed 200 percent; or

(B) the statewide actual growth rate percentage identified from the preceding two fiscal years, calculated by the growth of the number of relevant transactions processed through the department-designated registration and title system or license plate system, not less than zero, to determine the dealer's annual allotment; and

(4) the department may increase or decrease the annual allotment for dealers in the state, in a geographic or population area, or in a county, based on:

(A) changes in the market;

(B) temporary conditions that may affect sales; and

(C) any other information the department considers relevant.

(e) A dealer licensed after the commencement of a calendar year shall be allocated the number of buyer's license plates and buyer's temporary plates allocated in this subsection prorated on all or part of the remaining months until the commencement of the calendar year after the dealer's initial license expires. The initial allocations shall be as determined by the department in granting the license, but not more than:

(1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised dealer unless the dealer provides credible information indicating that a greater number of buyer's license plates is warranted based on anticipated sales, and growth, to include new and used vehicle sales, including information from the manufacturer or distributor, or as otherwise provided in this section.

(2) 100 buyer's license plates and 48 buyer's temporary license plates for a nonfranchised dealer unless the dealer provides credible information indicating that a greater number of license plates is warranted based on anticipated sales as otherwise provided in this section.

(f) An existing dealer that is:

(1) moving its operations from one location to a different location will continue with its allotment of buyer's license plates and buyer's temporary license plates and not be allocated license plates under subsection (e) of this section;

(2) opening an additional location will receive a maximum allotment of buyer's license plates and buyer's temporary license plates based on the greater of the allotment provided to existing locations, including franchised dealers opening additional locations for different line makes, or the amount under subsection (e) of this section;

(3) purchased as a buy-sell ownership agreement will receive the maximum allotment of buyer's license plates and buyer's temporary license plates provided to the location being purchased and not be allocated license plates under subsection (e) of this section; and

(4) inherited by will or laws of descent will receive the maximum allotment of buyer's license plates and buyer's temporary license plates provided to the location being inherited and not be allocated license plates under subsection (e) of this section.

(g) A new dealer may also provide credible information supporting a request for additional or fewer buyer's license plates and buyer's temporary license plates to the amount allocated under subsection (e) of this section based on:

(1) franchised dealer, manufacturer, or distributor sales expectations;

(2) a change in GDN required by death or retirement, except as provided in subsection (f) of this section;

(3) prior year's sales by a dealer moving into the state; or

(4) other similar change of location or ownership that indicates some continuity in existing operations.

(h) The annual allotment of buyer's issue license plates and buyer's temporary license plates will each be divided by four and allocated to a dealer on a quarterly basis, unless a dealer sells only antique or special interest vehicles as defined by Transportation Code, §683.077(b), in which case each allocation may be divided by two and allocated on a half-yearly basis. A dealer's remaining unissued license plates at the end of the allocation period will count towards the dealer's next allotment.

(i) A dealer is not eligible to receive a quarterly allocation in the following circumstances:

(1) the dealer's license has been closed, canceled, or revoked in a final order;

(2) the department has issued a notice of department decision under §224.56 of this title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements) and appears to have abandoned the licensed location;

(3) the department has denied the dealer access to the temporary tag system or the license plate system in accordance with §224.58 of this title (relating to Denial of Dealer Access to License Plate System) and Transportation Code, §503.0633(f);

(4) a dealer fails a compliance review performed by the department under Transportation Code, §503.063(d);

(5) the dealer license expires during that quarter and the dealer has not submitted a license renewal application to the department;

1 (6) a dealer does not have an owner or bona fide employee at the licensed location
2 during posted business hours to accept a license plate delivery; or

3 (7) a dealer fails to keep license plates or the license plate system secure.

4 (j) A dealer with an active license and access to the license plate database who is ineligible to
5 receive a quarterly allocation under subsection (i) of this section may request the department conduct a
6 compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to
7 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department
8 will conduct the compliance review within 14 days of the dealer's request.

9 (k) A dealer who has an active license but is not eligible to receive a quarterly allocation under
10 subsection (i) of this section may obtain buyer's license plates from a county tax assessor-collector or
11 department regional service center, as directed by the department.

12 (l) [(4)] A dealer may request more buyer's license plates or buyer's temporary license plates:

13 (1) after using 50 percent of the quarterly allocation of general issue plates or buyer
14 temporary plates, a dealer may request an advance on the next quarter's allotment; or

15 (2) after using 50 percent of the allotted annual maximum number of general issue
16 plates or buyer temporary plates a dealer may request an increase in the annual allotted number of
17 license plates.

