

ADOPTION OF REVISIONS TO

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.27, 217.52, AND 217.53

SUBCHAPTER I. PROCESSING AND HANDLING FEES

43 TAC §217.185

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle Registration, §§217.27, 217.52, and 217.53; and Subchapter I, Processing and Handling Fees, §217.185.

The amendments are necessary to implement legislation, to clarify rule language, and to remove a fee discount that is no longer necessary to incentivize online registration transactions. The department adopts amendments to §§217.27, 217.52, and 217.53 without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4378). These amendments will not be republished. The department adopts amendments to §217.185 with changes to the proposed text; the text will be republished.

The adopted amendments to §217.185 will be effective December 8, 2025. The adopted amendments to §§217.27, 217.52, and 217.53 will be effective on or about October 9, 2025, 20 days after filing with the office of the Secretary of State.

REASONED JUSTIFICATION.

Adopted amendments to §217.27(c)(2)(B) delete references to Transportation Code, §548.102, the language pertaining to an outstanding inspection period, and the language regarding an application for registration in the name of the purchaser. Adopted amendments also insert reference to Transportation Code, §502.044(a-1), which gives the department authority to register certain motor vehicles for a period of 24 consecutive months. These adopted amendments are necessary to

1 implement Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which amended Transportation
2 Code, §502.044 to designate a motor vehicle registration period of 24 consecutive months for new
3 passenger cars and light trucks sold in Texas or purchased by a commercial fleet buyer described by
4 Transportation Code, §501.0234(b)(4) for use in Texas. The adopted amendments to §217.27(c)(2)(B) are
5 also necessary to delete references to Transportation Code, §548.102 because House Bill (HB) 3297, 88th
6 Legislature, Regular Session (2023) repealed Transportation Code, §548.102, pertaining to the initial
7 two-year inspection period for passenger cars and light trucks.

8 Adopted amendments to §217.52(n)(1)(B) clarify that the fee for restyling a multi-year vendor
9 specialty license plate to an embossed license plate is \$75, regardless of whether the specialty license
10 plate from which the person is restyling was embossed or non-embossed. This reflects the higher costs of
11 the embossing process on the new plate, which the department's vendor incurs regardless of whether the
12 original plate that the person is seeking to replace was embossed. When current §217.52(n)(1)(B) was
13 originally adopted, embossed plates were new and all restyling to an embossed plate was from a non-
14 embossed plate. As embossed plates become more prevalent, this clarification of the rule is necessary to
15 prevent confusion and accurately reflect the fee for the restyling of an embossed plate to a new style of
16 embossed plate.

17 Adopted amendments to §217.53 are necessary to implement SB 1902, 89th Legislature, Regular
18 Session (2025), which amended Transportation Code, §504.901 to require a motor vehicle dealer who
19 has purchased a vehicle to remove the assigned general-issue license plates from the vehicle and either
20 transfer the license plates within 10 days to another motor vehicle purchased from their inventory, or
21 destroy the plates. Adopted amendments to §217.53(a) modify the language to require a dealer, upon
22 receiving a motor vehicle in their inventory by sale or transfer, to remove the plates and remove and
23 dispose of the registration insignia from the vehicle. An adopted amendment to §217.53(a) also clarifies

1 that the dealer must either transfer or dispose of the general-issue license plates removed from the
2 motor vehicle in accordance with 43 TAC §215.151(d), relating to License Plate General Use
3 Requirements. In addition, an adopted amendment adds standard language to state that §215.151(d) is
4 contained in Title 43.

5 SB 1902 amended Transportation Code, §504.901(b) to require a seller, in a transaction where
6 neither party holds a general distinguishing number (GDN), to remove the license plates from the
7 vehicle, and to permit the seller to transfer the removed license plates to another vehicle titled in the
8 seller's name. Adopted amendments to §217.53(b) implement SB 1902 by deleting the requirement for
9 general issue license plates to remain with a motor vehicle following the sale or transfer of the motor
10 vehicle where neither party in the transaction is a dealer and replacing it with language requiring the
11 seller or transferor to remove license plates from the motor vehicle. The adopted amendments to
12 §217.53(b) implement SB 1902 by giving sellers the option of transferring the license plates to a motor
13 vehicle titled in their name as long as the motor vehicle is of the same classification as the motor vehicle
14 the license plates were removed from, and upon acceptance of a request made to a county tax
15 assessor-collector through an application filed under Transportation Code, §501.023 or §502.040.

