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**ADOPTION 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) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B. Licenses, Generally, §215.83 and adopts new §215.91; adopts amendments to Subchapter D, General Distinguishing Numbers and In-Transit Licenses, §§215.133, 215.140, 215.141, 215.144, 215.150 - 215.152, 215.155, and 215.158; and adopts 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 amended 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 setting out the licensure requirements and procedures for military service members, military veterans, and military spouses, §215.91 is adopted in Subchapter B, Licenses, Generally, which applies to all licenses issued by the department under Occupations Code, Chapter 2301, and Transportation Code, Chapter 503. Adopted amendments to §215.83 prevent any conflict or confusion with adopted new §215.91.

1           HB 718 amended Transportation Code, Chapter 503, to end the use of temporary tags when  
2 purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025.  
3 HB 718 requires the department to determine new distribution methods, systems, and procedures, and  
4 set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to  
5 implement or administer these changes in law and required the department to adopt related rules by  
6 December 1, 2024. The department did so by publishing proposed rules in the April 26, 2024, issue of the  
7 *Texas Register* (49 TexReg 2717), and publishing adopted rules in the November 8, 2024, issue of the *Texas*  
8 *Register* (49 TexReg 8953). HB 718 required a Texas dealer, beginning July 1, 2025, to ensure that an  
9 assigned general issue license plate or set of license plates stayed with the vehicle if that vehicle is later  
10 sold to another Texas buyer.

11           However, SB 1902 changed that process to require a dealer to transfer a removed license plate to  
12 another vehicle of the same class within 10 days or dispose of the license plate according to department  
13 rules. SB 1902, effective July 1, 2025, requires the department to adopt implementing rules by October 1,  
14 2025. The department adopts amendments to §§215.140, 215.141, 215.150 - 215.152, 215.155, and  
15 215.158 to implement SB 1902.

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

21           Adopted new §215.163, implements both HB 718 and SB 1902 to address license plate disposition  
22 when a license holder offers a vehicle for sale at auction or on consignment. This new rule is necessary  
23 because the department did not address disposition of license plates for these types of sales in prior

1 rulemaking. During the rulemaking process, license holders raised questions about disposition of license  
2 plates when motor vehicles are sold at auctions or on consignment based on concerns that the  
3 department may require operational changes that would increase business costs. In November 2024, the  
4 department provided an early draft of this adopted new rule to the Motor Vehicle Industry Regulation  
5 Advisory Committee (MVIAC). Committee members voted on formal motions and provided informal  
6 comments. The department incorporated input from this committee as well as comments from license  
7 holders that regularly hold or participate in motor vehicle auctions. In adopting this rule, the department  
8 sought to minimize opportunities for license plate fraud related to auction and other consignment sales  
9 and to eliminate any unnecessary operational or cost impacts to license holders.

10 In June 2025, the MVIAC reviewed drafts of the proposed revisions to §§215.141, 215.150,  
11 215.151, 215.152, 215.155, 215.158, and 215.163 and provided the department with comments on those  
12 provisions. The department incorporated the feedback from the committee into these adopted rules.

13 The department adopts nonsubstantive amendments in §215.133 and §215.144 to improve  
14 readability by using consistent terminology.

15 The following amended sections are adopted without changes to the proposed text as published  
16 in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will not be republished: §§215.91,  
17 215.133, 215.140, 215.144, and 215.150 - 152.

18 The following sections are adopted with changes at adoption to the proposed text as published in  
19 the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will be republished: §§215.83, 215.141,  
20 215.155, 215.158, and 215.163.

21 **REASONED JUSTIFICATION.**

1 §215.83

2           Adopted amendments to §215.83 delete subsection (i) and amend subsection (h) to replace  
3 specific requirements with a cross-reference to adopted new §215.91. These adopted amendments  
4 ensure that the licensure requirements for military service members, military spouses and military  
5 veterans are consolidated into adopted new §215.91 to avoid any confusion or conflict between §215.83  
6 and adopted new §215.91. At adoption, a reference in §215.83(k) was corrected to refer to the adopted  
7 relettered §215.83(j).

8 §215.91

9           Adopted new §215.91(a) implements Occupations Code, §55.002, which exempts an individual  
10 that holds a license from incurring a penalty for failing to renew a license in a timely manner because the  
11 individual was on active duty. Adopted new §215.91(b) implements Occupations Code, §55.0041(a) and  
12 §55.0041(b), as amended by HB 5629, which require a state agency to issue a license to a military service  
13 member or military spouse within ten days if the member or spouse holds a current license issued by  
14 another state that is similar in the scope of practice to Texas requirements and is in good standing, or held  
15 the same Texas license within the past five years, if a military service member or military spouse submits  
16 an application and other required documents described in Occupations Code, §55.0041(b). Adopted new  
17 §215.91(b)(1) describes the application and the documents the military service member or military spouse  
18 must submit to the department. Adopted new §215.91(b)(2) describes the department's review process  
19 after receiving an application and related documents, including confirming licensure and good standing in  
20 the other state and comparing licensing requirements to determine if the other state's requirements are  
21 similar in scope of practice. Adopted new §215.91(b)(2)(C) states that the department will issue a  
22 provisional license upon receipt of a license application from a military service member, military veteran,  
23 or military spouse. This new provision implements Occupations Code, §55.0041, as amended by SB 1818.

1 Adopted new §215.91(b)(3) informs an applicant that within 10 days the department will either issue a  
2 license if the applicant meets the requirements in Occupations Code, §55.0041 or notify the applicant why  
3 the department is unable to issue a license. Adopted new §215.91(b)(3) also informs an applicant that the  
4 license is subject to the requirements of this chapter and Occupations Code, Chapter 2301, and  
5 Transportation Code, Chapter 503, unless exempted or modified under Occupations Code, Chapter 55,  
6 consistent with Occupations Code, §55.0041(c). Adopted new §215.91(b) implements Occupations Code,  
7 §55.0041 as amended by HB 5629. Adopted new §215.91(c) informs a military service member, military  
8 veteran, or military spouse that this rule establishes requirements and procedures authorized or required  
9 by Texas law and does not affect any rights under federal law. Adopted new §215.91 implements  
10 Occupations Code, Chapter 55, as amended by HB 5629, and informs military service members, veterans,  
11 and military spouses about their eligibility for special licensing consideration.

12 §215.133

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

16 §215.140

17 An adopted amendment to §215.140(a)(6)(E) deletes a reference to dealer license plate storage  
18 requirements for assigned license plates for vehicles in inventory and adds a reference to unassigned  
19 license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license  
20 plates. Instead, SB 1902 requires a dealer to keep a license plate removed from a sold vehicle and reassign  
21 that license plate to a sold vehicle of the same class within 10 days or dispose of the license plate according  
22 to department rules.

23 §215.141

1           An adopted amendment to §215.141(b)(26) expands the sanction for failure to securely store a  
2 license plate after July 1, 2025, to include failure to destroy a previously issued but not currently assigned  
3 license plate within the time prescribed by statute. This adopted amendment implements SB 1902, which  
4 amended Transportation Code, §504.901 to require a dealer to either transfer a license plate removed  
5 from a vehicle to the same class of vehicle within 10 days or dispose of the license plate no later than the  
6 tenth day after the license plate was removed from the vehicle.

