

PROPOSAL 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) proposes revisions to 43 Texas Administrative Code (TAC) Chapter 217, Vehicle Titles and Registration. The department proposes 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 proposes amendments to Subchapter B, Motor Vehicle Registration; §217.41, relating to Disabled Person License Plates and Disabled Parking Placards. The department further proposes 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 proposed amendments, new sections, and repeal are necessary to implement legislation, to clarify existing statutory requirements, and to make nonsubstantive grammatical changes to improve readability.

1 **EXPLANATION.**

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 To replace the proposed repealed section, the department proposes new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

16 Proposed new §217.10(b) would clarify that a department decision that an applicant is ineligible
17 to obtain a bonded title under Transportation Code §501.053 is a not a refusal to issue title under
18 Transportation Code, §501.051, and therefore is not subject to a tax accessor-collector hearing under
19 Transportation Code, §501.052. This proposed new language is necessary to address confusion by
20 some tax accessor-collectors who have incorrectly treated the department's ineligibility
21 determinations under Transportation Code, §501.053 as refusals to title under Transportation Code,
22 §501.051. Proposed new §217.10(b) would also conform the department's rules with recent court

1 rulings, which held that a notice from the department that a vehicle is ineligible for bonded title is
2 not a refusal by the department to issue title under Transportation Code, §501.051.

3 Proposed amendments to §217.41, relating to Disabled Person License Plates and Disabled
4 Parking Placards, are necessary to implement Senate Bill (SB) 2001, 89th Legislature, Regular Session
5 (2025), which created Transportation Code, §504.2025, relating to Peace Officers with Disabilities. Section
6 504.2025 established the right of qualifying peace officers to obtain disabled peace officer license plates
7 and disabled parking placards. Proposed amendments to §217.41(b)(1), (b)(2)(A), and (b)(3)(A) would add
8 statutory references to Transportation Code, §504.2025, to include qualifying disabled peace officers
9 as “disabled persons” for purposes of the eligibility for and issuance of disabled person license plates
10 and disabled parking placards under §217.41. Proposed new §217.41(b)(2)(D) would clarify
11 Transportation Code, §504.202(h) and §504.2025(h) by explaining that qualifying disabled veterans
12 and disabled peace officers have the option to obtain general issue license plates at no expense, in
13 lieu of disabled veteran or peace officer license plates.

14 A proposed amendment to §217.41(b)(1) would also add a reference to the Transportation
15 Code to the citation to §504.202(b-1).

16 A proposed amendment to §217.41(b)(2)(B) would add the titles to §217.43 and §217.45 for
17 ease of reference to these sections.

18 A proposed amendment to §217.41(c) would add the title to §217.28 for ease of reference
19 to this section.

20 Proposed amendments throughout §217.41 would correct punctuation to statutory citations
21 by inserting commas between the Texas code and section number.

22 Proposed new §217.87, relating to Requirements for Certain Vehicles Acquired by a Used
23 Automotive Parts Recycler Without a Title, would implement House Bill (HB) 5436, 89th Legislature,

1 Regular Session (2025). Transportation Code, §501.098, relating to Exception to Title Requirement for
2 Certain Vehicles, provides a process for a used automotive parts recycler (recycler) to acquire motor
3 vehicles without titles for the purpose of dismantling, scraping and parting them, without incurring the
4 cost and delay of going through the bonded title process. Proposed new §217.87(a)(1) would inform a
5 recycler of their obligation to determine if a motor vehicle acquired without a title under Transportation
6 Code, §501.098(a) has been reported stolen or is subject to a recorded lien or security interest by
7 submitting a form to the department within the time prescribed by Transportation Code, §501.098(c)
8 and §501.098(g). Proposed new §217.87(a)(2) would require the recycler to separately report this
9 information to the National Motor Vehicle Title Information System (NMVTIS), to comply with
10 Transportation Code, §501.098(c) and to clarify that the department will not be reporting information to
11 NMVTIS on the recycler's behalf.