16 Adopted amendments to §217.53(c) implement SB 1902 by requiring that the seller of the
17 vehicle render unusable and dispose of any license plates that are not transferred to another vehicle. An
18 additional amendment to §217.53(c) creates consistency and clarity across the department's rules by
19 replacing a vague description of acceptable plate destruction with specific allowable methods for
20 destroying or disposing of license plates, paralleling the requirements for dealers under §215.158(b) of
21 this title, relating to General Requirements for Buyer's License Plates.

22 The language in Transportation Code, §504.901(b), as amended by SB 1902, that requires the
23 seller of a motor vehicle, in a transaction where neither party is a dealer, to remove the license plates

1 from the vehicle, is very similar to the language that existed in that statute prior to the amendments of
2 HB 718, 88th Legislature, Regular Session (2023). Adopted amendments to §217.53(d) implement SB
3 1902 by reverting back to a portion of the language that existed in §217.53(c) prior to the amendments
4 that the department adopted in December 2024 to implement HB 718. The adopted amendments to
5 §217.53(d) inform a purchaser of a motor vehicle, where neither party is a dealer and the seller has
6 removed the license plates, of the option to secure a vehicle transit permit under Transportation Code,
7 §502.492. This permit allows the purchaser to operate the motor vehicle legally on the public roadways
8 from the location where they purchased it to their home or to get it titled and registered.

9 An adopted amendment to §217.185(a)(3) eliminates the \$1 discount on registration transactions
10 processed through Texas by Texas (TxT) or the department's Internet Vehicle Title and Registration Service
11 (IVTRS). The adopted amendment is necessary to address increased costs for processing registration
12 transactions. The current processing and handling fee, and associated online discount, were established
13 in 2016 and implemented in January 2017. The online discount was created to incentivize Texans to use
14 the online system. Subsequently, the department deployed TxT, which is a mobile application through
15 which a registrant may renew their vehicle registration. Since 2017, the fee and online discount amounts
16 have remained the same, while costs for processing registration transactions throughout the state have
17 increased. In accordance with Transportation Code, §502.1911, the processing and handling fee set by
18 rule must be "sufficient to cover the expenses associated with collecting registration fees." The cumulative
19 inflation rate from January 2017 to January 2025 is over 34%, which has translated into increased costs
20 for information technology infrastructure and staffing to support registration transactions statewide.
21 Moreover, the incentive to get Texans to adopt the online system is no longer needed as around 30% of
22 registration renewal transactions went through TxT and IVTRS in the past three years. Eliminating the
23 discount for transactions processed online will help support the increased costs of collecting registration

fees. This adoption seeks only to eliminate the online registration discount in the amount of \$1 per registered vehicle per year, and the established registration fees would remain the same. At adoption, §217.185(a)(3) was amended to remove a stray comma.

The adopted amendments to §217.185 will be effective December 8, 2025, to allow sufficient time for recoding the IVTRS and TxT systems to remove the \$1 discount.

SUMMARY OF COMMENTS.

The department received two written comments on the proposal.

The department received written comments from one individual and the Galveston County Tax Assessor-Collector (TAC).

Comment. The Galveston County TAC commented in opposition to the proposed amendments to §217.185(a)(3). The commenter stated the proposed amendments to eliminate the \$1 discount on registration transactions processed through TxT or IVTRS would result in reduced online registration renewals, and challenged the department to prove it costs the department money to have the \$1 discount.

Response. The department disagrees. The original reason for the discount created in 2016 was to incentivize online renewals for those customers who otherwise may not renew online. Now, almost 10 years later, conducting business online is significantly more widespread, and many customers are comfortable with the process. Online registration renewals have held steady at approximately 30% of customers for the past three years. The department believes that most people who currently renew online will continue to do so even in the absence of this discount, which amounted to only \$1 per person per year. With the adoption of these amendments, it will not be more expensive to renew online than in-person as the cost is the same for both options. However, customers will still be incentivized to renew

1 online by the convenience of online renewals, which allows customers to avoid the time and cost required
2 to drive to an in-person renewal location.

