

ADOPTION OF REVISIONS TO

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §§224.1, 224.5, 224.27, AND 224.29

SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT

§224.110

SUBCHAPTER E. CONTESTED CASES REFERRED TO SOAH

43 TAC §§224.150, 224.152, 224.164, AND 224.166

SUBCHAPTER F. BOARD PROCEDURES IN CONTESTED CASES

43 TAC §§224.190, 224.194, 224.198, 224.200, AND 224.204

PROPOSAL OF NEW

SUBCHAPTER H. AUTOMATED MOTOR VEHICLE AUTHORIZATIONS

43 TAC §§224.290, 224.292, AND 224.294

SUBCHAPTER I. MOTOR CARRIER DIVISION DIRECTOR PROCEDURES IN CONTESTED CASES

43 TAC §§224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, AND 224.326

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 224, Adjudicative Practice and Procedure; Subchapter A, General Provisions, §§224.1, 224.5, 224.27, and 224.29; adopts amendments to Subchapter D, Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement, §224.110; adopts amendments to Subchapter E, Contested Cases Referred to SOAH, §§224.150, 224.152, 224.164, and 224.166; adopts amendments to Subchapter F, Board Procedures in Contested Cases, §§224.190, 224.194, 224.198, 224.200, and 224.204; adopts new Subchapter H, Automated Motor Vehicle Authorizations, §§224.290, 224.292, and 224.294; and adopts new Subchapter I, Motor Carrier Division Director Procedures in Contested Cases, §§224.310,

224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326, concerning adjudicative practice and procedure.

The department adopts the following sections without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will not be republished: §§224.1, 224.5, 224.27, 224.110, 224.150, 224.152, 244.190, 224.194, and 224.290. The department adopts the following sections with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will be republished: §§224.29, 224.164, 224.166, 224.198, 224.200, 224.204, 224.292, 224.294, 224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The changes at adoption are described in the Reasoned Justification section below.

Adopted revisions to Chapter 224 are necessary to implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025) regarding administrative sanctions against an automated motor vehicle authorization holder; to provide the requirements when the director of the department's Motor Carrier Division is the final order authority; to provide procedures regarding a special public meeting at which the director of the department's Motor Carrier Division is authorized to review a contested case; and to clean up the rule text.

A portion of SB 2807 amends Transportation Code, Chapter 545, Subchapter J regarding the operation of automated motor vehicles. The SB 2807 amendments include a requirement for a person to receive and maintain an authorization from the department to operate an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in Texas without a human driver (authorization).

SB 2807 requires the Board of the Texas Department of Motor Vehicles (board) and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor

vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The effective date of these revisions to Chapter 224 is February 27, 2026; however, a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, and these revisions to Chapter 224 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

The department considered all written comments that were timely received during the public comment period regarding the proposed revisions to Chapter 224 and did not make changes to the rule text at adoption in response to the comments.

REASONED JUSTIFICATION.

Subchapter A. General Provisions

Adopted amendments to §224.1 implement SB 2807 by expanding the scope of the subchapter to include the adjudication of a contested case arising under Transportation Code, §545.459(k) regarding the suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456; the imposition of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k); and the rescission of a suspension, revocation, or cancellation of an authorization, or the removal of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k). Adopted amendments to §224.1 also modify punctuation and language to address the added reference to Transportation Code, §545.459(k).

Adopted amendments to §224.5 add references to the department's final order authority in subsections (a) and (b) to clarify that §224.5 also applies to the department's Motor Carrier Division

1 Director in contested cases for which this division director's authority does not result from a board
2 delegation. The term "final order authority" is defined in §224.3 as the person with authority under
3 statute or a board rule to issue a final order. Although §224.5(a) and (b) also refer to a board delegate,
4 the authority of the department's Motor Carrier Division Director to issue final orders under
5 Transportation Code, §643.2525 was provided by the department's executive director under
6 Transportation Code, §643.001(2), rather than by delegation of the board. These amendments clarify that
7 Government Code, §2001.061, regarding the prohibition against ex parte communications concerning a
8 contested case, apply to a contested case under Transportation Code, Chapter 643 for which the
9 department's Motor Carrier Division Director has final order authority by a designation from the
10 department's executive director, rather than by delegation from the board.

11 Under adopted amendments to §224.27 and §224.29, and under adopted new §224.294(j), the
12 final order authority for contested cases under Transportation Code, §545.459(k) is the department's
13 Motor Carrier Division Director or the board, depending on whether the administrative law judge from
14 the State Office of Administrative Hearings (SOAH) issued a proposal for decision and whether the
15 proposal for decision is for a default proceeding under 1 TAC §155.501. If the SOAH administrative law
16 judge issued a proposal for decision that is not based on a default proceeding at SOAH, the board is the
17 final order authority for the contested case. If the proposal for decision is based on a default proceeding
18 at SOAH or if there is not a proposal for decision, the department's Motor Carrier Division Director is the
19 final order authority for the contested case, including contested cases resolved under 1 TAC §155.503
20 (Dismissal) or Government Code, §2001.056 (Informal Disposition of Contested Case).

21 An adopted amendment to §224.27(b) implements SB 2807 by stating that the board has final
22 order authority under a contested case filed under Transportation Code, §545.459(k), except as provided

1 by §224.29. Adopted amendments to §224.27 also modify language and punctuation due to the added
2 reference to Transportation Code, §545.459(k).

3 An adopted amendment to §224.29(c) deletes a reference to “any power relating to a contested
4 case” because §224.29 is specifically about delegation of final order authority. Other sections in Chapter
5 224 govern other authority regarding a contested case, such as §224.13, which sets out the authority for
6 certain department staff to issue a subpoena or commission to take a deposition in a contested case. An
7 adopted amendment to §224.29(c) also deletes a comma due to the adopted deletion of language from
8 this subsection.

