

ADOPTION OF REVISIONS TO

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.41

NEW SECTIONS

SUBCHAPTER A. MOTOR VEHICLE TITLES

43 TAC §217.10

SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

43 TAC §217.87

REPEAL OF

SUBCHAPTER A. MOTOR VEHICLE TITLES

43 TAC §217.10

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 217, Vehicle Titles and Registration. The department adopts the simultaneous repeal of Subchapter A, Motor Vehicle Titles; §217.10, relating to Appeal to the County, and addition of new Subchapter A, Motor Vehicle Titles; §217.10, relating to Department Decisions on Titles and Appeals to the County. The department additionally adopts amendments to Subchapter B, Motor Vehicle Registration; §217.41, relating to Disabled Person License Plates and Disabled Parking Placards. The department further adopts new Subchapter D, Nonrepairable and Salvage Motor Vehicles; §217.87, relating to Requirements for Certain Vehicles Acquired by a Used Automotive Parts Recycler Without a Title. The amendments, new sections, and repeal are necessary to implement legislation, to clarify existing statutory requirements, and to make nonsubstantive grammatical changes to improve readability.

The department adopts §217.10 and §217.41 without changes to the proposed text as published in the October 3, 2025, issue of the *Texas Register* (50 TexReg 6469) and they will not be republished. The

1 department adopts §217.87 with revisions to the proposed text as published in the October 3, 2025, issue
2 of the *Texas Register* (50 TexReg 6469) and it will be republished. In conjunction with this adoption, the
3 department is adopting the repeal of §217.10, which is also published in this issue of the *Texas Register*.

4 **REASONED JUSTIFICATION.** The repeal of §217.10, relating to Appeal to the County, is adopted because
5 the current language in the section is duplicative of the statutory requirements in Transportation Code,
6 §501.052, and is therefore unnecessary as rule text. To replace the repealed section, the department
7 adopts new §217.10, relating to Department Decisions on Titles and Appeals to the County. Adopted new
8 §217.10(a) clarifies what constitutes evidence of a title refusal or revocation by the department under
9 Transportation Code, §501.051, for purposes of determining eligibility for a hearing by a tax accessor-
10 collector under Transportation Code, §501.052. The adopted language in new §217.10(a) specifies that
11 for purposes of determining whether a person is eligible for a tax accessor-collector hearing under
12 Transportation Code §501.052, the official record of the department's refusal to issue a title is a written
13 notice of determination from the department. Adopted new §217.10(a) also clarifies that the official
14 record of a revoked title is a revocation remark on the motor vehicle record in the department's
15 Registration and Title System. These adopted new provisions clarify and prevent confusion about the
16 official records of department action that demonstrate eligibility for an appeal hearing under
17 Transportation Code, §501.052.

18 Adopted new §217.10(b) clarifies that a department decision that an applicant is ineligible to
19 obtain a bonded title under Transportation Code §501.053 is a not a refusal to issue title under
20 Transportation Code, §501.051, and therefore is not subject to a tax accessor-collector hearing under
21 Transportation Code, §501.052. This adopted new language addresses confusion by some tax
22 accessor-collectors, who have incorrectly treated the department's ineligibility determinations under
23 Transportation Code, §501.053 as refusals to title under Transportation Code, §501.051. Adopted

1 new §217.10(b) also aligns the department’s rules with recent court rulings, which held that a notice
2 from the department that a vehicle is ineligible for bonded title is not a refusal by the department
3 to issue title under Transportation Code, §501.051.