3 Additionally, as the proposal preamble stated, the department expects to receive up to
4 \$6,000,000.00 per year in increased revenue as a result of removing the \$1 discount for online
5 transactions. This was calculated based on the recent number of customers who renewed their
6 registration online multiplied by \$1 for each of those customers. Thus, the online fee discount costs the
7 department approximately \$6,000,000.00 each year that it remains in place.

8 **Comment.** An individual commented that all fees charged by the counties should be standardized to
9 better regulate and streamline the process for assessing fees to avoid confusion on the part of dealers.

10 **Response.** The department disagrees. This comment is outside the scope of the rule proposal, which is
11 limited to amendments that eliminate a fee discount related to online motor vehicle registration renewals
12 and does not address the standardization of fees or fees in general.

13 **Comment.** The individual commenter also commented that the new license plate system hinders motor
14 vehicle dealer operations compared to the replaced temporary tag system that could have been fixed with
15 a watermark feature on the temporary tags to counter the theft and/or misuse of temporary tags.

16 **Response:** The department disagrees. This comment is outside the scope of this rule proposal and the
17 department's rulemaking authority. Transportation Code, §503.063 requires dealers to issue buyer's
18 license plates on or after July 1, 2025.

19
20 **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

21 **43 TAC §§217.27, 217.52, AND 217.53**

22 **STATUTORY AUTHORITY.** The department adopts amendments to §§217.27, 217.52, and 217.53 under
23 Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer

1 Transportation Code, Chapter 502; Transportation Code, §502.044, as amended by Senate Bill (SB) 1729,
2 89th Legislature, Regular Session (2025), which requires the department to designate a registration
3 period of 24 consecutive months for certain passenger cars and light trucks; Transportation Code,
4 §504.0011, which gives the board authority to implement and administer Transportation Code, Chapter
5 504, License Plates; Transportation Code, §504.010, which authorizes the department to adopt rules
6 governing the issuance and placement of license plates on motor vehicles; Transportation Code,
7 §504.0051, which gives the department authority to issue personalized license plates and forbids the
8 department from issuing replacement personalized license plates unless the vehicle owner pays the
9 statutory fee required under Transportation Code, §504.007; Transportation Code, §504.007, which
10 states that replacement license plates can only be issued if the vehicle owner pays the statutory fee;
11 Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate to reestablish
12 its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and authorizes the
13 board to establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a),
14 which allows the department to contract with a private vendor to provide specialty and personalized
15 license plates; Transportation Code, §504.851(b)-(d), which authorize the board to establish fees by rule
16 for the issuance or renewal of personalized license plates that are marketed and sold by the vendor as
17 long as the fees are reasonable and not less than the amounts necessary to allow the department to
18 recover all reasonable costs associated with the procurement, implementation and enforcement of the
19 vendor's contract; Transportation Code, §504.851(i), which requires a contract entered into by the
20 department and a private vendor for the marketing and sale of specialty license plates to allow the
21 vendor to establish a range of premium embossed specialty license plates to be sourced, marketed, and
22 sold by the private vendor; the rulemaking authority provided under Section 3 of SB 1902, 89th
23 Legislature, Regular Session (2025); and Transportation Code §1002.001, which authorizes the board to

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

3 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapters
4 502, 504, and 1002.

5
6 TEXT.

7 §217.27. Vehicle Registration Insignia.

8 (a) On receipt of a complete initial application for registration with the accompanying
9 documents and fees, the department will issue vehicle registration insignia to be displayed on or
10 kept in the vehicle for which the registration was issued for the current registration period.

11 (1) If the vehicle has a windshield, the vehicle registration insignia shall be attached
12 to the inside lower left corner of the vehicle's front windshield in a manner that will not obstruct
13 the vision of the driver, unless the vehicle is registered under Transportation Code, Chapter 504,
14 Subchapter B-1.

15 (2) If the vehicle has no windshield, the vehicle registration insignia shall be
16 attached to the rear license plate unless the vehicle is registered under Transportation Code,
17 Chapter 504, Subchapter B-1, except that registration receipts, retained inside the vehicle, may
18 provide the record of registration for vehicles with permanent trailer plates.

19 (3) If the vehicle is registered under Transportation Code, Chapter 504, Subchapter
20 B-1, the registration receipt, symbol, tab, or other device prescribed by and issued by the
21 department must be retained with the vehicle and may provide the record of registration for
22 vehicles with a digital license plate. The expiration month and year must appear digitally on the
23 electronic visual display of the rear digital license plate.