9 The department adopts §224.29(c) with changes at adoption to clarify that the board’s delegation
10 of final order authority under this subsection in a contested case under Subchapter D of Chapter 224 does
11 not include contested cases for which the department’s director, as defined by Transportation Code,
12 §643.001, is expressly authorized to issue the final order under Transportation Code, Chapter 643. The
13 department’s executive director previously designated the department’s Motor Carrier Division Director
14 as the director under Transportation Code, Chapter 643 who is authorized to issue a final order in a
15 contested case under Transportation Code, §643.2525.

16 Adopted amendments to §224.29 add new subsection (d) to delegate authority to the
17 department’s Motor Carrier Division Director to issue a final order under Transportation Code,
18 §545.459(k) in a contested case in which the administrative law judge at SOAH has not submitted a
19 proposal for decision to the department for consideration by the final order authority, and a contested
20 case in which the administrative law judge at SOAH submitted a proposal for decision regarding a default
21 proceeding to the department for consideration by the final order authority, as explained above. This
22 delegation is authorized by Transportation Code, §1003.005. In addition, adopted amendments to

§224.29 re-letter prior subsection (d) to subsection (e), and update references in that subsection due to the adoption of new subsection (d).

Subchapter D. Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement

An adopted amendment to §224.110 regarding the purpose and scope of Subchapter D replaces the reference to Subchapter F with a reference to adopted new Subchapter I of this title (relating to Motor Carrier Division Director Procedures in Contested Cases). Under the adopted revisions to Chapter 224, adopted new Subchapter I governs the procedures in contested cases in which the director of the department's Motor Carrier Division, rather than the board, is the final order authority; Subchapter F is expressly not relevant to such cases.

Subchapter E. Contested Cases Referred to SOAH

An adopted amendment to §224.150(a) adds a reference to adopted new §224.294, relating to suspension, revocation, or cancellation of authorization under Transportation Code, §545.459 to operate one or more automated motor vehicles. The amendments to §224.150(a) modify the scope of Subchapter E of Chapter 224 to include contested cases involving authorizations to operate automated motor vehicles. This change is necessary to implement SB 2807 because Transportation Code, §545.459(k) states that an authorization holder who is aggrieved by an action of the department under Transportation Code, §545.459(h) may submit a written request for a hearing at SOAH. Also, Transportation Code, §545.459(l) states that the contested case provisions of Government Code, Chapter 2001 apply to a proceeding under Transportation Code, §545.459(k).

An adopted amendment to §224.150(c) adds a reference to new Subchapter I of Chapter 224, regarding procedures in contested cases for which the Motor Carrier Division Director is the final order authority, rather than the board. The language in Subchapter F regarding board procedures in contested cases includes certain terms, such as "board chair," as well as certain references, such as a reference to a

1 board meeting under 43 TAC §206.22, that do not apply to the Motor Carrier Division Director under
2 Chapter 224 or Transportation Code, Chapter 643. Adopted new Subchapter I includes modified language
3 from current Subchapter F to address the procedures in contested cases when the board is not the final
4 order authority, so it is necessary to adopt amendments to §224.150(c) to reference adopted new
5 Subchapter I of Chapter 224.

6 An adopted amendment to §224.152(a) implements SB 2807 by adding a reference to
7 Transportation Code, §545.459(k) regarding the department's requirement to refer contested cases to
8 SOAH when an authorization holder timely submits a written request for a hearing.

9 Adopted amendments to §224.164(d) authorize a party to a contested case to raise an issue
10 regarding a final proposal for decision before the department's Motor Carrier Division Director during oral
11 presentation at a special public meeting, if any, under adopted new Subchapter I of Chapter 224. These
12 amendments allow parties in contested cases that are decided by the Motor Carrier Division Director the
13 same right to raise issues with a final proposal for decision as parties in a case decided by the board if a
14 special public meeting is held. For clarity, the department adopts §224.164(d) with a change at adoption
15 to replace the term "final order authority" with "Motor Carrier Division Director."

16 The adopted amendment to §224.166(b) adds "or other final order authority" to include
17 contested cases for which the department's Motor Carrier Division Director is authorized as the "director"
18 to issue a final order under Transportation Code, §643.2525. "Director" is defined under Transportation
19 Code, §643.001 to include a department employee designated by the department's executive director to
20 decide motor carrier cases; the department's executive director has designated the department's Motor
21 Carrier Division Director as the "director" for this purpose. While the word "board" in §224.166(b) is
22 defined under §224.3 to include department staff to whom the board delegated final order authority
23 under §224.29, it does not include a department employee whom the department's executive director

1 designated as the “director.” The adopted amendment to §224.166(b) therefore clarifies that its
2 provisions apply both to cases decided by the board, and cases decided by the Motor Carrier Division
3 Director. For these same reasons, the department adopts §224.166(c) with a change at adoption to delete
4 the words “board delegate with” and to replace those words with the word “other,” to refer to “other
5 final order authority.”

6 An adopted amendment to §224.166(d) refers to new Subchapter I of Chapter 224 regarding the
7 transfer of jurisdiction from SOAH to the Motor Carrier Division Director. These changes are necessary to
8 create similar processes for contested cases decided by the Motor Carrier Division Director as already
9 exist for cases decided by the board.

10 The department adopts §224.166(d) with a change at adoption to replace the proposed reference
11 to “the department’s director of the Motor Carrier Division” with a reference to “the Motor Carrier
12 Division Director” for consistency with the terminology in the other adopted amendments in §224.166(b)
13 and (c).