12 Proposed new §217.87(b) would describe the information that the recycler must submit on a
13 department form to ascertain whether a vehicle was reported stolen or is subject to any recorded liens,
14 consistent with the information specified under 28 C.F.R. §25.56, to implement the requirements
15 provided in Transportation Code, §501.098(c) and §501.098(g). Proposed new §217.87(b)(5) would
16 require recyclers to attest that the vehicle meets the requirements of Transportation Code,
17 §501.098(a)(1) and (2), in order to ensure that the vehicle is eligible for a recycler to purchase without
18 obtaining title, so that the department can avoid wasting resources by processing forms for ineligible
19 vehicles. Proposed new §217.87(c) would specify that a recycler must submit the form in person at one
20 of the department's 16 regional service centers, to allow for an immediate response from the
21 department and to reduce implementation costs for the department by not requiring additional coding
22 in the department's Registration and Title System. Recyclers have previously gone to the department's

1 regional service centers to process title transactions, so submitting the form in person will take the place
2 of the title transaction with no increased inefficiency for the recycler.

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

18 Proposed new §217.87(e) would describe the process for a lienholder or last registered owner of
19 a 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 proposed new §217.87(b)(2), indicating that the
22 vehicle had been dismantled, scrapped or destroyed. Proposed new §217.87(e) would describe the

1 process of making the request to the department by presenting valid proof of identification and
2 submitting a receipt received from the recycler transferring the motor vehicle back to the lienholder or
3 last registered owner. The proposed new provisions for §217.87(e) are necessary to implement and
4 administer Transportation Code, §501.098(j), which provides a lienholder or last registered owner the
5 right to retrieve the motor vehicle acquired by the recycler under Transportation Code, §501.098.
6 Additionally, proposed new §217.87(e) would avoid subjecting the lienholder or last registered owner to
7 any additional costs, such as the bonded title process would require.

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

19 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
20 has anticipated that for each year of the first five years that the proposal will be in effect, there will be no
21 significant fiscal impact to state or local governments as a result of the enforcement or administration of
22 the proposal.

1 Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined that
2 there will be no measurable effect on local employment or the local economy as a result of the proposal.

3
4 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero and Ms. Bowman have also determined that, for each
5 year of the first five years the proposal is in effect, there are several public benefits anticipated and
6 economic costs for persons required to comply with the rules.

7 Anticipated Public Benefits. The proposed repeal of §217.10 would remove any perceived conflict
8 with Transportation Code, §501.052 by eliminating text that is duplicative of the statute thereby lessening
9 any confusion by the public of the county tax assessor-collector's role in conducting hearings under
10 Transportation Code, §501.052. Proposed new §217.10 would provide clarity to the public on what
11 documents constitute a department decision on a vehicle title for purposes of applying for a hearing with
12 a county assessor-collector's office, preventing any confusion or unnecessary and costly litigation.

13 The proposed amendments to §217.41 would clarify that qualifying disabled veterans and peace
14 officers have the option to select general issue license plates instead of disabled license plates without
15 incurring the three-dollar fee associated with the disabled license plates.

16 Proposed new §217.87 would provide clarity to a recycler on the process for fulfilling their
17 obligations under Transportation Code, §501.098 to thereby allow a recycler to acquire a vehicle for
18 scrapping, dismantling, or parting that would not otherwise be authorized without a title. Proposed new
19 §217.87 would also provide clarity for the public in how to reinstate and correct a title that has been
20 marked dismantled, scrapped or destroyed, when the vehicle was later transferred back to the lienholder
21 or last registered owner.

22 Anticipated Costs to Comply with the Proposal. Ms. Quintero anticipates that proposed new
23 §217.87 will create a cost to comply. Proposed new §217.87 would require a recycler's staff to compile

1 information and complete forms along with the acquisition of storage equipment to store the
2 documentation if maintained in physical form, or computer equipment to store the documents in an
3 electronic format. While proposed new §217.87(c) would require a recycler to travel to a regional
4 service center to deliver the form necessary to confirm the status of any vehicles purchased for
5 dismantling, scrapping or parting under Transportation Code, §501.098, the travel costs associated with
6 delivering the form to a regional service center would be offset directly by the reduction in costs caused
7 by the elimination of the requirement that a recycler travel to a regional service center to surrender
8 titles for motor vehicles that are dismantled, scrapped or destroyed by the recycler. The proposed
9 repeal of §217.10, proposed new §217.10, and the proposed amendments to §217.41 do not create any
10 costs.