(4) If the vehicle is registered as a former military vehicle as prescribed by Transportation Code, §504.502, the vehicle's registration number shall be displayed instead of displaying a symbol, tab, or license plate.

(A) Former military vehicle registration numbers shall be displayed on a prominent location on the vehicle in numbers and letters of at least two inches in height.

(B) To the extent possible, the location and design of the former military vehicle registration number must conform to the vehicle's original military registration number.

(b) Unless otherwise prescribed by law, each vehicle registered under this subchapter:

(1) must display two license plates that are clearly visible, readable, and legible, one at the exterior front and one at the exterior rear of the vehicle that are securely fastened at the exterior front and rear of the vehicle in an upright horizontal position of not less than 12 inches from the ground, measuring from the bottom; or

(2) must display one plate that is securely fastened at or as close as practical to the exterior rear of the vehicle in a position not less than 12 inches from the ground, measuring from the bottom if the vehicle is a road tractor, motorcycle, trailer or semitrailer, except that a vehicle described by Transportation Code, §621.2061 may place the rear plate so that it is clearly visible, readable, and legible.

(c) Each vehicle registered under this subchapter must display license plates:

(1) assigned by the department for the period; or

(2) validated by a registration insignia issued by the department for a registration period consisting of 12 consecutive months at the time of application for registration, except that:

(A) vehicles described by Transportation Code, §502.0024 may obtain a registration insignia for a period consisting of 12, 24, 36, 48 or 60 consecutive months on payment of all fees for each full year of registration; and

(B) vehicles may be registered for 24 consecutive months in accordance with Transportation Code, §502.044(a-1) on payment of all fees for each year of registration.

(d) The department may cancel any license plate issued with a personalized license plate number if the department subsequently determines or discovers that the personalized license plate number did not comply with this section when the license plate was issued, or if due to changing language usage, meaning, or interpretation, the personalized license plate number no longer complies with this section. When reviewing a personalized license plate number, the department need not consider the applicant's subjective intent or declared meaning. The department will not issue any license plate containing a personalized license plate number that meets one or more of the following criteria:

(1) The license plate number conflicts with the department's current or proposed general issue license plate numbering system.

(2) The director or the director's designee finds that the personalized license plate number may be considered objectionable. An objectionable license plate number may include words, phrases, or slang in any language; phonetic, numeric, or reverse spelling; acronyms; patterns viewed in mirror image; or code that only a small segment of the community may be able to readily decipher. An objectionable pattern may be viewed as:

(A) indecent (defined as including a direct reference or connotation to a sexual act, sexual body parts, excreta, or sexual bodily fluids or functions. Additionally, the license

1 plate number "69" is prohibited unless used with the full year (1969) or in combination with a
2 reference to a vehicle;

3 (B) vulgar, directly or indirectly (defined as profane, swear, or curse words);

4 (C) derogatory, directly or indirectly (defined as an expression that is
5 demeaning to, belittles, or disparages any person, group, race, ethnicity, nationality, gender, or
6 sexual orientation. "Derogatory" may also include a reference to an organization that advocates
7 the expressions described in this subparagraph);

8 (D) a direct or indirect negative instruction or command directed at another
9 individual related to the operation of a motor vehicle;

10 (E) a direct or indirect reference to gangs, illegal activities, implied threats
11 of harm, or expressions that describe, advertise, advocate, promote, encourage, glorify, or
12 condone violence, crime, or unlawful conduct;

13 (F) a direct or indirect reference to controlled substances or the
14 physiological state produced by such substances, intoxicated states, or a direct or indirect
15 reference that may express, describe, advertise, advocate, promote, encourage, or glorify such
16 substances or states;

17 (G) a direct representation of law enforcement or other governmental
18 entities, including any reference to a public office or position exclusive to government; or

19 (H) a pattern that could be misread by law enforcement.

20 (3) The license plate number is currently on a license plate issued to another
21 owner.

22 (e) Notwithstanding the provisions of this section, the department may issue license plates
23 with personalized license plate numbers that refer to:

1 (1) military branches, military rank, military units, military equipment, or status; or
2 (2) institutions of higher education, including military academies, whether funded
3 privately, by the state, or by the federal government.