14 **Subchapter F. Board Procedures in Contested Cases**

15 An adopted amendment to §224.190 clarifies that Subchapter F does not apply to a contested
16 case in which a SOAH administrative law judge has submitted a final proposal for decision for
17 consideration by the department in a case in which the department’s Motor Carrier Division Director is
18 the final order authority as provided in adopted new §224.310. Although the Motor Carrier Division
19 Director is a board delegate under Chapter 224 for certain contested cases, Subchapter I of this title
20 (relating to Motor Carrier Division Director Procedures in Contested Cases) governs the procedures for
21 certain contested cases in which the Motor Carrier Division Director is the final order authority.

22 An adopted amendment to §224.194 removes prior subsection (b) because the department’s
23 executive director, rather than the board, designated the Motor Carrier Division Director as the director

1 under Transportation Code, §643.001 to issue the final order in certain contested cases under
2 Transportation Code, Chapter 643. Also, adopted new Subchapter I includes language regarding a special
3 public meeting during which the Motor Carrier Division Director may review a contested case for which
4 that director is the final order authority, so removing subsection (b) prevents confusion and redundancy.
5 An adopted amendment to §224.194 also removes the subsection letter for prior subsection (a) due to
6 the adopted deletion of prior subsection (b).

7 Adopted amendments to §§224.198, 224.200, and 224.204 implement SB 2807 by adding a
8 reference to the scope of the board's authority to act under Transportation Code, §545.459(k). Adopted
9 amendments to §§224.198, 224.200, and 224.204 also modify language and punctuation due to the
10 adopted reference to Transportation Code, §545.459(k). In addition, an adopted amendment to
11 §224.200(a) corrects a grammatical error by changing the word "Chapter" to "Chapters."

12 The department adopts §§224.198(b), 224.200(a), and 224.204(a) through (c) with changes at
13 adoption to delete references to Transportation Code, Chapters 502, 621 through 623, 643, and 645
14 because the contested cases under these statutes now fall under adopted new Subchapter I of Chapter
15 224, rather than Subchapter F of Chapter 224.

16 **Subchapter H. Automated Motor Vehicle Authorizations**

17 Adopted revisions to Chapter 224 implement SB 2807 by adding new Subchapter H regarding
18 automated motor vehicle authorizations under Transportation Code, §545.456 and §545.459. Adopted
19 new §224.290 provides the purpose and scope of adopted new Subchapter H for clarity.

20 Adopted new §224.292 provides the procedures, authority, and requirements regarding the
21 suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456(f), as
22 well as the rescission of a suspension, revocation, or cancellation under Transportation Code, §545.456(g).
23 A determination under Transportation Code, §545.456(f) is not a contested case under Government Code,

Chapter 2001, according to Transportation Code, §545.456(h), so adopted new §224.292(a) states that no other section in Chapter 224 applies to this section, other than §224.290 regarding the purpose and scope of Subchapter H. Adopted new §224.292(b) and (c) require the department to notify the authorization holder of certain actions by email because the word “immediately” in Transportation Code, §545.456(f) and the word “promptly” in Transportation Code, §545.456(g) require these processes to be done quickly. Adopted new §224.292(b) and (c) also state that the action or the rescission, respectively, is effective when the notice is emailed by the department to avoid any delay to the process that mail might cause. Adopted new §224.292(d) requires the department to also mail the notification to the authorization holder by first-class mail to ensure that the authorization holder receives notice. Adopted new §224.292(e) grants the department’s Motor Carrier Division Director the authority to decide suspensions, revocations and cancellations under Transportation Code, §545.456(f) and the rescissions of those same decisions under Transportation Code, §545.456(g).

The department adopts §224.292 with changes at adoption by deleting the unnecessary subsections (f) and (g) as published in the rule proposal regarding the computation of time under Government Code, §311.014 and the use of calendar days rather than business days in the computation. Although adopted new §224.292 includes the words “immediately” and “promptly,” §224.292 does not require the computation of a period of days as specified in Government Code, §311.014. Also, the department adopted new §220.28, which includes language regarding the computation of any time period prescribed or allowed by adopted new §220.26 regarding the deadline to provide the department with any updates under Transportation Code, §545.456. The department adopted new §220.26 and §220.28 to implement SB 2807; that adoption is also published in this issue of the *Texas Register*. If an authorization holder violates new §220.26 regarding the deadline to provide the department with any updates under

1 Transportation Code, §545.456, the procedures and requirements regarding the suspension, revocation,
2 or cancellation of the authorization are provided under §224.292.

3 The department also adopts §224.292 with changes at adoption by re-lettering subsection (h) as
4 published in the rule proposal to subsection (f) due to the deletions of proposed subsections (f) and (g).

5 In addition, the department adopts §224.292(f) and §224.294(l) with changes at adoption to
6 reword portions of the language for clarity regarding a reference to an “authorization holder.” Adopted
7 new §224.292(f) and §224.294(l) clarify that a reference in a department rule or communication to an
8 “authorization holder,” when the authorization is currently suspended, revoked, or cancelled, does not
9 rescind or invalidate the suspension, revocation, or cancellation of the authorization. Transportation
10 Code, §545.456(d) states that an authorization does not expire, and it remains active unless suspended,
11 revoked, or canceled by the department. Also, Transportation Code, §545.459(k) refers to an
12 “authorization holder,” even though the authorization has been suspended, revoked, or cancelled under
13 §545.459(h). In addition, the suspension, revocation, or cancellation of an authorization may be rescinded
14 under Transportation Code, §545.456(g) and §545.459(j).