4 Adopted amendments to §217.41, relating to Disabled Person License Plates and Disabled Parking
5 Placards, implement Senate Bill (SB) 2001, 89th Legislature, Regular Session (2025), which created
6 Transportation Code, §504.2025, relating to Peace Officers with Disabilities. Section 504.2025 established
7 the right of a qualifying peace officer to obtain disabled peace officer license plates and disabled parking
8 placards. Adopted amendments to §217.41(b)(1), (b)(2)(A), and (b)(3)(A) add statutory references to
9 Transportation Code, §504.2025, to include qualifying disabled peace officers as “disabled persons”
10 for purposes of the eligibility for and issuance of disabled person license plates and disabled parking
11 placards under §217.41. Adopted new §217.41(b)(2)(D) clarifies Transportation Code, §504.202(h) and
12 §504.2025(h) by explaining that qualifying disabled veterans and disabled peace officers have the
13 option to obtain general issue license plates at no expense, in lieu of disabled veteran or peace
14 officer license plates. An adopted amendment to §217.41(b)(1) also adds a reference to the
15 Transportation Code to the citation to §504.202(b-1). An adopted amendment to §217.41(b)(2)(B)
16 adds the titles to §217.43 and §217.45 for ease of reference to these sections. An adopted
17 amendment to §217.41(c) adds the title to §217.28 for ease of reference. Adopted amendments
18 throughout §217.41 correct punctuation to statutory citations by inserting commas between the
19 Texas code and section number.

20 Adopted new §217.87, relating to Requirements for Certain Vehicles Acquired by a Used
21 Automotive Parts Recycler Without a Title, implements House Bill (HB) 5436, 89th Legislature, Regular
22 Session (2025). Transportation Code, §501.098, relating to Exception to Title Requirement for Certain
23 Vehicles, provides a process for a used automotive parts recycler (recycler) to acquire motor vehicles

1 without titles for the purpose of dismantling, scraping and parting them, without incurring the cost and
2 delay of going through the bonded title process. Adopted new §217.87(a)(1) informs a recycler of their
3 obligation to determine if a motor vehicle acquired without a title under Transportation Code,
4 §501.098(a) has been reported stolen or is subject to a recorded lien or security interest by submitting a
5 form to the department within the time prescribed by Transportation Code, §501.098(c) and
6 §501.098(g). Adopted new §217.87(a)(2) requires the recycler to separately report this information to
7 the National Motor Vehicle Title Information System (NMVTIS), to comply with Transportation Code,
8 §501.098(c) and to clarify that the department will not be reporting information to NMVTIS on the
9 recycler's behalf.

10 Adopted new §217.87(b) describes the information that the recycler must submit on a
11 department form to ascertain whether a vehicle was reported stolen or is subject to any recorded liens,
12 consistent with the information specified under 28 C.F.R. §25.56, to implement the requirements
13 provided in Transportation Code, §501.098(c) and §501.098(g). Adopted new §217.87(b)(5) requires
14 recyclers to attest that the vehicle meets the requirements of Transportation Code, §501.098(a)(1) and
15 (2), in order to ensure that the vehicle is eligible for a recycler to purchase without obtaining title, so
16 that the department can avoid wasting resources by processing forms for ineligible vehicles. At adoption
17 and in response to a public comment, the proposed language for new §217.87(c) was modified to add
18 "or electronically following the procedures set out on the department's website," to allow for an
19 electronic method of delivering the form to the department. This is an optional, but likely faster and
20 more efficient alternative to delivering the form in person to one of the department's 18 regional
21 service centers. The language added to new §217.87(c) at adoption will also allow the department
22 flexibility on the specific method of electronic delivery, so that the department can use monitored email

1 or electronic forms until it has an opportunity to develop and deploy a more sophisticated electronic
2 system for handling the submission of the forms.

3 Adopted new §217.87(d) describes the actions the department will take in response to receiving
4 the recycler's form under subsection (b) of this section. Adopted new §217.87(d)(1)(A) requires the
5 department to provide the recycler with notice of whether the motor vehicle has been reported stolen
6 either in person or by email, to assure that the department meets the 48-hour deadline for issuing the
7 notice in accordance with Transportation Code, §501.098(d). Adopted new §217.87(d)(1)(B) describes
8 the department's method of informing the recycler in person or by email if the vehicle is subject to a
9 recorded lien or security interest in the department's Registration and Title System, to expedite the
10 notice required under Transportation Code, §501.098(g). Adopted new §217.87(d)(1)(B) also informs the
11 recycler of the process of obtaining from the department the contact information for a recorded lien
12 holder, which is information that Transportation Code, §501.098(h)(2) requires the recycler provide to
13 the county tax accessor-collector. Adopted new §217.87(d)(2) clarifies that if there is a motor vehicle
14 record for the vehicle in the department's Registration and Title System, the department will make a
15 notation in the motor vehicle record that the motor vehicle has been dismantled, scrapped or
16 destroyed, and cancel the title issued by the department for the motor vehicle, in accordance with
17 Transportation Code, §501.098(f).