4 (f) A decision to cancel or not to issue a license plate with a personalized license plate
5 number under subsection (d) of this section may be appealed to the executive director of the
6 department or the executive director's designee within 20 days of notification of the cancellation
7 or non-issuance. All appeals must be in writing, and the requesting party may include any written
8 arguments, but shall not be entitled to a contested case hearing. The executive director or the
9 executive director's designee will issue a decision no later than 30 days after the department
10 receives the appeal, unless additional information is sought from the requestor, in which case the
11 time for decision is tolled until the additional information is provided. The decision of the
12 executive director or the executive director's designee is final and may not be appealed to the
13 board. An appeal to the executive director or the executive director's designee is denied by
14 operation of law 31 days from the receipt of the appeal, or if the requestor does not provide
15 additional requested information within ten days of the request.

16 (g) The provisions of subsection (a) of this section do not apply to vehicles registered with
17 annual license plates issued by the department.

18 (h) A person whose initial application has been denied will receive a refund if the denial is
19 not appealed in accordance with subsection (f) of this section. If an existing license plate with a
20 personalized license plate number has been canceled, the person may choose a new personalized
21 license plate number that will be valid for the remainder of the term, or the remaining term of the
22 canceled license plate will be forfeited.

§217.52. Marketing of Specialty License Plates through a Private Vendor.

(a) Purpose and scope. The department will enter into a contract with a private vendor to market department-approved specialty license plates in accordance with Transportation Code, Chapter 504, Subchapter J. This section sets out the procedure for approval of the design, purchase, and replacement of vendor specialty license plates. In this section, the license plates marketed by the vendor are referred to as vendor specialty license plates.

(b) Application for approval of vendor specialty license plate designs.

(1) Approval required. The vendor shall obtain the approval of the board for each license plate design the vendor proposes to market in accordance with this section and the contract entered into between the vendor and the department.

(2) Application. The vendor must submit a written application on a form approved by the executive director to the department for approval of each license plate design the vendor proposes to market. The application must include:

- (A) a draft design of the specialty license plate;
- (B) projected sales of the license plate, including an explanation of how the projected figure was determined;
- (C) a marketing plan for the license plate including a description of the target market;
- (D) a licensing agreement from the appropriate third party for any design or design element that is intellectual property; and
- (E) other information necessary for the board to reach a decision regarding approval of the requested vendor specialty license plate.

(c) Review and approval process. The board will review vendor specialty license plate applications. The board:

(1) will not consider incomplete applications; and

(2) may request additional information from the vendor to reach a decision.

(d) Board decision.

(1) Decision. The decision of the board will be based on:

(A) compliance with Transportation Code, Chapter 504, Subchapter J;

(B) the proposed license plate design, including:

(i) whether the design meets the legibility and reflectivity standards established by the department;

(ii) whether the design meets the standards established by the department for uniqueness to ensure that the proposed license plate complies with Transportation Code, §504.852(c);

(iii) whether the license plate design can accommodate the International Symbol of Access (ISA) as required by Transportation Code, §504.201(f);

(iv) the criteria designated in §217.27 of this title (relating to Vehicle Registration Insignia) as applied to the design;

(v) whether a design is similar enough to an existing license plate design that it may compete with the existing license plate sales; and

(vi) other information provided during the application process.

(2) Public comment on proposed design. All proposed license plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed license plate designs will be posted in accordance with Office of the Secretary

1 of State meeting notice requirements. Notice of each license plate design will be posted on the
2 department's Internet web site to receive public comment at least 25 days in advance of the meeting at
3 which it will be considered. The department will notify all specialty license plate organizations and the
4 sponsoring agencies who administer specialty license plates issued in accordance with Transportation
5 Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted
6 in writing through the mechanism provided on the department's Internet web site for submission of
7 comments. Written comments are welcome and must be received by the department at least 10 days in
8 advance of the meeting. Public comment will be received at the board's meeting.

9 (e) Final approval and specialty license plate issuance.

10 (1) Approval. The board will approve or disapprove the specialty license plate
11 application based on all of the information provided pursuant to this subchapter in an open meeting.

12 (2) Application not approved. If the application is not approved, the applicant
13 may submit a new application and supporting documentation for the design to be considered again by
14 the board if:

15 (A) the applicant has additional, required documentation; or

16 (B) the design has been altered to an acceptable degree.

17 (3) Issuance of approved specialty license plates.