15 Adopted new §224.294 implements SB 2807 by providing the procedures, authority, and
16 requirements regarding the suspension, revocation, or cancellation of an authorization under
17 Transportation Code, §545.459, as well as the imposition of one or more restrictions on the operation of
18 the automated motor vehicle under Transportation Code, §545.459. For clarity and ease of reference,
19 adopted new §224.294(a) states which Chapter 224 subchapters apply to contested cases before SOAH
20 and the board or the department’s Motor Carrier Division Director under Transportation Code, §545.459.

21 Adopted new §224.294(b) specifies that the notice of intent to sanction, required by
22 Transportation Code, §545.459, shall be sent by certified mail, return receipt requested so that it can also
23 serve as the notice to an authorization holder of an intended suspension, revocation, or cancellation

1 required by Government Code, §2001.054. Adopted new §224.294(b) also requires the department to
2 send the notice of intent by email to the authorization holder's email address on file in the department's
3 designated system, so the authorization holder receives notice as quickly as possible due to public safety
4 concerns as described in Transportation Code, §545.459(a) and (b).

5 The department adopts §224.294(b) with a change at adoption to delete the citations to
6 subsections (a) and (c) in the citation to Transportation Code, §545.459 regarding the notice of intent. It
7 is not necessary to cite the specific subsections of this statute. By deleting the citations to these
8 subsections, this will eliminate any requirement to amend §224.294 in the future if the Legislature amends
9 Transportation Code, §545.459 in a way that changes the lettering of current §545.459(a) or (c).

10 Adopted new §224.294(c) requires the authorization holder to submit any request for an
11 extension of the department's deadline for corrective action and certification under Transportation Code,
12 §545.459(c)(2) and (e) prior to the department's deadline listed in the department's notice of intent.
13 Adopted new §224.294(c) also requires the authorization holder's request for an extension to include an
14 explanation regarding why the department's deadline is not reasonable, why the authorization holder
15 needs more time (including the specific deadline the authorization holder is requesting), and whether the
16 authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare.
17 This information will allow the department to analyze the authorization holder's request and determine
18 whether the request is reasonable and whether it is appropriate under the circumstances to grant the
19 extension. When determining whether an authorization holder's request for an extension is reasonable,
20 the department must consider the public health, safety, and welfare. The department will only send a
21 notice of intent if the department determines that an authorization holder's automated motor vehicle is
22 not in safe operational condition and the operation of the vehicle on a highway or street in Texas
23 endangers the public—and under these circumstances, time will be of the essence to get the issue

1 resolved. Although the department will consider the nature of the issues the authorization holder must
2 correct, it is incumbent on the authorization holder to timely request an extension. A request for an
3 extension after the deadline has passed is not a reasonable request under Transportation Code,
4 §545.459(e).

5 Adopted new §224.294(d) requires the department to send notice to the authorization holder of
6 a department decision that suspended, revoked, or cancelled the authorization or imposed a restriction
7 on the operation of the automated motor vehicle by both email and first-class mail, to ensure that the
8 authorization holder is as likely as possible to actually receive the notice. The date of the decision issuance
9 is the date the department sends the email, to avoid any delay or uncertainty that might arise from waiting
10 for the arrival of the regular mail. Adopted new §224.294(e) specifies that the department will designate
11 the address for the authorization holder to submit requests under Transportation Code, §545.459 to
12 extend the compliance period, for review of the decision, for removal or rescission of a sanction, or for a
13 hearing. This will allow the department flexibility in determining how best to staff and monitor
14 communications with authorization holders.

15 Adopted new §224.294(f) allows the department to request proof that a representative has
16 authority to represent the authorization holder, to prevent confusion, miscommunication, or fraud.
17 Adopted new §224.294(g) requires authorization holders to electronically file certifications under
18 Transportation Code, §545.459(d) by following the requirements of §224.11, relating to Filing and Service
19 of Documents, to ensure uniform evidence of when and what was filed, as well as service to all parties
20 involved.

21 Adopted new §224.294(h) makes the department's Motor Carrier Division Director the decision
22 authority for determinations under Transportation Code, §545.459(g). Adopted new §224.294(i) also
23 makes the Motor Carrier Division Director the decision authority for final determinations under

1 Transportation Code, §545.459(h) following a timely request to review the decision, similar to the
2 exceptions process under Government Code, §2001.062 and SOAH rules. Adopted new §224.294(j) makes
3 the department's board the final order authority for contested cases under Transportation Code,
4 §545.459(k) when the SOAH administrative law judge issued a proposal for decision, but empowers the
5 Motor Carrier Division Director to make decisions regarding the rescission of a sanction or the removal of
6 a restriction under Transportation Code, §545.459(j) to allow for faster decision-making in those situations
7 without the need to call a public meeting of the board.

8 Adopted new §224.294(k) sets the process the department shall follow to dismiss the case and
9 notify the authorization holder if the SOAH hearing is not held within 60 days of the Motor Carrier Division
10 Director's final determination under Transportation Code, §545.459(h). Notice will be sent by email for
11 expediency in that situation. Adopted new §224.294(m) exempts certifications or communications
12 regarding a rescission or removal of a sanction under Transportation Code, §545.459(j) from the filing
13 requirements of §224.11(a) through (g), relating to Filing and Service of Documents, so that the
14 authorization holder can simply send the documents and request to the designated email address, as
15 prescribed by adopted new §224.294(e), to make the process as efficient and expedited as possible
16 without unnecessary formal requirements.

17 **Subchapter I. Motor Carrier Division Director Procedures in Contested Cases**

18 Adopted amendments add new Subchapter I regarding contested cases for which the
19 department's Motor Carrier Division Director is the final order authority, rather than the board. Adopted
20 new Subchapter I includes modified language from current Subchapter F, which addresses board
21 procedures in contested cases. Adopted new §224.310 provides the purpose and scope of adopted new
22 Subchapter I. The department adopts §224.310 with changes at adoption to indicate that the

1 department's director of the Motor Carrier Division will be referred to as the Motor Carrier Division
2 Director throughout Subchapter I.