18 Adopted new §217.87(e) describes the process for a lienholder or last registered owner of a
19 motor vehicle acquired by a recycler under Transportation Code, §501.098 to request that the
20 department reinstate the title and remove a notation in the department's records for the motor vehicle
21 made under Transportation Code, §501.098(f)(1) and adopted new §217.87(d)(2), indicating that the
22 vehicle had been dismantled, scrapped or destroyed. Adopted new §217.87(e) describes the process of
23 making the request to the department by presenting valid proof of identification and submitting a

1 receipt received from the recycler transferring the motor vehicle back to the lienholder or last registered
2 owner. The adopted new provisions for §217.87(e) implement and administer Transportation Code,
3 §501.098(j), which provides a lienholder or last registered owner the right to retrieve the motor vehicle
4 acquired by the recycler under Transportation Code, §501.098. Additionally, adopted new §217.87(e)
5 avoids subjecting the lienholder or last registered owner to any additional costs, such as the bonded title
6 process would require.

7 Adopted new §217.87(f) describes the form and format for the records a recycler is required to
8 compile under Transportation Code, §501.098(b) and have available for inspection by law enforcement
9 or department personnel under Transportation Code, §501.098(m). Adopted new §217.87(f)(1) requires
10 a recycler to collect and record the information specified under Transportation Code, §501.098(b)(1)-(9)
11 on a department form made available on the department's website, and to maintain that form together
12 with the identification documents under Transportation Code, §501.098(b)(10) and the department's
13 response under adopted new §217.87(d). Adopted new §217.87(f)(2) allows a recycler the option to
14 maintain records in an electronic format. The adopted new §217.87(f) implements Transportation Code,
15 §501.098(b), to clarify the manner in which a recycler is to compile and maintain the information
16 specified in Transportation Code, §501.098(b) and (c), for inspection under Transportation Code,
17 §501.098(m).

18 **SUMMARY OF COMMENTS.**

19 The department received one written comment on the proposal from the Texas Automotive Recyclers
20 Association (TARA).

21 **Comment:** TARA commented that while they understood the department is currently developing an
22 electronic system to receive and process forms submitted by recyclers, they requested the department

1 revise §217.87(c) to provide an option for recyclers to deliver the forms to the department by electronic
2 means as a more efficient alternative to an in-person visit to a department regional service center. TARA
3 further commented that the department could offer an interim hybrid system allowing recyclers to submit
4 a department form via email or in person.

5 **Response.** The department agrees. The department modified the proposed language in §217.87(c) at
6 adoption to address this concern by adding “or electronically following the procedures set out on the
7 department’s website” that allows for an electronic submission of the form by recyclers.

8
9 **SUBCHAPTER A. MOTOR VEHICLE TITLES**

10 **43 TAC §217.10**

11 **STATUTORY AUTHORITY.** The department adopts new §217.10 under Transportation Code, §501.0041,
12 which gives the department authority to adopt rules to administer Transportation Code, Chapter 501;
13 Transportation Code, §501.051, which gives the department authority to refuse, cancel, suspend or
14 revoke a title; Transportation Code, §501.053, which gives the department authority to determine the
15 eligibility for a bonded title; Transportation Code, §1002.001, which authorizes the board to adopt rules
16 that are necessary and appropriate to implement the powers and the duties of the department; and the
17 statutory authority referenced throughout the preamble and in the rule text.

18 **CROSS REFERENCE TO STATUTE.** The adopted new section would implement Transportation Code,
19 Chapters 501 and 1002.

20
21 TEXT.

22 §217.10. Department Decisions on Titles and Appeals to the County.