7           An adopted amendment to §215.141(b)(34) deletes a sanction for failure to remove a license  
8 plate from a vehicle sold to an out-of-state buyer or from a vehicle sold for export and substitutes a  
9 sanction for failure to remove a license plate from a vehicle as required by statute or rule. This adopted  
10 amendment is necessary to conform the language to the requirements of SB 1902, which requires dealers  
11 to remove a license plate from a vehicle that is transferred to or purchased by the dealer, and is necessary  
12 to conform with adopted new §215.163 which requires a dealer to remove a license plate from a vehicle  
13 in certain other circumstances such as before a vehicle is offered for sale at auction or on consignment.

14           At adoption, an unnecessary connector was deleted from §215.141(a)(6) and §215.141(b)(32).

15 §215.144

16           Adopted amendments to §215.144(i)(2) add the phrase “GDN holder that acts as a...” to clarify  
17 the type of motor vehicle auction referenced in subsection (i). Adopted amendments to §215.144(i)(2)(A)  
18 substitute the phrase “before offering a vehicle for sale at auction” for “it offers for sale.” These adopted  
19 amendments improve readability by using consistent terminology without changing meaning.

20 §215.150

21           Adopted amendments to §215.150(a) and §215.150(e) add a reference to a general issue license  
22 plate as a type of license plate that a buyer can transfer to a newly purchased vehicle to implement the  
23 option in SB 1902 that allows a dealer to transfer an existing buyer’s general issue license plate to a

1 purchased vehicle of the same class within 10 days. An adopted amendment to §215.150(a)(2) deletes a  
2 reference to issuing a license plate if the vehicle did not come with a buyer's license plate because SB  
3 1902 eliminated the requirement for a license plate to remain with a vehicle upon subsequent retail sale.  
4 An adopted amendment to §215.150(d)(3) adds a closed GDN to the list of circumstances in which a GDN  
5 dealer could no longer issue a buyer's license plate. The amendment recognizes that a dealer may choose  
6 to close a GDN issued by the department at any time, and after closure the person would not be a licensed  
7 GDN dealer under Transportation Code, Chapter 503, and therefore not authorized to issue a buyer's  
8 license plate or a buyer's temporary license plate. Adopted amendments to §215.150(f)(4) delete a  
9 reference to license plates assigned to vehicles in inventory, delete unnecessary punctuation, and add a  
10 reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an  
11 inventory of assigned license plates. Instead, SB 1902 requires a dealer to reassign a removed license plate  
12 within a 10-day window before disposing of the license plate.

13 §215.151

14 Adopted amendments throughout §215.151(a) and in §215.151(c) add a reference to a general  
15 issue license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle. These  
16 amendments implement SB 1902's requirement that a dealer transfer an existing buyer's general issue  
17 license plate to a purchased vehicle of the same class within 10 days or destroy the license plate. Adopted  
18 amendments to §215.151(a)(3) delete a reference to when a dealer must, or a governmental agency may,  
19 issue a buyer's license plate to the buyer of a used vehicle, and replace that language with issuing a buyer's  
20 license plate when the buyer does not have a general issue, specialty, personalized or other qualifying  
21 license plate to transfer to the vehicle. These adopted amendments implement SB 1902, which no longer  
22 requires a license plate to remain with a vehicle to which the license plate was first assigned.

1           An adopted amendment to §215.151(c) deletes a reference to a vehicle that has an assigned  
2 license plate because SB 1902 eliminated the requirement for a license plate to remain assigned to a  
3 vehicle upon subsequent retail sale. Adopted amendments to §215.151(c) add language to require the  
4 removal of any previously assigned license plate and require the dealer to reassign that license plate to a  
5 vehicle of the same class within 10 days before disposing of that license plate when a buyer provides a  
6 different qualifying license plate to be assigned to a purchased vehicle. This adopted amendment  
7 implements the requirements for plate transfer or disposal by a dealer in Transportation Code, §504.901,  
8 as amended by SB 1902. Adopted amendments to §215.151(d) implement the requirements of SB 1902  
9 by adding language that allows a dealer to reassign a license plate to a vehicle of the same class within 10  
10 days, and deleting references to providing an assigned license plate to a Texas retail buyer or Texas dealer  
11 and voiding plates for vehicles sold to out-of-state or exporting buyers. These adopted amendments  
12 implement SB 1902, which eliminated the requirement for a license plate to remain assigned to a vehicle  
13 upon subsequent retail sale and instead requires a dealer to dispose of any license plate that is not  
14 reassigned after 10 days according to department rules.

15           Adopted amendments add new §215.151(e) to describe circumstances in which a dealer is not  
16 required to secure or affix an assigned license plate to a vehicle after a lawful sale. Adopted new  
17 §215.151(e)(1) allows a retail buyer who purchases a vehicle for direct delivery to the buyer to authorize  
18 the dealer in writing to mail or securely deliver the dealer-assigned buyer's license plate to the buyer.  
19 Adopted new §215.151(e)(1) is necessary to accommodate lawful sales in which vehicles are shipped  
20 directly to a retail buyer, which is common in multi-vehicle or fleet purchases. Adopted new  
21 §215.151(e)(2) allows a retail buyer to authorize a dealer in writing to mail or securely deliver a license  
22 plate or set of license plates to a licensed converter who could then affix the assigned buyer's license plate  
23 to the vehicle once the vehicle is complete prior to delivery to the customer, or allow the converter to



1 provide the license plate to the customer at vehicle delivery. Adopted new §215.151(e)(1) and new  
2 §215.151(e)(2) facilitate delivery of a dealer-assigned buyer's license plate when a vehicle is sold in a  
3 lawful retail transaction, but the purchased vehicle is not located at the dealer's licensed location.

4 §215.152

5 Adopted amendments to §215.152(c) and §215.152(d) add "new" to describe the type of buyer's  
6 license plates that the department will be allocating to each dealer and delete the term unassigned. These  
7 amendments implement SB 1902, which amended Transportation Code, §504.901 to require a dealer to  
8 transfer an unassigned license plate to a purchased vehicle of the same class within 10 days or destroy  
9 the license plate.

10 An adopted amendment to §215.152(d)(4) adds "or decrease" to allow the department to  
11 decrease the annual allotment of license plates for dealers based on changes in the market, temporary  
12 conditions, or other relevant factors in the state, county, or other geographical or population area. For  
13 example, sales may decline during an economic recession, resulting in dealers needing fewer plates to  
14 assign to new cars. When this happens, the state should not incur the expense to manufacture or  
15 distribute license plates that will not be used, and a dealer should not be required to undergo the expense  
16 or effort to store and track a larger number of license plates than what the dealer will likely use. To address  
17 this, an adopted amendment to §215.152(g) allows a new dealer to request fewer buyer's license plates  
18 or buyer's temporary license plates than what is allocated under §215.152(e).