3 For clarity, the department adopts the following sections with changes at adoption to replace the
4 term "final order authority" with the term "Motor Carrier Division Director" in the rule text: §§224.312,
5 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The department also adopts the
6 following sections with changes at adoption to replace the term "Final Order Authority" with the term
7 "Motor Carrier Division Director" in the title to the rule: §224.320 and §224.322. In addition, the
8 department adopts §224.314(c) with changes at adoption to replace the reference to the term "Final
9 Order Authority" with the term "Motor Carrier Division Director" in the cross-reference to the title of
10 §224.320.

11 Adopted new §224.312 provides an overview of the process for the contested case review by the
12 Motor Carrier Division Director, including the Motor Carrier Division Director's discretion to schedule a
13 special public meeting to review the contested case. Public meetings may be appropriate in matters of
14 great public interest that do not require expedited decisions, but they will be inappropriate when a
15 decision is routine or must be made quickly to protect public health or safety.

16 Adopted sections throughout adopted new Subchapter I regarding a special public meeting only
17 apply if the Motor Carrier Division Director schedules a special public meeting. Adopted new §224.314
18 provides the procedure and deadlines regarding a request for oral presentation, if there is a special public
19 meeting. Adopted new §224.314(a) requires the department to provide notice by email to the parties 20
20 days before a special public meeting, to allow the parties time to prepare any oral presentations and
21 written materials for the special public meeting. Adopted new §224.314(b) requires a party to notify the
22 department and all other parties of its intent to make an oral presentation at least seven days in advance
23 of the special public meeting, to allow both the parties and the department time to prepare accordingly.

1 Adopted new §224.314(c) allows parties that are not affected by the proposal for decision to have
2 flexibility to agree to the order of their presentations, but sets the order of presentations in adopted new
3 §224.320, relating to Order of Oral Presentations to the Motor Carrier Division Director, as the default
4 order if the parties do not file their agreed order of presentations at the same time they file their intent
5 to make oral presentation under adopted new §224.314(b). Adopted new §224.314(d) clarifies that a
6 party that fails to make a timely written request for oral presentation under adopted new §224.314(b)
7 will not be allowed to make an oral presentation at the special public meeting, to ensure predictability in
8 procedure during the meeting and an opportunity for all parties to prepare in advance of the meeting.
9 Adopted new §224.314(e) specifies that non-parties are not allowed to give an oral presentation or
10 provide public comment to the Motor Carrier Division Director at a special public meeting. This will help
11 to prevent extraneous information that is not in the SOAH record from influencing the Motor Carrier
12 Division Director in violation of Government Code, Chapter 2001, and will allow for more efficient
13 meetings.

14 Adopted new §224.316 provides the procedure and deadline for the provision of written materials
15 for a special public meeting. Adopted new §224.316(a) requires a party that wants to provide written
16 materials to the Motor Carrier Division Director at a special public meeting to file the written materials
17 with the department at least 14 days prior to the meeting and provide copies to the other parties. This
18 requirement allows both the parties and the department adequate time to prepare in advance of the
19 special meeting.

20 The department adopts §224.316(a) with a change at adoption to delete the last sentence in
21 proposed §224.316(a) that said non-parties are not authorized to provide written materials to the final
22 order authority because the substance of this sentence also appears in adopted new §224.316(e). Also,

1 §224.316(e) is a more appropriate location for this sentence because subsection (a) focuses on
2 requirements for a party to the contested case.

3 Adopted new §224.316(b) specifies that written materials can only contain information from the
4 SOAH record. This requirement will help to prevent the Motor Carrier Division Director from being
5 exposed to information that is not in the SOAH record, which information could influence the Motor
6 Carrier Division Director in violation of Government Code, Chapter 2001. Similarly, adopted new
7 §224.316(e) specifies that non-parties are not authorized to provide written materials to the Motor
8 Carrier Division Director at a special public meeting, to prevent extraneous information that is outside the
9 SOAH record from influencing the Motor Carrier Division Director. Adopted new §224.316(c) requires the
10 parties to provide citations to the SOAH record for all written materials, so that the parties and the
11 department can verify that the written materials are all within the SOAH record. Adopted new §224.316(d)
12 sets size, font, and page count limitations for the written materials, to require parties to streamline their
13 documentary presentations so that the presentations during the special public meeting are both efficient
14 and effective.

15 Adopted new §224.318 provides the requirements for an oral presentation at a special public
16 meeting. Adopted new §224.318(a) limits oral presentations to information within the SOAH record and
17 to the scope of the Motor Carrier Division Director's powers under Government Code, §2001.058(e), so
18 as to prevent the Motor Carrier Division Director from violating Government Code, Chapter 2001 by
19 relying on evidence that is not in the record or taking action that is not within the department's
20 jurisdiction. Adopted new §224.318(b) allows a party during oral presentation to recommend that the
21 Motor Carrier Division Director remand the case to SOAH, to the extent allowed under the SOAH rules in
22 1 TAC Chapter 155 and Government Code, Chapter 2001. Remand to SOAH can be necessary when the
23 administrative law judge failed to make findings regarding specific allegations. Adopted new §224.318(c)

1 requires the parties to object when another party goes outside the SOAH record, so that the Motor Carrier
2 Division Director will be able to identify and disregard information that is outside the record. Adopted
3 new §224.318(d) sets a 15-minute time limit for each party's oral presentation, clarifies that additional
4 rebuttal statements or a closing statement are not allowed, and clarifies that time spent responding to
5 questions or making objections does not count against the 15 minutes. These guidelines help to ensure
6 that oral presentations in special public meetings proceed efficiently and fairly.