18 (m) A dealer may request fewer buyer's license plates or buyer's temporary license plates:

19 (1) after using less than 50 percent of the quarterly allocation of general issue license
20 plates or buyer temporary license plates in a quarter; or

(2) after using less than 50 percent of the allotted annual maximum number of general issue license plates or buyer temporary license plates in a year.

(n) [(+)] To receive more buyer's license plates or buyer's temporary license plates or to request a decrease in a quarterly or annual allocation ~~[under subsection (i)]~~, a dealer must submit a request in the department's designated license plate system.

(o) [(k)] A dealer requesting an increase or decrease in the maximum annual allotment of buyer's license plates or buyer's temporary license plates must provide information demonstrating the need for additional license plates results from business operations, including anticipated needs, as required by Transportation Code, §503.0633(c). Information may include documentation of sales and tax reports filed as required by law, information of anticipated need, or other information of the factors listed in Transportation Code, §503.0633(b).

(1) The department shall consider the information presented and may consider information not presented that may weigh for or against granting the request that the department in its sole discretion determines to be relevant in making its determination. Other relevant information may include information of the factors listed in Transportation Code, §503.0633(b), the timing of the request, and the requestor's license plate activity.

(2) The department may allocate a lesser or greater number of ~~[additional]~~ license plates than the amount requested. Allocation of a lesser or greater number of ~~[additional]~~ license plates is not a denial of the request. Allocation of ~~[additional]~~ license plates under this paragraph does not limit the dealer's ability to submit additional requests ~~[for more license plates]~~.

(3) If a request is denied, the denial will be sent to the dealer by email to the requestor's email address.

(A) A dealer may appeal the denial to the designated director in the Vehicle Titles and Registration Division.

(B) The appeal must be requested through the designated license plate system within 15 days of the date the department emailed the denial to the dealer.

(C) The appeal may discuss information provided in the request but may not include additional information.

(D) The designated director in the Vehicle Titles and Registration Division will review the appeal and any additional statements concerning the information submitted in the original request and render an opinion within 15 days of receiving the appeal. The designated director in the Vehicle Titles and Registration Division may decide to deny the appeal ~~[and issue no additional license plates]~~ or award an amount of ~~[additional]~~ license plates that is lesser, equal to, or greater than the request.

(E) The requesting dealer will be notified as follows:

(i) If the designated director in the Vehicle Titles and Registration Division decides to deny the appeal, the department will contact the requesting dealer by email regarding the decision and options to submit a new request with additional relevant credible supporting documentation or to pursue a claim in district court; or

(ii) If the designated director in the Vehicle Titles and Registration Division awards an amount of ~~[additional]~~ license plates that is lesser, equal to, or greater than the request, the ~~[additional license plates will be added to the]~~ dealer's allocation will be adjusted and the dealer will be contacted by email regarding the decision, informed that the request has not been denied, and informed about options to submit a new request.

(4) The designated director in the Vehicle Titles and Registration Division's decision on appeal is final.

(5) Once a denial is final, a dealer may only submit a subsequent request ~~[for additional license plates]~~ during that calendar year if the dealer is able to provide additional information not considered in a prior request.

(p) ~~(h)~~ A change in the allotment under subsection (i) of this section does not create a dealer base for subsequent year calculations.

(g) ~~(m)~~ The department may at any time initiate an enforcement action against a dealer if license plate system activity suggests that misuse or fraud has occurred as described in Transportation Code §503.0633(f) or §503.0671.

§215.155. Buyer's License Plates.

(a) A dealer may issue and secure a buyer's license plate or a buyer's temporary license plate only on a vehicle:

(1) from the selling dealer's inventory; and

(2) that can be legally operated on the public streets and highways; and

(3) for which a sale or lease has been consummated; and

(4) that has a valid inspection in accordance with Transportation Code Chapter 548,

unless:

(A) an inspection is not required under Transportation Code §503.063(i) or (j); or

1 (B) the vehicle is exempt from inspection under Chapter 548.

2 (b) A dealer may not issue a buyer's general issue or temporary license plate to the buyer of a
3 vehicle that is to be titled but not registered.

4 (c) For a wholesale transaction,^[1]

5 ~~[(1)]~~ a dealer may not issue a buyer's license plate; rather the purchasing dealer places
6 on the motor vehicle its own:

7 (A) dealer's temporary license plate; or

8 (B) dealer's standard or personalized prestige license plate.

9 ~~[(2) if a general issue plate is assigned to a vehicle, the selling dealer must provide the~~
10 ~~license plate to the purchasing dealer for placement on the vehicle at time of retail sale.]~~

11 (d) A buyer's temporary license plate is valid until the earlier of:

12 (1) the date on which the vehicle is registered; or

13 (2) the 60th day after the date of purchase.