19 Adopted new §215.152(i) describes the circumstances in which a dealer is not eligible to receive  
20 a quarterly allocation of buyer's license plates delivered to the dealer's licensed physical location. These  
21 circumstances are: if the dealer's license has been closed, canceled, or revoked in a final order; if the  
22 department has issued a notice of department decision for a violation of premises requirements because  
23 the dealer appears to have abandoned the licensed location; if the dealer has been denied access to the

1 temporary tag system or the license plate system; if a dealer fails a compliance review performed by the  
2 department under Transportation Code, §503.063(d); if the dealer’s license expires during that quarter  
3 and a renewal application has not been submitted to the department; if a dealer does not have an owner  
4 or bona fide employee at the licensed location during posted business hours to accept a license plate  
5 delivery; or if a dealer fails to keep license plates or the license plate system secure. In accordance with  
6 Occupations Code, §2301.152, the department is responsible for reducing the opportunities for license  
7 plate fraud or misuse. This adopted new subsection enables the department to fulfill that obligation.

8           Adopted new §215.152(j) allows a dealer who has an active license and access to the license plate  
9 database, but is ineligible to receive a quarterly license plate allocation under subsection (i), to request  
10 that the department conduct a compliance review under Transportation Code, §503.063(d) to determine  
11 if the dealer is eligible to receive a future allocation. A dealer may request a compliance review by  
12 submitting an email request to DealerCompliance@txdmv.gov, and the department will perform the  
13 requested compliance review within 14 days. This new adopted subsection allows a dealer to become  
14 eligible for a future license plate allocation once the dealer passes a compliance review performed by the  
15 department, consistent with Transportation Code, §503.063(d).

16           Adopted new §215.152(k) allows the department to require a dealer with an active license to  
17 obtain buyer’s license plates from a county tax assessor-collector or department regional service center  
18 if the dealer is not eligible to receive license plates under §215.152(i). This adopted new subsection allows  
19 a licensed dealer to continue to operate while the dealer addresses a security or other operational issue  
20 that prevents the department from securely delivering license plates to the licensed location. An adopted  
21 amendment reletters §215.152(i) to (l) to accommodate the three new adopted subsections described  
22 above.

1           An adopted amendment adds new §215.152(m), which describes when a dealer may request  
2 fewer buyer’s license plates or buyer’s temporary license plates. A dealer may request fewer license plates  
3 after using less than 50 percent of the quarterly allocation of general issue license plates or buyer  
4 temporary license plates in a quarter, or after using less than 50 percent of the allotted annual maximum  
5 number of general issue license plates or buyer temporary license plates in a year. A dealer should not be  
6 required to undergo the expense or effort to store and track a significantly larger number of license plates  
7 than what the dealer will use. Adopted amendments reletter §215.152(j) to (n) and reletter the  
8 subsequent subsections accordingly to accommodate the new adopted subsections described above.

9           Adopted amendments to relettered §215.152(n) add a reference to a dealer being able to request  
10 a decrease in a quarterly or annual allocation by submitting a request in the department’s designated  
11 license plate system, and delete a reference to subsection (i). These amendments inform a dealer how to  
12 request a decrease in a quarterly or annual buyer’s license plate or buyer’s temporary license plate  
13 allocation.

14           An adopted amendment to relettered §215.152(o) adds “or decrease” in recognition that a dealer  
15 may request a decrease in a maximum annual allotment. Adopted amendments throughout relettered  
16 §215.152(o) delete “additional” to describe license plates because amendments to this rule are adopted  
17 to allow a dealer to request fewer license plates. An adopted amendment to relettered §215.152(o)(2)  
18 deletes the phrase “for more license plates” to describe the type of additional requests a dealer may  
19 submit because a dealer may submit additional requests for fewer license plates. An adopted amendment  
20 to relettered §215.152(o)(3)(D) deletes a reference to issuing no additional license plates because a dealer  
21 may request to reduce the number of license plates, and the department may deny that request. Adopted  
22 amendments to relettered §215.152(o)(3)(E)(ii) delete a reference to additional license plates being  
23 added to the dealer’s allocation and substitute text to state that the dealer’s allocation will be adjusted.

1 These adopted amendments recognize that a dealer’s request for fewer license plates may be adjusted  
2 by the designated director in the department’s Vehicle Titles and Registration Division. An adopted  
3 amendment to relettered §215.152(o)(3)(E)(ii) adds “informed about” to improve readability without  
4 changing meaning. An adopted amendment to relettered §215.152(o)(5) deletes a reference to additional  
5 license plates because the adopted amendment allows a dealer to submit a subsequent request for fewer  
6 license plates during a calendar year.

7 §215.155

8 Adopted amendments to §215.155(c) delete §215.155(c)(2), which requires a selling dealer to  
9 provide a license plate to a purchasing dealer for placement on the vehicle at time of retail sale and  
10 modifies related punctuation and numbering. These adopted amendments implement SB 1902, which  
11 eliminated the requirement for an assigned license plate to stay with a vehicle upon a subsequent retail  
12 sale of the vehicle. At adoption, the department removed unnecessary conjunctions from §215.155(a) in  
13 response to public comment.

14 §215.158

15 In §215.158(a) the phrase “of this title” was added for consistency at adoption. Adopted  
16 amendments to §215.158(b) delete a reference to removing a previously assigned buyer’s license plate  
17 or other type of license plate for a vehicle sold to an out-of-state buyer or for another reason allowed by  
18 rule and simplify the subsection to apply only when a dealer is required to void a previously assigned  
19 buyer’s license plate from a vehicle. These adopted amendments align the rule text with Transportation  
20 Code, §504.901, as amended by SB 1902, which requires a dealer to void a previously assigned buyer’s  
21 license plate within 10 days unless the dealer has reassigned that license plate to another vehicle of the  
22 same class. At adoption, the department removed an unnecessary “or” conjunction between  
23 §215.158(b)(1) and (2) in response to public comment.

1 §215.163

2           Adopted new §215.163 addresses how a license holder must manage a license plate or set of  
3 license plates for a motor vehicle sold at auction or on consignment. Adopted new §215.163 clarifies  
4 license plate disposition and the reporting responsibilities of a dealer and a wholesale motor vehicle  
5 auction GDN holder when offering a motor vehicle for sale at a wholesale auction, and clarifies a dealer's  
6 responsibilities when offering a motor vehicle for sale at auction or on consignment at the dealer's  
7 licensed location consistent with the requirements of Transportation Code, §§503.063, 503.0633, and  
8 504.901 as amended by HB 718 and SB 1902, effective July 1, 2025.