7 Adopted new §224.320 provides the order of presentation for an oral presentation at a special
8 public meeting. Adopted new §224.320(a) requires the department to provide a presentation of the
9 procedural history and summary of the contested case. Adopted new §224.320(b) requires that the
10 adversely affected party present first, but allows the Motor Carrier Division Director to determine the
11 order of presentations if it is not clear which party is adversely affected or if it appears that there is more
12 than one adversely affected party. This language parallels the current order of presentation for parties
13 making an oral presentation at board meetings under §224.202, regarding Order of Oral Presentations to
14 the Board. Adopted new §224.320(c) requires the parties that are not adversely affected to present in
15 alphabetical order, assuming they had not previously agreed to an order under adopted new §224.314.

16 Adopted new §224.322 describes the Motor Carrier Division Director's conduct and the limits on
17 any discussions when reviewing a contested case. Adopted new §224.322(a) specifies the legal limitations
18 of the Motor Carrier Division Director's review. Adopted new §224.322(b) allows the Motor Carrier
19 Division Director to ask the parties questions, but only within the relevant legal limitations.

20 The department adopts §224.322(a) with a change at adoption to replace the word "its" with the
21 word "the." The department adopts §224.322(b) with a change at adoption to replace the reference to
22 "board" with a reference to the "Motor Carrier Division Director" because Subchapter I of Chapter 224
23 does not apply to contested cases for which the board is the final order authority. New Subchapter I

1 applies to the contested cases for which the Motor Carrier Division Director is the final order authority.
2 Subchapter F of Chapter 224 applies when the board is the final order authority for the contested case.

3 The department adopts §224.322 with a change at adoption to delete proposed subsection (c)
4 because it is not relevant to the Motor Carrier Division Director. The language in proposed §224.322 (c)
5 was based on the language in current §224.204(c), which only applies to board members and does not
6 apply to department staff with delegated authority. The language in current §224.204(c) is required by
7 Occupations Code, §2301.709(d), which requires the board to adopt rules and policies that establish
8 standards for the board to review a contested case under Subchapter O of Chapter 2301 of the
9 Occupations Code. Occupations Code, §2301.709(d)(5) requires the board's rules to distinguish between
10 using industry expertise and representing or advocating for an industry when the board reviews a
11 contested case under Subchapter O of Chapter 2301 of the Occupations Code. Because certain board
12 member positions are appointed based on specific industries or occupations under Transportation Code,
13 §1001.021(b) and because of certain issues raised by the Sunset Advisory Commission in its *Staff Report*
14 *with Final Results* in 2019, the Legislature amended Occupations Code, §2301.709 to add the rulemaking
15 requirement in current subsection (d)(5). This requirement is not relevant to the Motor Carrier Division
16 Director, who is hired by the department to work as a full-time employee. Also, the Motor Carrier Division
17 Director is not required by statute to work in a specific industry or occupation prior to being hired by the
18 department or as a continuing requirement for employment as the Motor Carrier Division Director.

19 Adopted new §224.324 provides the requirements regarding a final order issued by the
20 department's Motor Carrier Division Director under adopted new Subchapter I. Adopted new §224.324(a)
21 requires that the Motor Carrier Division Director sign a written final order, in keeping with the
22 requirements of Government Code, §2001.141(a). The department adopts §224.324(a) with changes at
23 adoption to reword the sentence for clarity and to delete the reference to a decision because subsections

(b) and (c) refer to a final order. Adopted new §224.324(b) requires the department to send the final order to the parties in the contested case by email and certified mail, return receipt requested, to maximize the opportunities for the parties to receive notice of the final order and allow the department to ascertain whether and on what date an impacted party received the final order for purposes of Government Code, §2001.142(c). Adopted new §224.324(c) and (d) clarify that the Government Code governs the issuance of a final order by the Motor Carrier Division Director, the parties' motions for rehearing, and when the decision becomes final. The department adopts §224.324(d) with changes at adoption to delete the reference to a decision because subsections (b) and (c) refer to a final order.

Adopted new §224.326 addresses public access to a special public meeting. Adopted new §224.326 contains modified versions of portions of 43 TAC §206.22, regarding Public Access to Board Meetings, which only applies to board meetings. Adopted new §224.326(a) requires persons in need of special accommodations who plan to attend the special public meeting to send a request to the department two days in advance, to allow the department time to arrange the accommodation. Adopted new §224.326(b) specifies that members of the public may not question parties or the Motor Carrier Division Director in a contested case, to maintain decorum in the meeting and to avoid exposing the Motor Carrier Division Director to information that is outside the SOAH record. Adopted new §224.326(c) requires a person who disrupts a special public meeting to leave the premises, to maintain decorum and safety in the meeting.

SUMMARY OF COMMENTS.

The department received eight timely written comments on the proposal. Each of the following submitted a written comment: the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility).

1 **Comment:** The City of Austin requests clarification on whether municipalities can be parties to the
2 adjudication process for the suspension or cancellation of an authorization to operate automated motor
3 vehicles.

4 **Response:** The department disagrees with this comment because it is outside the scope of the
5 department's rulemaking authority. The legislature specified that the department, rather than a political
6 subdivision, has the authority to administer the laws regarding an automated motor vehicle authorization
7 under Transportation Code, §545.456 and §545.459.

8 **Comment:** Auto Innovators stated that they appreciate the additional guidance to the industry on the
9 administrative sanctions.

10 **Response:** The department agrees with this comment.

11 **Comment:** Torc, Lyft, Stack, and AVIA support the department's proposed rules.

12 **Response:** The department agrees with these comments.