18 (A) If the vendor's specialty license plate is approved, the vendor must
19 submit the non-refundable start-up fee before any further design and processing of the specialty license
20 plate.

21 (B) Approval of the specialty license plate does not guarantee that the
22 submitted draft specialty license plate design will be used. The board has final approval of all specialty

1 license plate designs and will provide guidance on the submitted draft design to ensure compliance with
2 the format and specialty license plate specifications.

3 (f) Redesign of vendor specialty license plates.

4 (1) On receipt of a written request from the vendor, the department will allow a
5 redesign of a vendor specialty license plate.

6 (2) The vendor must pay the redesign administrative costs as provided in the
7 contract between the vendor and the department.

8 (g) Multi-year vendor specialty license plates. Purchasers will have the option of
9 purchasing vendor specialty license plates for a one-year, a three-year, or a five-year period.

10 (h) License plate categories and associated fees. The categories and the associated fees
11 for vendor specialty license plates are set out in this subsection.

12 (1) Custom license plates. Custom license plates include license plates with a
13 variety of pre-approved background and character color combinations that may be personalized with
14 either three alpha and two or three numeric characters or two or three numeric and three alpha
15 characters. Generic license plates on standard white sheeting with the word "Texas" that may be
16 personalized with up to six alphanumeric characters are considered custom license plates before
17 December 2, 2010. The fees for issuance of Custom and Generic license plates are \$150 for one year,
18 \$400 for three years, and \$450 for five years.

19 (2) T-Plates (Premium) license plates. T-Plates (Premium) license plates may be
20 personalized with up to seven alphanumeric characters, including the "T," on colored backgrounds or
21 designs approved by the department. The fees for issuance of T-Plates (Premium) license plates are
22 \$150 for one year, \$400 for three years, and \$450 for five years.

(3) Luxury license plates. Luxury license plates may be personalized with up to six alphanumeric characters on colored backgrounds or designs approved by the department. The fees for issuance of luxury license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for three years, and \$495 for five years.

(5) Background-only license plates. Background-only license plates include non-personalized license plates with a variety of pre-approved background and character color combinations and may be embossed or non-embossed.

(A) The fees for issuance of non-embossed, background-only license plates are \$50 for one year, \$130 for three years, and \$175 for five years.

(B) Except as stated in subsection (h)(9)(C), the fees for embossed, background-only license plates are \$125 for one year, \$205 for three years, and \$250 for five years.

(6) Vendor souvenir license plates. Vendor souvenir license plates are replicas of vendor specialty license plate designs that may be personalized with up to 24 alphanumeric characters. Vendor souvenir license plates are not street legal or legitimate insignias of vehicle registration. The fee for issuance of souvenir license plates is \$40.

(7) Auction. The vendor may auction department-approved license plate numbers for one, three, or five year terms with options to renew indefinitely at the current price established for a one, three, or five year luxury category license plate. The purchaser of the auction license plate number may select from the vendor background designs, including any embossed license plate designs, at no additional charge at the time of initial issuance. The

1 auction license plate number may be moved from one vendor design plate to another vendor
2 design license plate as provided in subsection (n)(1) of this section. The auction license plate
3 number may be transferred from owner to owner as provided in subsection (l)(2) of this
4 section.

5 (8) Embossed, personalized specialty license plates. The vendor may sell
6 embossed, personalized specialty license plates with a variety of pre-approved background and
7 character color combinations that may be personalized with up to seven alphanumeric characters.
8 Except as stated in subsection (h)(7) of this section, the fees for issuance of embossed, personalized
9 specialty license plates are \$270 for one year, \$520 for three years, and \$570 for five years. Except as
10 stated in subsection (h)(9)(C) of this section, the fees under subsection (h)(9) of this section do not apply
11 to an embossed, personalized specialty license plate.

12 (9) Personalization and specialty license plate fees.

13 (A) The fee for the personalization of license plates applied for prior to
14 November 19, 2009 is \$40 if the license plates are renewed annually.

15 (B) The personalization fee for license plates applied for after November
16 19, 2009 is \$40 if the license plates are issued pursuant to Transportation Code, Chapter 504,
17 Subchapters G and I.

18 (C) If the license plates are renewed annually, the personalization and
19 specialty license plate fees remain the same fee as at the time of issuance if a sponsor of a specialty
20 license plate authorized under Transportation Code, Chapter 504, Subchapters G and I signs a contract
21 with the vendor in accordance with Transportation Code, Chapter 504, Subchapter J, even if the board
22 approves the specialty license plate to be an embossed specialty license plate design.