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

20           Adopted new §215.163(b) describes a dealer's license plate disposition responsibilities if a motor  
21 vehicle with a license plate is sold at a public auction, at which members of the public can bid on and  
22 purchase a motor vehicle. Adopted new §215.163(b) requires a dealer who is authorized to sell a  
23 consigned vehicle to return an assigned license plate to the vehicle's owner in keeping with Transportation

1 Code §504.901(b), or destroy, recycle, or return the license plate in accordance with §215.158 (relating  
2 to General Requirements for Buyer’s License Plates). The option for a dealer to destroy an assigned license  
3 plate is necessary because in some circumstances a dealer may be unable to return an assigned plate to  
4 the vehicle’s owner. For example, a dealer could not do so if the vehicle’s owner has died or the vehicle’s  
5 owner relocated without a forwarding address. If a dealer offers a motor vehicle from the dealer’s  
6 inventory for sale at a public auction, the dealer is required to remove and securely store the license plate  
7 before offering the vehicle for sale at a public auction as required in adopted 43 TAC §215.150(f) (relating  
8 to Dealer Authorization to Issue License Plates) and must reassign the license plate within 10 days to a  
9 vehicle of the same class or destroy the license plate. If the purchaser is a Texas retail buyer, the dealer  
10 must issue a buyer’s license plate to the purchaser and update the license plate database unless the buyer  
11 has a general issue, specialty, personalized, or other qualifying license plate to transfer, consistent with  
12 adopted amendments to 43 TAC §215.151 (relating to License Plate General Use Requirements). If the  
13 purchaser at the public auction is a dealer, export buyer, or out-of-state buyer, the selling dealer must not  
14 issue a buyer’s license plate. Additionally, if the purchaser at an auction is an out-of-state buyer, the dealer  
15 may only issue a buyer’s temporary license plate if the buyer requires this license plate to transport the  
16 vehicle to another state in accordance with Transportation Code, §503.063, as amended by HB 718, and  
17 with 43 TAC §215.150(c) (relating to Dealer Authorization to Issue License Plates). Adopted new  
18 §215.163(b) clarifies license plate disposition for different types of sales that can occur at a public auction  
19 and minimizes potential fraud or misuse of license plates that may occur, consistent with the  
20 requirements of Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, and  
21 the adopted amendments to 43 TAC §§215.150, 215.151, and 215.158.

22 Adopted new §215.163(c) implements dealer requirements for other types of consignment sales  
23 which occur at a dealer’s licensed location and not at auction. Adopted new §215.163(c) addresses license

1 plate disposition for other types of consignment sales to minimize potential fraud or misuse of license  
2 plates, consistent with the requirements of Transportation Code, §503.063 and §504.901, as amended by  
3 HB 718 and SB 1902, and the requirements of the department’s adopted rules implementing HB 718.  
4 Adopted new §215.163(c)(1) requires a dealer to remove and return any license plate to the vehicle’s  
5 owner. Adopted new §215.163(c)(1) further clarifies that a dealer may use its dealer’s temporary license  
6 plate to demonstrate the consigned vehicle to a potential purchaser, in accordance with 43 TAC §215.138  
7 (relating to Use of Dealer’s License Plates).

8           Adopted new §215.163(c)(2) aligns the requirements for dealer consignment sales with the  
9 general license plate disposition requirements in the department’s rules implementing HB 718, adopted  
10 effective July 1, 2025. Adopted new §215.163(c)(2) requires a dealer, upon the sale of a consigned motor  
11 vehicle, to assign a license plate to a Texas retail buyer that purchases the vehicle unless the buyer has a  
12 general issue, specialty, personalized, or other qualifying license plate to transfer, and to update the  
13 license plate database, consistent with 43 TAC §215.151 (relating to License Plate General Use  
14 Requirements). If the vehicle is sold to an out-of-state buyer, for export, or to a Texas dealer, a dealer may  
15 not issue a buyer’s license plate and may only issue a buyer’s temporary license plate if the out-of-state  
16 purchaser requires a temporary license plate to transport the vehicle to another state for titling and  
17 registration in that jurisdiction. At adoption, a capitalization error in §215.163(c)(2)(B) was corrected.

18           Adopted new §215.163(c)(3) clarifies license plate disposition requirements for independent  
19 motor vehicle dealers whose business includes the sale of salvage vehicles or total loss vehicles as defined  
20 by the applicable insurance contract, and who may receive consignments from non-GDN holders such as  
21 insurance or finance companies. In these situations, an independent motor vehicle dealer must remove  
22 and destroy, recycle, or return the license plate as required in §215.158 (relating to General Requirements  
23 for Buyer’s License Plates). Under Occupations Code, §2302.009, an independent motor vehicle dealer

1 that acts as a salvage vehicle dealer or displays a motor vehicle as an agent of an insurance company must  
2 comply with Occupations Code, Chapter 2302, including the requirement to immediately remove any  
3 unexpired license plate. Requiring an independent motor vehicle dealer to either transfer or void, destroy,  
4 recycle, or return the license plate as required in §215.158 (relating to General Requirements for Buyer’s  
5 License Plates) reduces the risk of fraud or misuse of the plates, since salvage or total loss vehicles may  
6 not be driven on Texas roads. Adopted new §215.163(c) minimizes potential fraud or misuse of these  
7 license plates and is consistent with the requirements of Occupations Code, Chapter 2302, and  
8 Transportation Code, §503.063 and §504.901, as amended by HB 708 and SB 1902.

9 **SUMMARY OF COMMENTS.**

10 The department received four written comments on the proposal from one individual, the  
11 National Auto Auction Association (NAAA), the Texas Automobile Dealers Association (TADA), and the  
12 Texas Independent Automobile Dealers Association (TIADA).

13 **Comment:** An individual commenter requests the department return to using temporary tags and use  
14 watermarked paper to address security concerns.

15 **Response:** The department disagrees. Paper tags are easier for bad actors to counterfeit than license  
16 plates. Transportation Code, §503.063 requires dealers to issue buyer’s license plates on or after July 1,  
17 2025.

18 **Comment:** NAAA thanks the department for collaborating on rule language in §215.163 regarding auction  
19 and consignment sales.

20 **Response:** The department agrees and appreciates the continued collaboration provided by NAAA and its  
21 members in developing the rule proposal.

22 **Comment:** TIADA requests the department correct a reference in §215.183(k).



1 **Response:** The department agrees, assuming the intended reference is to §215.83(k) because §215.183(k)  
2 is outside the scope of this rulemaking. The department corrected that reference at adoption.

3 **Comment:** TIADA requests the department to delete all references to temporary tags and July 1, 2025, in  
4 §215.133 and throughout the rules.

5 **Response:** The department disagrees. The department continues to process applications filed prior to July  
6 1, 2025, and enforce violations of the law that occurred before July 1, 2025, so references to both  
7 temporary tags and license plate requirements are necessary at this time.

8 **Comment:** TIADA and TADA request that rules regarding certificates of occupancy be amended in  
9 §215.133 and §215.140 to limit applicability to instances when a dealership is new, recently relocated, or  
10 when a building permit is necessary for a dealership remodel. TADA also requests that in §215.141 be  
11 similarly limited to sanctions for premises violations related to certificates of occupancy.

12 **Response:** The department disagrees. Changes regarding certificates of occupancy are beyond the scope  
13 of this rule package. Additionally, current practices regarding certificates of occupancy are already  
14 consistent with or less onerous than what these commenters suggest.

15 **Comment:** TADA requests that rule language regarding required dealership signage in §215.140 and  
16 sanctions in §215.141 be amended to acknowledge that a manufacturer may control the timing of signage  
17 removal and delivery, and to clarify that license processing should not be delayed or a dealership  
18 sanctioned in these circumstances.