1 (a) Department refusal or revocation of title. For purposes of Transportation Code, §501.052,
2 the official record of the department's refusal to issue a title under its authority in Transportation Code,
3 §501.051 is the department's notice of determination regarding the application. The official record of
4 the department's revocation of a title is the entry of a revocation remark on the motor vehicle record in
5 the department's Registration and Title System.

6 (b) Department determination of ineligibility for bonded title. A department determination
7 of ineligibility for bonded title is made under the authority of Transportation Code, §501.053 and is
8 not a refusal to issue a title under Transportation Code, §501.051. An applicant that receives a
9 notice of ineligibility for bonded title from the department is not eligible to pursue a hearing under
10 Transportation Code, §501.052.

11
12 **STATUTORY AUTHORITY.** The department adopts the repeal of §217.10 under Transportation Code,
13 §501.0041, which gives the department authority to adopt rules to administer Transportation Code,
14 Chapter 501, Certificate of Title Act; Transportation Code, §501.051, which gives the department
15 authority to refuse, cancel, suspend or revoke a title; Transportation Code, §501.052, which provides
16 an interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation
17 under Transportation Code, §501.051, the right to apply for hearing to the county assessor-
18 collector; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
19 necessary and appropriate to implement the powers and the duties of the department.

20 **CROSS REFERENCE TO STATUTE.** The adopted repeal would implement Transportation Code, Chapters
21 501 and 1002.

22
23 TEXT.

217.10. Appeal to the County.

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.41

STATUTORY AUTHORITY. The department adopts amendments to §217.41 under Transportation Code, §504.0011, which gives the board authority to adopt rules to implement and administer Transportation Code, Chapter 504, License Plates; Transportation Code, §504.010, which authorizes the board to adopt rules governing the placement of license plates on motor vehicles; Transportation Code, §504.202, entitling a qualifying disabled veteran to elect for license plates issued under Transportation Code, Chapter 502 in lieu of disabled veteran license plates; Transportation Code, §504.2025, as created by Senate Bill 2001, 89th Legislature, Regular Session (2025), providing a qualifying peace officer with the option to obtain disabled peace officer license plates and disabled parking placards; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and the statutory authority referenced throughout the preamble and in the rule text.

CROSS REFERENCE TO STATUTE. The adopted amendments would implement Transportation Code, Chapters 504 and 1002.

TEXT.

§217.41. Disabled Person License Plates and Disabled Parking Placards.

(a) Purpose. Transportation Code, Chapters 504 and 681, charge the department with the responsibility for issuing specially designed license plates and disabled parking placards for disabled persons. For the department to perform these duties efficiently and effectively, this

1 section prescribes the policies and procedures for the application, issuance, and renewal of
2 disabled person license plates and disabled parking placards.

3 (b) Issuance.

4 (1) For purposes of this section, "disabled person" means a person eligible for
5 issuance of a license plate bearing the International Symbol of Access under Transportation Code,
6 §504.201, including a qualifying disabled veteran under Transportation Code, §504.202(b-1) and a
7 qualifying disabled peace officer under Transportation Code, §504.2025.

8 (2) Disabled person license plates.

9 (A) Eligibility. In accordance with Transportation Code, §504.201;
10 §504.202(b-1) and (b-2); and §504.2025, the department will issue specially designed license plates
11 displaying the International Symbol of Access to permanently disabled persons or their
12 transporters instead of general issue license plates. As satisfactory proof of eligibility, an
13 organization that transports disabled veterans who would qualify for license plates issued under
14 Transportation Code, §504.202(b-1) must provide a written statement from the veteran's county
15 service officer of the county in which a vehicle described by Transportation Code, §504.202(c) is
16 registered or by the Department of Veterans Affairs that:

17 (i) the vehicle is used exclusively to transport veterans of the United
18 States armed forces who have suffered, as a result of military service, a service-connected
19 disability;

20 (ii) the vehicle regularly transports veterans who are eligible to
21 receive license plates under Subsection (b-1); and

22 (iii) the veterans are not charged for the transportation.