13 **Comment:** The City of Dallas believes there must be strong safeguards to quickly suspend or revoke an
14 authorization when safety is compromised. The City of Dallas expects clear triggers, such as repeated
15 incidents or failure to comply with safety obligations to be identified, enabling the state to act swiftly.

16 **Response:** The department disagrees with this comment to the extent that it is outside of the scope of
17 the department's rulemaking authority, that the issue is already addressed in statute, and that the
18 department needs to maintain flexibility to take the appropriate action to address different scenarios. The
19 department also disagrees with this comment because it is premature for the department to adopt an
20 administrative rule to define certain triggers until the department gains experience with enforcement
21 actions under Transportation Code, §545.459.

22 Transportation Code, §545.459 provides the framework, including many of the deadlines, for the
23 suspension, revocation, or cancellation when the department determines that an automated motor

1 vehicle operating under an authorization is not in safe operational condition and the operation of the
2 vehicle on a highway or street in Texas endangers the public. Transportation Code, §545.459 also states
3 that the operation of an automated motor vehicle endangers the public when the operation has resulted
4 in or is likely to result in serious bodily injury as defined by Penal Code, §1.07.

5 There could be many different scenarios in which an automated motor vehicle operating under
6 an authorization is not in safe operational condition. The department needs to maintain flexibility to take
7 the appropriate action under different scenarios that may arise under adopted new §224.294 and
8 Transportation Code, §545.459. Once the department gains experience with enforcement actions under
9 Transportation Code, §545.459, the department may propose revisions to these rules. The department
10 also responded to this comment in the preamble for the adoption of new Chapter 220, which is published
11 in this issue of the *Texas Register*, regarding the timeline for an authorization holder to submit the updated
12 or current documents to the department under §220.26 and Transportation Code, §545.456(b).

13 **Comment:** The City of Dallas recommends that the public should be notified whenever a suspension or
14 revocation occurs to ensure transparency and maintain community trust.

15 **Response:** The department disagrees to the extent that it is outside of the scope of the department's
16 rulemaking authority. Also, it is not necessary to make an administrative rule regarding the department's
17 procedures for public communications.

18 **Comment:** The City of Dallas stated that operators should be required to present corrective action plans
19 before authorization is restored.

20 **Response:** The department disagrees. The restoration of authorization is specifically addressed in statute,
21 and it is not necessary to repeat statutory language in rule. Transportation Code, §545.459(j) requires the
22 department to rescind a suspension, revocation, or cancellation or to remove a restriction after the
23 authorization holder fulfills the conditions of Transportation Code, §545.459(d), by ensuring the issues

1 identified by the department in the notice of intent are corrected, and providing the department with a
2 certification acknowledging that the issues identified by the department in the notice of intent have been
3 corrected.

4 **Comment:** May Mobility recommends that specific protocols be established for circumstances in which a
5 company's authorization to operate autonomous vehicles is suspended, revoked, cancelled, or otherwise
6 restricted.

7 **Response:** The department disagrees. The department provided the relevant protocols in these revisions
8 to Chapter 224, which flesh out the protocols established by the legislature under Transportation Code,
9 §545.456 and §545.459.

10 **Comment:** May Mobility recommends that any hearing and adjudication process be completed within 30
11 days, absent extenuating circumstances, to ensure timely resolution and minimize disruption. May
12 Mobility also recommends that any administrative process be subject to a right of timely rehearing and
13 appeal.

14 **Response:** The department disagrees with this comment to the extent that it is outside the scope of the
15 department's rulemaking authority, that the issue is already addressed in statute, and that the
16 department must maintain flexibility because certain matters may take longer than others based on the
17 facts. Transportation Code, §545.459 includes some of the relevant timelines, including the requirement
18 for an expedited hearing at SOAH to be held not later than the 60th day after the date of the department's
19 final determination under Transportation Code, §545.459(h) if the authorization holder submits a written
20 request to the department for a hearing at SOAH. Once a contested case is docketed at SOAH, the process
21 is governed by the following: 1) SOAH's procedures and staff; and 2) other laws, including SOAH's
22 administrative rules (1 TAC Chapter 155) and Government Code, Chapter 2001.

Transportation Code, §545.459(l) states that the contested case provisions of Government Code, Chapter 2001, including the right to judicial review, apply to a proceeding under Transportation Code, §545.459(k). Government Code, §2001.146 addresses the procedures for a motion for rehearing, and Subchapter G of Government Code, Chapter 2001 provides for judicial review of a final decision.

Comment: May Mobility recommends that appropriate procedures should be included to protect the confidentiality of both submitted evidence and administrative outcomes.

Response: The department disagrees with this comment to the extent that it is outside the scope of the department's rulemaking authority and that the issue is already addressed in law. Government Code, Chapter 552 governs the disclosure of information that is held by a governmental body to the public. If the contested case is docketed with SOAH, SOAH's administrative rules (1 TAC Chapter 155) also govern this issue, including sections such as §155.103 regarding confidential information.

§224.292(a)

Comment: The City of Austin recommends that the department clarify how the director makes determinations and if local input is considered. The City of Austin also recommends a process for exigent circumstances that would immediately cease an automated motor vehicle company's operations, as opposed to going through the notice of intent and adjudication process.

Response: The department disagrees. For a suspension, revocation, or cancellation under adopted new §224.292, the department's Motor Carrier Division Director will make the decision based on the facts and the law, including §224.292 and Transportation Code, §545.456. There is no need to further clarify how the Motor Carrier Division Director will make determinations or whether local input is considered. The department needs to maintain flexibility to take the appropriate action under different scenarios that may arise under adopted new §224.292 and Transportation Code, §545.456. The Motor Carrier Division Director may consider local input, depending on the situation.