19 **Response:** The department disagrees that a rule change in §215.140 or §215.141 is required. Existing  
20 language in §215.140 allows a dealer to use temporary signage while waiting for the permanent sign to  
21 be installed. The department's enforcement team investigates and considers all relevant facts and  
22 circumstances surrounding a potential violation before issuing a violation notice and recommending a  
23 penalty.

1 **Comment:** TIADA requests the department delete unnecessary “or” connectors in §215.141 and  
2 §215.158(b).

3 **Response:** The department agrees and deleted the unnecessary connectors in §§215.141(a)(6),  
4 215.141(b)(32), and §215.158(b) at adoption.

5 **Comment:** TIADA requests that the department address vehicle transfer notices in rule as dealers are  
6 often expected to submit a notice prior to receiving the title from a wholesale auction.

7 **Response:** The department disagrees. These changes are not within the scope of this rule package. The  
8 department will consider the suggestion for future rulemaking.

9 **Comment:** TIADA requests the department delete unnecessary conjunctions between §§215.144(f)(3)(A)  
10 and (B).

11 **Response:** The department disagrees. The “or” conjunction between §§215.144(f)(3)(A) and (B) is  
12 necessary to emphasize that a dealer who sells a vehicle through a dealer-financed transaction has a  
13 different title and registration deadline. The conjunction signals a reader to continue to §215.144(f)(3)(B)  
14 to discover if that different title and registration deadline applies.

15 **Comment:** TIADA requests the department delete unnecessary “and” conjunctions in §215.155(a).

16 **Response:** The department agrees and removed the unnecessary conjunctions at adoption.

17 **Comment:** TADA requests a rule amendment in §215.150 and §215.151 to allow a dealer’s purchase of a  
18 temporary registration license plate for a buyer’s vehicle to be considered as compliant with all license  
19 plate issuance rules.

20 **Response:** The department disagrees. The purchase of a temporary registration license provides  
21 temporary authorization only. A dealer must also issue a buyer’s license plate or temporary out-of-state  
22 license plate, as applicable, to be compliant with Transportation Code, §503.063 and department rules.

1 **Comment:** TIADA requests a rule amendment in §215.150 to replace the word “must” with “may” to allow  
2 the department to allow dealers discretion to issue plates when system failures, department restrictions,  
3 or other unforeseen circumstances prevent issuance of a license plate.

4 **Response:** The department disagrees. Transportation Code, §503.063 states that a dealer “shall” issue a  
5 buyer’s license plate unless an exception in §503.063 applies. Additionally, the department’s enforcement  
6 team investigates and considers relevant facts and circumstances surrounding a potential violation before  
7 issuing a violation notice and recommending a penalty.

8 **Comment:** TADA requests a rule amendment in §215.151(e)(1) to allow a Texas franchised dealer to  
9 complete the delivery, titling, registering, and remitting of motor vehicle sales tax for a vehicle  
10 drop-shipped by an out-of-state licensed franchised dealer to the Texas dealer for preparation and  
11 delivery to a Texas buyer or lessee.

12 **Response:** The department disagrees. This change is outside the scope of this rule package. The  
13 department will consider the suggestion for future rulemaking, consistent with the department’s  
14 statutory authority.

15 **Comment:** TADA requests a rule amendment in §215.151(e) to clarify that a delivery method fulfills the  
16 requirement that a dealer “securely deliver” a license plate if the method is dependable and recognized,  
17 unless the TxDMV determines that additional conditions are necessary.

18 **Response:** The department disagrees that it is necessary to further define or limit license plate delivery  
19 methods. The department’s enforcement team will investigate and consider all relevant facts and  
20 circumstances surrounding a potential violation before issuing a violation notice and recommending a  
21 penalty.

22 **Comment:** TADA requests a rule amendment in §215.151(e) to state that any electronic communication  
23 between a buyer and a dealer may serve as an authorization to mail or deliver an assigned license plate.

1 **Response:** The department disagrees. The purpose for requiring a buyer’s written authorization is to  
2 document the buyer’s authorization in a way that can be authenticated and kept or stored in the dealer’s  
3 vehicle sales records. Not all forms of electronic communication can be kept or stored electronically or  
4 are able to be authenticated such as an unrecorded telephone call.

5 **Comment:** TIADA requests a rule amendment in §215.151 to establish a minimum allocation of five for all  
6 “tag types” to ensure dealer access.

7 **Response:** The department disagrees. In the license plate system, a dealer may order the specific types of  
8 license plates necessary for the dealer’s business, including provisional license plates that a dealer may  
9 use when the applicable license plate is not in the dealer’s inventory. Automatically allocating five of every  
10 type of license plate to every dealer would require the department to incur the expense to deliver license  
11 plates that are not necessary and require dealers to secure and store license plates that the dealer may  
12 never use.

13 **Comment:** TADA requests a rule amendment in §215.152(i) that prior to a determination that a dealer is  
14 not eligible to receive a quarterly allocation of plates, that the department make reasonable efforts to  
15 verify the accuracy of the facts or circumstances the department alleges meet the requirements for denial  
16 of plates under §215.152(i).

17 **Response:** The department disagrees. Enforcement of this rule will be based on the department’s review  
18 of licensing status and enforcement case data. Under existing licensing and enforcement rules, a dealer  
19 will have direct knowledge or notice from the department of the relevant facts or circumstances before  
20 the department denies the dealer a plate allocation under §215.152(i).

21 **Comment:** TADA requests a rule amendment in §215.152 to allow a dealer who sells vehicles to a fleet  
22 buyer to contact the department regarding the sale so that license plates can be delivered near the same  
23 time as the delivery of the vehicles.

1 **Response:** The department disagrees. Contacting the department is unnecessary. A dealer may order  
2 license plates in the license plate system based on the anticipated fleet delivery date and the shipping  
3 time required for the license plates.

4 **Comment:** TADA requests an amendment in §215.152 to allow a new dealership during the licensing  
5 process to request a specific number of license plates for the first quarter by providing information to  
6 substantiate that request, such as a manufacturer’s sales estimate for that location.

7 **Response:** The department disagrees. A new dealer may already provide information to support a request  
8 for additional license plates under existing §215.152(g).

9 **Comment:** TADA requests a rule amendment in §215.152 to allow a selling franchised dealer to transfer  
10 the existing license plate inventory to the buying franchised dealer at closing, so the buying dealer has a  
11 beginning inventory of license plates to use.

12 **Response:** The department disagrees. This change is outside the scope of this rule package. However,  
13 department agrees that the ability to transfer license plates when a dealer sells a location is helpful. The  
14 department will develop and test an administrative process to transfer license plate inventory and will  
15 propose rules in a future rule package.