23 (i) Payment of fees.

(1) Payment of specialty license plate fees. The fees for issuance of vendor specialty license plates will be paid directly to the state through vendor and state systems for the license plate category and period selected by the purchaser. A person who purchases a multi-year vendor specialty license plate must pay upon purchase the full fee which includes the renewal fees.

(2) Payment of statutory registration fees. To be valid for use on a motor vehicle, the license plate owner is required to pay, in addition to the vendor specialty license plate fees, any statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502, and this subchapter.

(j) Refunds. Fees for vendor specialty license plate fees will not be refunded after an application is submitted to the vendor and the department has approved issuance of the license plate.

(k) Replacement.

(1) Application. An owner must apply directly to the county tax assessor-collector for the issuance of replacement vendor specialty license plates and must pay the fee described in paragraphs (2) or (3) of this subsection, whichever applies.

(2) Lost or mutilated vendor specialty license plates. To replace vendor specialty license plates that are lost or mutilated, the owner must pay the statutory replacement fee provided in Transportation Code, §504.007.

(3) Optional replacements. An owner of a vendor specialty license plate may replace vendor specialty license plates by submitting a request to the county tax assessor-collector accompanied by the payment of a \$6 fee.

(4) Interim replacement tags. If the vendor specialty license plates are lost or mutilated to such an extent that they are unusable, replacement specialty license plates may be remanufactured. The county tax assessor-collector will issue interim replacement tags for use until the

1 replacements are available. The owner's vendor specialty license plate number will be shown on the
2 interim replacement tags.

3 (5) Stolen vendor specialty license plates. The county tax assessor-collector will
4 not approve the issuance of replacement vendor specialty license plates with the same license plate
5 number if the department's records indicate that the vehicle displaying that license plate number was
6 reported stolen or the license plates themselves were reported stolen to law enforcement.

7 (l) Transfer of vendor specialty license plates.

8 (1) Transfer between vehicles. The owner of a vehicle with vendor specialty
9 license plates may transfer the specialty license plates between vehicles by filing an application through
10 the county tax assessor-collector if the vehicle to which the specialty license plates are transferred:

11 (A) is titled or leased in the owner's name; and

12 (B) meets the vehicle classification requirements for that specialty
13 license plate.

14 (2) Transfer between owners. Vendor specialty license plates may not be
15 transferred between persons unless the specialty license plate number was initially purchased through
16 auction as provided in subsection (h)(7) of this section. An auctioned license plate number may be
17 transferred as a specialty license plate or as a virtual pattern to be manufactured on a new background
18 as provided under the restyle option in subsection (n)(1) of this section. In addition to the fee paid at
19 auction, the new owner of an auctioned license plate number or plate will pay the department a fee of
20 \$25 to cover the cost of the transfer, and complete the department's prescribed application at the time
21 of transfer.

22 (m) Gift license plates.

(1) A person may purchase license plates as a gift for another person if the purchaser submits a statement that provides:

- (A) the purchaser's name and address;
- (B) the name and address of the person who will receive the license plates; and
- (C) the vehicle identification number of the vehicle on which the license plates will be displayed or a statement that the license plates will not be displayed on a vehicle.

(2) To be valid for use on a motor vehicle, the recipient of the license plates must file an application with the county tax assessor-collector and pay the statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502, and this subchapter.

(n) Restyled vendor specialty license plates. A person who has purchased a multi-year vendor specialty license plate may request a restyled license plate at any time during the term of the plate.

(1) For the purposes of this subsection, "restyled license plate" is a vendor specialty license plate that has a different style from the originally purchased vendor specialty license plate but:

(A) is within the same price category, except if the license plate number was purchased through auction and has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates; or

(B) is restyling to an embossed specialty license plate style and has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates.

(2) The fee for each restyled license plate is:

(A) \$50 for restyling under subsection (n)(1)(A) of this section; or

(B) \$75 for restyling under subsection (n)(1)(B) of this section.

§217.53. Disposition of License Plates and Registration Insignia upon Sale or Transfer of Motor Vehicle.