14 (e) A dealer shall charge a buyer a fee of \$10, unless the vehicle is exempt from payment of
15 registration fees under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the
16 county with the title transfer application for deposit to the credit of the Texas Department of Motor
17 Vehicles fund. If the vehicle is sold by a dealer to an out-of-state resident:

18 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
19 Texas Department of Motor Vehicles fund if payment is made through the department's designated
20 electronic system; or

(2) the dealer shall remit the fee to the county for deposit to the credit of the Texas Department of Motor Vehicles fund.

(f) A governmental agency may charge a buyer a fee of \$10 unless the vehicle is exempt from payment of registration fees under Transportation Code, §502.453 or §502.456. If collected by a governmental agency, the fee must be sent to the county for deposit to the credit of the Texas Department of Motor Vehicles fund.

§215.158. General Requirements for Buyer's License Plates.

(a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report any loss, theft, or destruction of a buyer's license plate or buyer's temporary license plate to the department in the system designated by the department within 24 hours of discovering the loss, theft, or destruction.

(b) When a dealer is required to ~~[remove and]~~ void a previously assigned buyer's license plate or other type of license plate from a vehicle ~~[sold to an out-of-state buyer or for another reason allowed by rule]~~, the dealer shall render a void plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X"; and within 10 days:

(1) destroy the license plate; or

(2) recycle the license plate using a metal recycler registered under Occupations Code, Chapter 1956; or

(3) return the license plate to the department or county tax assessor-collector.

(c) A dealer or governmental agency must return all license plates in the dealer's possession to the department within 10 days of closing the associated license or within 10 days of the associated license being revoked, canceled, or closed by the department.

§215.163. License Plate Disposition for Motor Vehicles Sold at Auction or on Consignment.

(a) Wholesale motor vehicle auctions. A wholesale motor vehicle auction GDN holder who receives a consignment and delivery of a motor vehicle from a person who is not a GDN holder for the purpose of sale at auction shall:

(A) remove and mark any license plate as void; and

(B) destroy, recycle, or return any license plate as required in §215.158 of this title (relating to General Requirements for Buyer's License Plates).

(b) Public auctions.

(1) Before offering a consigned vehicle for sale at a public auction, a dealer must remove any license plate and return the license plate to the vehicle's owner or destroy, recycle, or return the license plate in accordance with §215.158 of this title.

(2) If the purchaser at a public auction is a Texas retail buyer, a dealer shall issue a buyer's license plate to the purchaser, unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of this title (relating to License Plate General Use Requirements).

(3) If the purchaser at the public auction is a dealer, export buyer, or out-of-state buyer, the selling dealer shall not issue a buyer's license plate.

1 (4) Notwithstanding §215.150(c) of this title (relating to Dealer Authorization to Issue
2 License Plates), if the purchaser at a public auction is an out-of-state buyer, the dealer shall issue a buyer's
3 temporary license plate only if the purchaser requires this license plate to transport the vehicle to another
4 state in which the vehicle will be titled and registered in accordance with the laws of that state.

5 (c) Other consignment sales.

6 (1) Before offering for sale a consigned motor vehicle with a license plate owned by a
7 person who is not a GDN holder, the dealer shall remove and return the license plate to the vehicle's
8 owner. The dealer to whom the vehicle is consigned may use its dealer's temporary license plate to
9 demonstrate the consigned motor vehicle to a potential purchaser.

10 (2) Upon the sale of a consigned motor vehicle owned by a person who is not a GDN
11 holder:

12 (A) a dealer shall issue a buyer's license plate to a Texas retail buyer who
13 purchases the consigned vehicle, unless the buyer has a general issue, specialty, personalized, or other
14 qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of
15 this title;

16 (B) a dealer shall not issue a buyer's license plate If the purchaser of the consigned
17 vehicle is a dealer, export buyer, or out-of-state buyer; and

18 (C) notwithstanding §215.150(c) of this title, if the purchaser of a consigned
19 vehicle is an out-of-state buyer, the dealer shall issue a buyer's temporary license plate only if the
20 purchaser requires this license plate to transport the vehicle to another state in which the vehicle will be
21 titled and registered in accordance with the laws of that state.

22 (3) An independent motor vehicle dealer who receives consignment and delivery of a
23 salvage vehicle or total loss vehicle (as defined by the applicable insurance contract) for sale from a person

- 1 who is not a GDN holder shall remove any license plate and destroy, recycle, or return the license plate as
- 2 required in §215.158 of this title.
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