16

17

#### **SUBCHAPTER B. LICENSES, GENERALLY**

18

#### **43 TAC §215.83 AND §215.91**

19 **STATUTORY AUTHORITY.** The department adopts amendments and a new section to Chapter 215,  
20 Subchapter B, under Occupations Code, §2301.151, which gives the board authority to regulate the  
21 distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or  
22 convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to  
23 establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor

1 vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices,  
2 discrimination, impositions, and other abuses in connection with the distribution and sale of motor  
3 vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,  
4 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or  
5 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before  
6 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a  
7 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license  
8 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,  
9 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement  
10 with a retail purchaser of a motor vehicle; Government Code, §411.122(d), which authorizes department  
11 access to criminal history record information maintained by DPS; Government Code, §411.12511, as  
12 amended by Senate Bill 2587, 89th Legislature, Regular Session (2025), which authorizes the department  
13 to obtain criminal history record information from DPS and the FBI for license applicants, license holders,  
14 and representatives whose act or omission would be cause for denying, revoking, or suspending a general  
15 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,  
16 Chapters 2301 and 2302; Occupations Code, §55.004, as amended by House Bill 5629, 89th Legislature,  
17 Regular Session, which requires the department to adopt rules for the issuance of a license to military  
18 service members, military veterans, or military spouses that allow licensure if the applicant holds a current  
19 license issued by another state that is similar in scope of practice to the license in Texas and is in good  
20 standing with that state's licensing authority, or has held a license in Texas within the preceding five years;  
21 Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer  
22 Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt  
23 rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which

1 authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.0296, which  
2 requires the board to adopt a rule requiring that an applicant for an original or renewal general  
3 distinguishing number who proposes to be an independent motor vehicle dealer complete web-based  
4 education and training developed or approved by the department; Transportation Code, §503.033, which  
5 authorizes the board to adopt rules prescribing the form of the notice of a surety bond and the procedure  
6 by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires  
7 the board to adopt rules regulating the issuance of dealer's license plates; Transportation Code,  
8 §§503.0626, 503.0631, and 503.0632, which require the board to adopt rules necessary to implement and  
9 manage the department's temporary tag databases; and Transportation Code, §1002.001, which  
10 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the  
11 duties of the department, as well as the statutes referenced throughout this preamble.

12         The department also adopts amendments and a new rule under the authority of Transportation  
13 Code, §501.0041 and §502.0021; and Government Code, §§2001.004, and 2001.039, and 2001.054, in  
14 addition to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041  
15 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation  
16 Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter  
17 502. Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature  
18 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires  
19 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.  
20 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,  
21 suspension, annulment, or withdrawal of a license.

1 **CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapters 411  
2 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,  
3 and 1002.

4  
5 Text.

6 §215.83. License Applications, Amendments, or Renewals

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

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

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

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

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

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

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



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

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

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

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

10 (f) If an applicant, license holder, or authorized representative does not provide the  
11 information or documentation required by the department, the department will issue a written notice of  
12 deficiency. The information or documentation requested in the written notice of deficiency must be  
13 received by the department within 20 calendar days of the date of the notice of deficiency, unless the  
14 department issues a written extension of time. If an applicant, license holder, or authorized representative  
15 fails to respond or fully comply with all deficiencies listed in the written notice of deficiency within the  
16 time prescribed by this subsection, the application will be deemed withdrawn and will be administratively  
17 closed.

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

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

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

8 (j) A license holder who fails to timely file a sufficient license renewal application in accordance  
9 with subsection (d) of this section is not authorized to continue licensed activities after the date the license  
10 expires. A license holder may dispute a decision that a license renewal application was not timely or  
11 sufficient by submitting evidence to the department demonstrating that the license renewal application  
12 was timely and sufficient. Such evidence must be received by the department within 15 days of the date  
13 the department issues notice that a timely or sufficient license renewal application was not received by  
14 the department.

15 (k) The department shall accept a late license renewal application up to 90 days after the date the  
16 license expires. In accordance with subsection (j) of this section, the license holder is not authorized to  
17 continue licensed activities after the date the license expires until the department approves the late  
18 license renewal application. If the department grants a license renewal under this section, the licensing  
19 period begins on the date the department issues the renewed license. The license holder may resume  
20 licensed activities upon receipt of the department's written verification or upon receipt of the renewed  
21 license.

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

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

7

8 §215.91. License Processing for Military Service Members, Spouses, and Veterans

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

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

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

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

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

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

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

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

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

5                               (B) conduct a comparison of the other state’s license requirements, statutes, and  
6 rules with the department’s licensing requirements to determine if the requirements are similar in scope  
7 of practice; and

8                               (C) issue a provisional license.

9                   (3) If the department confirms that a military service member or military spouse is  
10 currently licensed in good standing in another state with licensing requirements that are similar in scope  
11 and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a  
12 license to the military service member or military spouse for the relevant business or occupation, or notify  
13 the applicant why the department is currently unable to issue a license pursuant to Occupations Code,  
14 §55.0041(b-1), within 10 days. The license is subject to the requirements of this chapter and Occupations  
15 Code, Chapter 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under  
16 the standard application process, unless exempted or modified under Occupations Code, Chapter 55.

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

19

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

21                   **43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, 215.158, AND 215.163**

22

1 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the  
2 department adopts amendments and a new section in Chapter 215, Subchapter D under Occupations  
3 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor  
4 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;  
5 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license  
6 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute  
7 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in  
8 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations  
9 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which  
10 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter  
11 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives  
12 the board authority to deny an application for a license, revoke or suspend a license, place on probation,  
13 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,  
14 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds  
15 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation  
16 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license  
17 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and  
18 manage the department's database of dealer-issued buyer's license plates; Transportation Code,  
19 §503.0633, which allows the department to establish the maximum number of license plates or sets of  
20 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;  
21 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer  
22 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying  
23 deputies performing titling and registration duties, the duties and obligations of these deputies, the type

1 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing  
2 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation  
3 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of  
4 the department’s automated registration and titling system; and Transportation Code, §1002.001, which  
5 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the  
6 duties of the department, as well as the statutes referenced throughout this preamble.

7 The department also adopts amendments under the authority of Transportation Code, §§501.0041,  
8 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and §2001.054, in addition  
9 to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041  
10 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation  
11 Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter  
12 502. Transportation Code, §503.002 authorizes the board to adopt rules for the administration of  
13 Transportation Code, Chapter 503. Transportation Code, §504.0011 authorizes the board to adopt rules  
14 to implement and administer Chapter 504. Transportation Code, §520.003 authorizes the department to  
15 adopt rules to administer Chapter 520. Government Code, §2001.004 requires state agencies to adopt  
16 rules of practice stating the nature and requirements of all available formal and informal procedures.  
17 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,  
18 suspension, annulment, or withdrawal of a license.

19 **CROSS REFERENCE TO STATUTE.** The adopted new section and amendments implement  
20 Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code,  
21 Chapters 501 - 504, 520, and 1002.

22

23 Text.

1 §215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

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

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

8 (c) A GDN dealer or wholesale motor vehicle auction application must be on a form  
9 prescribed by the department and properly completed by the applicant as required under §215.83  
10 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or  
11 wholesale motor vehicle auction application must include all required information, required  
12 supporting documents, and required fees and must be submitted to the department electronically  
13 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle  
14 auction GDN holder renewing or amending its GDN must verify current license information,  
15 provide related information and documents for any new requirements or changes to the GDN, and  
16 pay required fees including any outstanding civil penalties owed the department under a final  
17 order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the  
18 following:

19 (1) Required information:

20 (A) type of GDN requested;

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

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

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

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

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

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

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

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



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

4 (K) military service status;

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

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

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

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

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

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

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

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

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

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

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

5 (i) driver license;

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

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

10 (iv) passport; or

11 (v) United States military identification card.