11 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** The department does not
12 anticipate an adverse economic impact to small business, micro-businesses or rural communities as a
13 result of the proposed repeal of §217.10, proposed new §217.10, and the proposed amendments to
14 §217.41. Regarding the proposed new §217.87, the department anticipates an adverse economic effect
15 on small businesses and micro-businesses that operate as recyclers.

16 There are approximately 646 recyclers operating in Texas, according to the Texas Department of
17 Licensing and Regulation Staff Report for the Used Auto Parts Recycling Board Meeting, dated March 6,
18 2025, available at <https://www.tdlr.texas.gov/parts/aprboard.htm#past-meetings>. Of that number, most
19 are likely to be micro-business or small businesses for purposes of Government Code, §2006.002. As noted
20 in the Public Benefit and Cost Note, proposed new §217.87 would require a recycler to travel to a regional
21 service center to submit the form under §217.87(c), use a department form to compile information
22 required by Transportation Code, §501.098(b), and maintain that documentation either in hard-copy or
23 in electronic format for inspection by the department or law enforcement.

1 Under Government Code, §2006.002, the department must perform a regulatory flexibility
2 analysis for proposed new §217.87. The department considered alternatives to not adopting §217.87,
3 exempting small and micro-businesses from this new section, and adopting separate compliance or
4 reporting requirements for small and micro-businesses. The department rejected all three options.
5 Foregoing the adoption of §217.87 is not acceptable because Transportation Code, §501.098(b), (c) and
6 (m) require that the department codify a process for recyclers to comply with the statutory
7 requirements of compiling, submitting, and maintaining data on vehicle purchases for inspection
8 purposes and to verify a vehicle's stolen or lien status with the department. The statute also requires all
9 recyclers regardless of their business profile to comply with these requirements, so the department
10 would not be authorized to exempt micro or small businesses from these requirements. Finally, the
11 department considered the option of micro or small businesses to compile their vehicle purchase data
12 under Transportation Code, §501.098(b) using their own forms and to submit their requests to the
13 department under §501.098(c) by email or mail as opposed to an in-person visit to a regional service
14 center, but it was determined that department forms available on the department's website are just as
15 economical as a form created by the recycler and that the cost of travelling to a regional service center
16 to submit forms is offset by the efficiency of an immediate response from the department that either
17 email or mail would not permit under the department's current systems. In addition, allowing recyclers
18 to create their own forms would increase the cost to the department significantly, as it would require
19 significantly more department staff time to hunt through each unique form in search of the information
20 required by Transportation Code, §501.098(b). Allowing recyclers to submit their forms under
21 §501.098(c) electronically would significantly increase costs to the department to recode the
22 Registration and Title System or to hire additional staff to monitor and process forms submitted by
23 email or mail. The proposed new rule provides flexibility for recyclers to decide whether to store the

1 records in hard-copy or electronic form, so recyclers will be able to limit the cost and impact of the
2 proposed rule by choosing between electronic and hard-copy depending on whether hard-copy or
3 electronic format is better and less costly for their particular circumstances. Finally, the travel costs
4 associated with delivering the form under §501.098(c) in person will coincide with the reduction in costs
5 for the recyclers that result from the statutory change to no longer require a title transfer.

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

10 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
11 first five years the proposal is in effect, no government program would be created or eliminated.
12 Implementation of the proposal would not require the creation of new employee positions or
13 elimination of existing employee positions. Implementation would not require an increase or decrease
14 in future legislative appropriations to the department or have a significant impact on fees paid to the
15 department. The proposal repeals an existing regulation, §217.10, that is duplicative of the requirements
16 provided in Transportation Code, §501.052 and creates new regulations, §217.10 and §217.87, that
17 clarify department decisions under Transportation Code, §501.052 and §501.053 and the process for
18 compiling data on vehicle purchases without titles and verifying statuses under Transportation Code,
19 §501.098, respectively. Proposed new §217.87 would limit existing regulations by allowing recyclers a
20 process to avoid titling a vehicle they purchased. The proposed amendments to §217.41 expand an
21 existing regulation and would increase the number of individuals subject to its applicability by including
22 qualifying disabled peace officers as disabled persons under the regulation for purposes of being issued

disabled license plates and disabled parking placards, as is required by Transportation Code, §504.2025.