1 (B) Specialty license plates. The department will issue disabled person
2 specialty license plates displaying the International Symbol of Access that can accommodate the
3 identifying insignia and that are issued in accordance with §217.43 of this title (relating to Military
4 Specialty License Plates) or §217.45 of this title (relating to Specialty License Plates, Symbols,
5 Tabs, and Other Devices).

6 (C) License plate number. Disabled person license plates will bear a license
7 plate number assigned by the department or will bear a personalized license plate number issued
8 in accordance with §217.43 or §217.45 of this title.

9 (D) General issue license plate option for qualifying disabled veterans and
10 disabled peace officers. In accordance with Transportation Code, §504.202(h) and §504.2025(h),
11 qualifying disabled veterans and disabled peace officers may elect to receive general issue license
12 plates without paying license plate fees.

13 (3) Windshield disabled parking placards.

14 (A) Issuance. The department will issue removable windshield disabled
15 parking placards to temporarily or permanently disabled persons and to the transporters of
16 permanently disabled persons, as provided under Transportation Code, §§504.201, 504.202 (b-1)
17 and (b-2), 504.2025, and 681.004.

18 (B) Display. A person who has been issued a windshield disabled parking
19 placard shall hang the placard from a vehicle's rearview mirror when the vehicle is parked in a
20 disabled person parking space or shall display the placard on the center portion of the dashboard
21 if the vehicle does not have a rearview mirror.

1 (c) Renewal of disabled person license plates. Disabled person license plates are valid for a
2 period of 12 months from the date of issuance and are renewable as specified in §§217.28 of this
3 title (relating to Vehicle Registration Renewal), 217.43, and 217.45 of this title.

4 (d) Replacement.

5 (1) License plates. If a disabled person metal license plate is lost, stolen, or
6 mutilated, the owner may obtain a replacement metal license plate by applying with a county tax
7 assessor-collector.

8 (A) Accompanying documentation. To replace disabled person metal license
9 plates, the owner must present the current year's registration receipt and personal identification
10 acceptable to the county tax assessor-collector.

11 (B) Absence of accompanying documentation. If the current year's
12 registration receipt is not available and the county tax assessor-collector cannot verify that the
13 disabled person metal license plates were issued to the owner, the owner must reapply in
14 accordance with this section.

15 (2) Disabled parking placards. If a disabled parking placard becomes lost, stolen, or
16 mutilated, the owner may obtain a new disabled parking placard in accordance with this section.

17 (e) Transfer of disabled person license plates and disabled parking placards.

18 (1) License plates.

19 (A) Transfer between persons. Disabled person license plates may not be
20 transferred between persons. An owner who sells or trades a vehicle to which disabled person
21 license plates have been issued shall remove the disabled person license plates from the vehicle.
22 The owner shall return the license plates to the department and shall obtain appropriate
23 replacement license plates to place on the vehicle prior to any transfer of ownership.

(B) Transfer between vehicles. Disabled person license plates may be transferred between vehicles if the county tax assessor-collector or the department can verify the plate ownership and the owner of the vehicle is a disabled person or the vehicle is used to transport a disabled person.

(i) Plate ownership verification may include:

(I) a Registration and Title System (RTS) inquiry;

(II) a copy of the department application for disabled person license plates; or

(III) the owner's current registration receipt.

(ii) An owner who sells or trades a vehicle with disabled person license plates must remove the plates from the vehicle.

(iii) The department will provide a form that persons may use to facilitate a transfer of disabled person license plates between vehicles.

(2) Disabled parking placards.

(A) Transfer between vehicles. Disabled parking placards may be displayed in any vehicle driven by the disabled person or in which the disabled person is a passenger.

(B) Transfer between persons. Disabled parking placards may not be transferred between persons.

(f) Seizure and revocation of disabled parking placard.

(1) If a law enforcement officer seizes and destroys a disabled parking placard under Transportation Code, §681.012, the officer shall notify the department by email.

(2) The person to whom the seized disabled parking placard was issued may apply for a new disabled parking placard by submitting an application to the county tax assessor-

collector of the county in which the person with the disability resides or in which the applicant is seeking medical treatment.

SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

NEW 43 TAC §217.87

STATUTORY AUTHORITY. The department adopts new §217.87 under Transportation Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act; Transportation Code, §501.098, as created by House Bill 5436, 89th Legislature, Regular Session (2025), which gives the department authority to prescribe the manner in which a used automotive parts recycler compiles the information required under Transportation Code, §501.098(b) on motor vehicles purchased without title for purposes of dismantling, scrapping or parting, the authority to prescribe the manner in which a used automotive parts recycler submits to the department any information necessary to satisfy any applicable requirement for reporting information to the National Motor Vehicle Title Information System, and the authority to inspect records under Transportation Code, §501.098(m); and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and the statutory authority referenced throughout the preamble and in the rule text.

CROSS REFERENCE TO STATUTE. The adopted new section would implement Transportation Code, Chapters 501 and 1002.

1 TEXT.

2 217.87. Requirements for Certain Vehicles Acquired by a Used Automotive Parts Recycler Without a
3 Title.

4 (a) Reporting requirements.

5 (1) A used automotive parts recycler (recycler), as defined in Occupations Code
6 §2309.002, that purchases a motor vehicle without a title, in accordance with Transportation Code,
7 §501.098(a), shall determine if the motor vehicle is reported stolen and if the motor vehicle is the
8 subject of any recorded security interests or liens by completing and submitting the form described in
9 subsection (b) of this section to the department within the time provided under Transportation Code,
10 §501.098(c) and §501.098(g).

11 (2) A recycler must separately report the information specified under Transportation
12 Code, §501.098(c) to the National Motor Vehicle Title Information System.

13 (b) Information on form. A recycler shall submit a form containing the following information:

14 (1) name, mailing address, email address and phone number of the recycler;

15 (2) the vehicle identification number for the motor vehicle;

16 (3) the date the motor vehicle was obtained;

17 (4) the name of the individual or entity from whom the motor vehicle was obtained;

18 (5) A statement that the vehicle:

19 (A) is at least 13 years old,

1 (B) is purchased solely for parts, dismantling, or scrap, and

2 (C) has not been registered for at least seven years; and

3 (6) the signature of the recycler or the recycler's authorized agent.

4 (c) Submittal of form. The form shall be submitted to the department in person at one of the
5 department's regional offices or electronically following the procedures set out on the department's
6 website.

7 (d) Department response.

8 (1) Upon receipt of a completed and signed form under subsection (b) of this section,
9 the department shall:

10 (A) notify the recycler, in person or via the email address specified on the form,
11 within the time specified under Transportation Code, §501.098(d), whether the motor vehicle has been
12 reported stolen; and

13 (B) notify the recycler, in person or via the email address specified on the form,
14 whether the motor vehicle is the subject of a recorded security interest or lien in the department's
15 Registration and Title System. If the vehicle has a recorded lien or security interest, the recycler may
16 obtain the contact information of the holder of that recorded lien or security interest from the
17 department by submitting a request in accordance with §217.123 of this title (relating to Access to
18 Motor Vehicle Records).

(2) If the motor vehicle has a motor vehicle record in the department's Registration and Title System, the department shall:

(A) add a notation to the motor vehicle record that the motor vehicle has been dismantled, scrapped, or destroyed; and

(B) cancel the title issued by the department for the motor vehicle.

(e) Vehicles retrieved from recycler. The department shall reinstate the title and remove the notation in the department's records specified under subsection (d)(2) of this section and Transportation Code, §501.098(f)(1) at the request of a lienholder or last registered owner of a vehicle that is retrieved from a recycler under Transportation Code, §501.098(j). The request must include:

(1) a receipt from the recycler transferring the vehicle to the lienholder or last registered owner that includes the vehicle identification number, year and make; and

(2) valid proof of identification as provided in §217.7 of this title (relating to Replacement of Title).

(f) Records.

(1) A recycler shall collect and record the information specified in Transportation Code, §501.098(b)(1)-(9) on a form available on the department's website and maintain that form with the identification documents under Transportation Code, §501.098(b)(10) and the department's response under subsection (d) of this section.

(2) The records may be maintained in an electronic format.