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

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

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

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

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

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

3 (3) Required fees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1                   (3) a military service member, military spouse, or military veteran will receive  
2 appropriate credit for prior training, education, and professional experience and may be exempted  
3 from the dealer education and training requirement.  
4

5 §215.140. Established and Permanent Place of Business Premises Requirements.

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

9                   (1) Business hours for retail dealers.

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

12                   (B) The retail dealer's business hours for each day of the week must be posted at  
13 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.  
14 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location  
15 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If  
16 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted  
17 business hours due to special circumstances or emergencies, a separate sign must be posted indicating  
18 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business  
19 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona  
20 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able  
21 to speak to a natural person or leave a message during these hours.

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

11                  (3) Business sign requirements for retail dealers.

12                               (A) A retail dealer must display a conspicuous, permanent sign with letters at  
13                               least six inches in height showing the retail dealer's business name or assumed name substantially  
14                               similar to the name reflected on the retail dealer's GDN under which the retail dealer conducts business.  
15                               A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main  
16                               entrance of the business office. A business sign is considered permanent only if it is made of durable,  
17                               weather-resistant material.

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

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

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

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

8 (A) Exterior Sign

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

17 (ii) The sign must be permanently mounted on the business property at  
18 the physical address listed on the application. A business sign is considered permanently mounted if  
19 bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support  
20 permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior  
21 sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the

1 requirements of this paragraph has been ordered and provides a written statement that the sign will be  
2 promptly and permanently mounted upon delivery.

3 (B) Interior Sign

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

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

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

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



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

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

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

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

16 (F) The physical address of the dealer's office must be in Texas and recognized by  
17 the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services  
18 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state  
19 address and will only mail or deliver a license plate to a dealer's physical location.

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

- 1 (H) The dealer's office space must:
- 2 (i) include at least 100 square feet of interior floor space, exclusive of
- 3 hallways, closets, or restrooms;
- 4 (ii) have a minimum seven-foot-high ceiling;
- 5 (iii) accommodate required office equipment; and
- 6 (iv) allow a dealer and customer to safely access the office and conduct
- 7 business in private while seated.

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

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

- 10 (A) a desk;
- 11 (B) two chairs;
- 12 (C) internet access;
- 13 (D) a working telephone number listed in the business name or assumed name
- 14 under which the dealer conducts business; and
- 15 (E) a locked and secured room or closet or at least one securely locked,
- 16 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
- 17 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's
- 18 license plates in a dealer's possession including unissued and unassigned buyer's license plates.

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

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

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

10                  (10) Dealer housed with other business.

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

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

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

1 (11) Display area and storage lot requirements.

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

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

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

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

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

19 (iv) If a retail dealer shares a display or parking area with another  
20 business, including another dealer, the dealer's vehicle inventory must be separated from the other  
21 business's display or parking area by a material object or barrier that cannot be readily removed. A  
22 barrier that cannot be readily removed is one that cannot be easily moved by one person and typically

1 weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the  
2 space necessary to allow for entry and exit of vehicle inventory.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

21 (A) a desk;

- 1 (B) a chair;
- 2 (C) internet access; and
- 3 (D) a working telephone number listed in the business name or assumed name
- 4 under which business is conducted.

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

6 lot requirements:

7 (A) The area designated as display space for inventory must be located at the

8 physical business address or contiguous to the physical address. The display area may not be in a storage

9 lot.

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

11 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,

12 employee parking, general storage, or shared or intermingled with another business or a public parking

13 area, or a driveway to the office.

14 (C) The display area may not be on a public easement, right-of-way, or driveway

15 unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly

16 consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the

17 state highway system, use as a display area may only be authorized by a lease agreement.

18 (D) If the business location includes gasoline pumps or a charging station or

19 includes another business that sells gasoline or has a charging station, the display area may not be part

20 of the parking area for fuel or charging station customers and may not interfere with access to or from

21 the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

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

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

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

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

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

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

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

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

19 (iii) the street address or legal description of the property, provided that  
20 if only a legal description of the property is included, a wholesale motor vehicle auction must attach a  
21 statement verifying that the property description in the lease agreement is the physical street address

1 identified on the application as the physical address for the established and permanent place of  
2 business;

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

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

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

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

13

14 §215.141. Sanctions.

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

17 (1) deny an application;

18 (2) revoke a license;

19 (3) suspend a license;

20 (4) assess a civil penalty;

1 (5) issue a cease and desist order; or

2 (6) take other authorized action.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (10) issues more than one buyer's license plate or buyer's temporary license plate for a  
16 vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1,  
17 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

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

20 (12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;

1 (13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as  
2 required by law;

3 (14) holds open a title or fails to take assignment of a certificate of title, manufacturer's  
4 certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign  
5 the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;

6 (15) fails to remain regularly and actively engaged in the business of buying, selling, or  
7 exchanging vehicles of the type for which the GDN is issued by the department;

8 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code  
9 Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the  
10 sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F  
11 of this chapter (relating to Advertising);

12 (17) is convicted of an offense that directly relates to the duties or responsibilities of the  
13 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

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

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

18 (20) files or provides a false or forged:

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

9                   (34) on or after July 1, 2025, fails to remove a license plate from a vehicle as required by  
10 statute or rule; or

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

13

14 §215.144. Vehicle Records.

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

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

1 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and  
2 all information and records required under Transportation Code §503.0295.

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

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

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

13 (1) the date of the purchase;

14 (2) the date of the sale;

15 (3) the VIN;

16 (4) the name and address of the person selling the vehicle to the dealer;

17 (5) the name and address of the person purchasing the vehicle from the dealer;

18 (6) the name and address of the consignor if the vehicle is offered for sale by

19 consignment;

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

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

5 (A) the title application;

6 (B) the work-up sheet;

7 (C) the front and back of the manufacturer's certificate of origin or  
8 manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in  
9 §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);

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

12 (E) the factory invoice, if applicable;

13 (F) the sales contract;

14 (G) the retail installment agreement;

15 (H) the buyer's order;

16 (I) the bill of sale;

17 (J) any waiver;

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

19 (L) the purchaser's photo identification;

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

3 (N) the rebuilt salvage disclosure, if applicable.

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

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

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

11 (f) Title assignments.

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

14 (A) title;

15 (B) manufacturer's statement of origin;

16 (C) manufacturer's certificate of origin; or

17 (D) other evidence of ownership.

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

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

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

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

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

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

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

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

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

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

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

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

5 (i) Public motor vehicle auctions.

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

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

9 (A) is not required to take assignment of title of a vehicle before offering the  
10 vehicle for sale at auction;

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

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

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

17 (j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder  
18 shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale  
19 occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license  
20 holder shall make the record available for inspection and copying by the department during business  
21 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;

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

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

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

8 (l) Use of department electronic titling and registration systems:

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

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

17  
18 §215.150. Dealer Authorization to Issue License Plates.