(a) Upon the sale or transfer of a motor vehicle to a dealer, the dealer shall remove the license plates and remove and dispose of the registration insignia from the motor vehicle. The dealer shall transfer or dispose of the removed general issue license plates in accordance with §215.151(d) of this title (relating to License Plate General Use Requirements).

(b) Upon the sale or transfer of a motor vehicle in which neither party is a dealer, the license plates shall be removed from the motor vehicle by the seller or transferor. The removed license plates may be transferred to another motor vehicle if the following requirements are met:

(1) the motor vehicle is titled in the seller's or transferor's name;

(2) the motor vehicle is of the same vehicle classification as the motor vehicle from which the license plates were removed; and

(3) the county tax assessor-collector with which the application is filed accepts a request to transfer the license plates by as provided by Transportation Code, §501.023 or §502.040, whichever applies.

(c) License plates that are not transferred to another motor vehicle as described in subsection (b) of this section within 10 days after the date the license plate is removed from the motor vehicle must be rendered unusable by permanently marking the front of the plate with the word "VOID" or a large "X" and:

(1) destroying the license plate;

(2) recycling the license plate using a metal recycler registered under Occupations Code

Chapter 1956; or

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

(d) A person who obtains a motor vehicle in a transaction described by subsection (b) of this section may obtain one vehicle transit permit (temporary single-trip permit), as provided by Transportation Code, §502.492, through the department's website at www.txdmv.gov.

SUBCHAPTER I. PROCESSING AND HANDLING FEES

43 TAC§ 217.185

STATUTORY AUTHORITY. The department adopts amendments to §217.185 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code , Chapter 502; Transportation Code §502.1911, which authorizes the board to adopt rules to set registration processing and handling fees; and Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapters 502 and 1002.

TEXT.

§217.185. Allocation of Processing and Handling Fees.

(a) For registration transactions, except as provided in subsection (b) of this section, the fee amounts established in §217.183 of this title (relating to Fee Amount) shall be allocated as follows:

(1) If the registration transaction was processed in person at the office of the county tax assessor-collector or mailed to an office of the county tax assessor-collector:

1 (A) the county tax assessor-collector may retain \$2.30; and

2 (B) the remaining amount shall be remitted to the department.

3 (2) If the registration transaction was processed through the department or the

4 TxFLEET system or is a registration processed under Transportation Code, §§502.0023, 502.091, or

5 502.255; or §217.46(b)(5) of this title (relating to Commercial Vehicle Registration):

6 (A) \$2.30 will be remitted to the county tax assessor-collector; and

7 (B) the remaining amount shall be retained by the department.

8 (3) If the registration transaction was processed through Texas by Texas (TxT) or the

9 department's Internet Vehicle Title and Registration Service (IVTRS):

10 (A) Texas Online receives the amount set pursuant to Government Code,

11 §2054.2591, Fees;

12 (B) the county tax assessor-collector may retain \$.25; and

13 (C) the remaining amount shall be remitted to the department.

14 (4) If the registration transaction was processed by a limited service deputy or full

15 service deputy appointed by the county tax assessor-collector in accordance with Subchapter H of

16 this chapter (relating to Deputies):

17 (A) the deputy may retain:

18 (i) the amount specified in §217.168(c) of this title (relating to

19 Deputy Fee Amounts). The deputy must remit the remainder of the processing and handling fee to

20 the county tax assessor-collector; and

21 (ii) the convenience fee established in §217.168, if the registration

22 transaction is processed by a full service deputy;

23 (B) the county tax assessor-collector may retain \$1.30; and

1 (C) the county tax assessor-collector must remit the remaining amount to
2 the department.

3 (5) If the registration transaction was processed by a dealer deputy appointed by
4 the county tax assessor-collector in accordance with Subchapter H of this chapter (relating to
5 Deputies):

6 (A) the deputy must remit the processing and handling fee to the county tax
7 assessor-collector;

8 (B) the county tax assessor-collector may retain \$2.30; and

9 (C) the county tax assessor-collector must remit the remaining amount to
10 the department.

11 (b) For transactions under Transportation Code, §§502.093 – 502.095, the entity receiving
12 the application and processing the transaction collects the \$4.75 processing and handling fee
13 established in §217.183:

14 (1) the entity may retain \$4.25;

15 (2) the entity must remit the remaining amount to the department; and

16 (3) a full service deputy processing a special registration permit or special
17 registration license plate transaction may not charge a convenience fee for that transaction.