Lastly, the proposal will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on November 3, 2025. The department requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

SUBCHAPTER A. MOTOR VEHICLE TITLES

43 TAC §217.10

STATUTORY AUTHORITY. The department proposes new §217.10 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, §501.051, which gives the department authority to refuse, cancel, suspend or revoke a title; Transportation Code, §501.053, which gives the department authority to determine the eligibility for a bonded title; 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 proposed new section would implement Transportation Code, Chapters 501 and 1002.

TEXT.

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

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

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

STATUTORY AUTHORITY. The department proposes the repeal of §217.10 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, §501.051, which gives the department authority to refuse, cancel, suspend or revoke a title; Transportation Code, §501.052, which provides an interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation under Transportation Code, §501.051, the right to apply for hearing to the county assessor-

collector; 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 proposed repeal would implement Transportation Code, Chapters 501 and 1002.

TEXT.

~~[217.10. Appeal to the County.]~~

~~[(a) If the department refuses to issue a title, revokes a title, or suspends a title, the applicant may apply to the county for a tax-assessor collector hearing.]~~

~~[(b) The county tax assessor collector must hold a hearing upon receipt of:]~~

~~[(1) a copy of the department's refusal, revocation, or suspension documents; and]~~

~~[(2) an applicant's request for a hearing.]~~

~~[(c) A person wishing to appeal the county tax assessor collector ruling may appeal to a court with jurisdiction.]~~

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.41

STATUTORY AUTHORITY. The department proposes 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 proposed 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 section prescribes the policies and procedures for the application, issuance, and renewal of disabled person license plates and disabled parking placards.

(b) Issuance.

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

(2) Disabled person license plates.

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

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

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

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

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

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

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

5 (3) Windshield disabled parking placards.

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

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

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

17 (d) Replacement.

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

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

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

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

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

(1) License plates.

(A) Transfer between persons. Disabled person license plates may not be transferred between persons. An owner who sells or trades a vehicle to which disabled person license plates have been issued shall remove the disabled person license plates from the vehicle. The owner shall return the license plates to the department and shall obtain appropriate 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 proposes 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

1 which a used automotive parts recycler compiles the information required under Transportation Code,
2 §501.098(b) on motor vehicles purchased without title for purposes of dismantling, scrapping or parting;
3 the authority to prescribe the manner in which a used automotive parts recycler submits to the
4 department any information necessary to satisfy any applicable requirement for reporting information
5 to the National Motor Vehicle Title Information System; the authority to inspect records under
6 Transportation Code, §501.098(m); and Transportation Code, §1002.001, which authorizes the board to
7 adopt rules that are necessary and appropriate to implement the powers and the duties of the
8 department; and the statutory authority referenced throughout the preamble and in the rule text.

9 **CROSS REFERENCE TO STATUTE.** The proposed new section would implement Transportation Code,
10 Chapters 501 and 1002.

11
12 TEXT.

13 217.87. Requirements for Certain Vehicles Acquired by a Used Automotive Parts Recycler Without a
14 Title.

15 (a) Reporting requirements.

16 (1) A used automotive parts recycler (recycler), as defined in Occupations Code
17 §2309.002, that purchases a motor vehicle without a title, in accordance with Transportation Code,
18 §501.098(a), shall determine if the motor vehicle is reported stolen and if the motor vehicle is the
19 subject of any recorded security interests or liens by completing and submitting the form described in
20 subsection (b) of this section to the department within the time provided under Transportation Code,
21 §501.098(c) and §501.098(g).

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

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

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

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

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

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

8 (5) A statement that the vehicle:

9 (A) is at least 13 years old,

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

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

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

13 (c) Submittal of form. The form shall be submitted to the department in person at one of the
14 department's regional offices.

15 (d) Department response.

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

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

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

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

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

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

15
16 (e) Vehicles retrieved from recycler. The department shall reinstate the title and remove the
17 notation in the department's records specified under subsection (d)(2) of this section and
18 Transportation Code, §501.098(f)(1) at the request of a lienholder or last registered owner of a vehicle
19 that is retrieved from a recycler under Transportation Code, §501.098(j). The request must include:

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

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

5 (f) Records.

6 (1) A recycler shall collect and record the information specified in Transportation Code,
7 §501.098(b)(1)-(9) on a form available on the department's website and maintain that form with the
8 identification documents under Transportation Code, §501.098(b)(10) and the department's response
9 under subsection (d) of this section.

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