19 (a) A dealer that holds a GDN must issue a buyer's license plate for a vehicle type the dealer is  
20 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 the buyer does not  
5 have a general issue license plate or a specialty, personalized, or other qualifying license plate eligible to  
6 be assigned to the vehicle with approval of the department.

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

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

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

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

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

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

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

1 is eligible to be assigned to the vehicle with approval of the department. A governmental agency that  
2 issues a buyer's license plate or buyer's temporary license plate under this subsection:

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

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

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

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

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

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

16 (4) securing all license plates, including dealer's license plates and unissued or  
17 unassigned buyer's license plates, by storing license plates in a locked and secured room or closet or one  
18 or more securely locked, substantially constructed safes or steel cabinets bolted or affixed to the floor or  
19 wall of sufficient size to store all dealer and buyer's license plates in a dealer's possession, and by  
20 promptly marking and destroying, recycling, or returning void license plates as required under §215.158  
21 of this title (relating to General Requirements for Buyer's License Plates); and

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

2

3 §215.151. License Plate General Use Requirements.

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

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

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

14 (3) A dealer must issue, or a governmental agency may issue, a buyer's license plate to a  
15 buyer purchasing a used vehicle if the buyer does not have a general issue, specialty, personalized, or  
16 other qualifying license plate to transfer to the vehicle.

17 (b) If a non-resident buyer purchases a vehicle to be titled and registered in accordance with the  
18 laws of the buyer's state of residence, a dealer must issue, or a governmental agency may issue, a  
19 buyer's temporary license plate and secure the temporary license plate to the rear of a vehicle in  
20 accordance with §217.27 of this title and update the license plate system accordingly.

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

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

10 (1) reassign the license plate to a vehicle of the same class within 10 days if purchased  
11 by a Texas retail buyer; or

12 (2) mark the license plate as void and destroy, recycle, or return the license plate as  
13 required in §215.158 of this title.

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

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

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

21

1 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

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

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

9 (1) the vehicle;

10 (2) the buyer; and

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

12 (c) The department will inform each dealer annually of the maximum number of new buyer's  
13 license plates the dealer is authorized to obtain during the calendar year under Transportation Code,  
14 §503.063, including:

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

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

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

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

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

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

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

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

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

18                                 (A) changes in the market;

19                                 (B) temporary conditions that may affect sales; and

20                                 (C) any other information the department considers relevant.

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

6 (1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised  
7 dealer unless the dealer provides credible information indicating that a greater number of buyer's  
8 license plates is warranted based on anticipated sales, and growth, to include new and used vehicle  
9 sales, including information from the manufacturer or distributor, or as otherwise provided in this  
10 section.

11 (2) 100 buyer's license plates and 48 buyer's temporary license plates for a  
12 nonfranchised dealer unless the dealer provides credible information indicating that a greater number of  
13 license plates is warranted based on anticipated sales as otherwise provided in this section.

14 (f) An existing dealer that is:

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

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

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

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

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

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

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

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

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

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

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



- 1 (1) the dealer’s license has been closed, canceled, or revoked in a final order;
- 2 (2) the department has issued a notice of department decision under §224.56 of this  
3 title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of  
4 this title (relating to Established and Permanent Place of Business Premises Requirements) and appears  
5 to have abandoned the licensed location;
- 6 (3) the department has denied the dealer access to the temporary tag system or the  
7 license plate system in accordance with §224.58 of this title (relating to Denial of Dealer Access to  
8 License Plate System) and Transportation Code, §503.0633(f);
- 9 (4) a dealer fails a compliance review performed by the department under  
10 Transportation Code, §503.063(d);
- 11 (5) the dealer license expires during that quarter and the dealer has not submitted a  
12 license renewal application to the department;
- 13 (6) a dealer does not have an owner or bona fide employee at the licensed location  
14 during posted business hours to accept a license plate delivery; or
- 15 (7) a dealer fails to keep license plates or the license plate system secure.
- 16 (j) A dealer with an active license and access to the license plate database who is ineligible to  
17 receive a quarterly allocation under subsection (i) of this section may request the department conduct a  
18 compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to  
19 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department  
20 will conduct the compliance review within 14 days of the dealer’s request.

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

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

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

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

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

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

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

15 (n) To receive more buyer's license plates or buyer's temporary license plates or to request a  
16 decrease in a quarterly or annual allocation, a dealer must submit a request in the department's  
17 designated license plate system.

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

1 filed as required by law, information of anticipated need, or other information of the factors listed in  
2 Transportation Code, §503.0633(b).

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

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

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

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

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

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

20 (D) The designated director in the Vehicle Titles and Registration Division will  
21 review the appeal and any additional statements concerning the information submitted in the original

1 request and render an opinion within 15 days of receiving the appeal. The designated director in the  
2 Vehicle Titles and Registration Division may decide to deny the appeal or award an amount of license  
3 plates that is lesser, equal to, or greater than the request.

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

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

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

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

15 (5) Once a denial is final, a dealer may only submit a subsequent request during that  
16 calendar year if the dealer is able to provide additional information not considered in a prior request.

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

19 (q) The department may at any time initiate an enforcement action against a dealer if license  
20 plate system activity suggests that misuse or fraud has occurred as described in Transportation Code  
21 §503.0633(f) or §503.0671.

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§215.155. Buyer's License Plates.

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

only on a vehicle:

(1) from the selling dealer's inventory;

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

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

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

unless:

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

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

(b) A dealer may not issue a buyer's general issue or temporary license plate to the buyer of a

vehicle that is to be titled but not registered.

(c) For a wholesale transaction, a dealer may not issue a buyer's license plate; rather the

purchasing dealer places on the motor vehicle its own:

(1) dealer's temporary license plate; or

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

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

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

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

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

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

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

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

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16 §215.158. General Requirements for Buyer's License Plates.

17 (a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the  
18 dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title  
19 (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report  
20 any loss, theft, or destruction of a buyer's license plate or buyer's temporary license plate to the

1 department in the system designated by the department within 24 hours of discovering the loss, theft,  
2 or destruction.

3 (b) When a dealer is required to void a previously assigned buyer's license plate or other type of  
4 license plate from a vehicle, the dealer shall render a void plate unusable by permanently marking the  
5 front of the plate with the word "VOID" or a large "X"; and within 10 days:

6 (1) destroy the license plate;

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

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

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

13

14 §215.163. License Plate Disposition for Motor Vehicles Sold at Auction or on Consignment.

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

18 (1) remove and mark any license plate as void; and

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

21 (b) Public auctions.

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

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

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

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

14                  (c) Other consignment sales.

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

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

21                   (A) a dealer shall issue a buyer's license plate to a Texas retail buyer who  
22 purchases the consigned vehicle, unless the buyer has a general issue, specialty, personalized, or other



1 qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of  
2 this title;

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

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

9 (3) An independent motor vehicle dealer who receives consignment and delivery of a  
10 salvage vehicle or total loss vehicle (as defined by the applicable insurance contract) for sale from a person  
11 who is not a GDN holder shall remove any license plate and destroy, recycle, or return the license plate as  
12 required in §215.158 of this title.