1 The process under adopted new §224.292 and Transportation Code, §545.456 does not include a
2 notice of intent and is not governed by Government Code, Chapter 2001. Also, Transportation Code,
3 §545.456(f) authorizes the department to immediately suspend, revoke, or cancel the authorization if the
4 authorization holder fails to comply with the requirements. The process under Transportation Code,
5 §545.456 is different than the process under Transportation Code, §545.459.

6 **§224.294**

7 **Comment:** The City of Austin recommends that the department clarify expedited case criteria for public
8 health/safety, outline how law enforcement complaints are prioritized and handled, and clarify whether
9 officer testimony is required.

10 **Response:** The department disagrees. Every case that falls within the scope of adopted new §224.294 and
11 Transportation Code, §545.459 involves a department determination that an automated motor vehicle
12 operating under an authorization issued by the department is not in safe operational condition and the
13 operation of the vehicle on a highway or street in Texas endangers the public. Transportation Code,
14 §545.459 states that the operation of an automated motor vehicle endangers the public when the
15 operation has resulted in or is likely to result in serious bodily injury as defined by Penal Code, §1.07. Also,
16 the timelines under Transportation Code, §545.459(c)(2) and (e) will be based on the facts of each case.

17 The department needs to maintain flexibility to take the appropriate action under different
18 scenarios that may arise under adopted new §224.294 and Transportation Code, §545.459. Depending on
19 the facts, the department may prioritize law enforcement complaints. Also, the facts may dictate how a
20 law enforcement complaint is handled. Depending on the facts, it is possible that officer testimony is
21 required if the authorization holder submits a written request for a hearing at SOAH under Transportation
22 Code, §545.459(k). Once the department gains experience with enforcement actions under
23 Transportation Code, §545.459, the department may propose revisions to these rules.

SUBCHAPTER A. GENERAL PROVISIONS.

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025)), which authorizes the Board of the Texas Department of Motor Vehicles (board) to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; §1002.001, and §1003.005; and Government Code, Chapter 2001.

Text.

§224.1. Purpose and Scope.

This subchapter describes the procedures by which the department will adjudicate a contested case arising under Occupations Code, Chapters 2301 or 2302; Transportation Code, Chapters 502, 503, 621-623, 643, 645, or 1001-1005; or Transportation Code, §545.459(k),

1 consistent with the requirements of Government Code, Chapter 2001. Unless expressly excluded or
2 limited, this subchapter applies to every contested case in which the department has jurisdiction.

3
4 §224.5. Prohibited Communication.

5 (a) No person, party, attorney of record, or authorized representative in any contested case
6 shall violate Government Code, §2001.061 by directly or indirectly engaging in ex parte
7 communication concerning a contested case with an ALJ, board member, board delegate, final order
8 authority, or a hearings examiner assigned to render a decision or make findings of fact and
9 conclusions of law in a contested case.

10 (b) Unless prohibited by Government Code, §2001.061, department staff who did not
11 participate in the hearing may advise a board member, a board delegate, a final order authority, or a
12 hearings examiner, regarding a contested case and any procedural matters.

13 (c) Department staff shall not recommend a final decision to the board unless the
14 department is a party to the contested case.

15 (d) A violation of this section shall be promptly reported to the board chair or chief hearings
16 examiner, as applicable, and the general counsel of the department.

17 (e) The general counsel shall ensure that a copy or summary of the ex parte communication
18 is included with the record of the contested case and that a copy is forwarded to all parties or their
19 authorized representatives.

20 (f) The general counsel may take any other appropriate action otherwise provided by law.

21
22 §224.27. Final Order; Motion for Rehearing.

23 (a) The provisions of Government Code, Chapter 2001, Subchapter F, govern the issuance of

1 a final order issued under this subchapter and a motion for rehearing filed in response to a final
2 order.

3 (b) Except as provided by subsection (c) of this section and §224.29 of this title (relating to
4 Delegation of Final Order Authority), the board has final order authority in a contested case filed
5 under Occupations Code, Chapters 2301 or 2302; Transportation Code, Chapters 502, 503, 621-623,
6 643, 645, and 1001-1005; or Transportation Code, §545.459(k).

7 (c) The hearings examiner has final order authority in a contested case filed under
8 Occupations Code, §2301.204 or Occupations Code Chapter 2301, Subchapter M.

9 (d) A department determination and action denying access to the license plate system
10 becomes final within 26 days of the date of the notice denying access to a database, unless the
11 dealer:

12 (1) requests a hearing regarding the denial of access, or

13 (2) enters into a settlement agreement with the department.

14 (e) Unless a timely motion for rehearing is filed with the appropriate final order authority as
15 provided by law, an order shall be deemed final and binding on all parties. All administrative
16 remedies are deemed to be exhausted as of the effective date of the final order.

17 (f) If a timely motion for rehearing is not filed, the final order shall be deemed final and
18 binding in accordance with the provisions of Government Code, §2001.144.

19 (g) If a final and binding order includes an action on a license, the department may act on
20 the license on the date the final order is deemed final and binding, unless the action is stayed by a
21 court order.

§224.29. Delegation of Final Order Authority.

(a) In accordance with Occupations Code, §2301.154(c) and Transportation Code, §1003.005(b), except as provided by subsection (b) of this section, the director of the division that regulates the distribution and sale of motor vehicles is authorized to issue, where there has not been a decision on the merits, a final order in a contested case under Subchapters B and C, including, but not limited to a contested case resolved:

(1) by settlement;

(2) by agreed order;

(3) by withdrawal of the complaint;

(4) by withdrawal of a protest;

(5) by dismissal for want of prosecution including:

(A) failure of a complaining or protesting party to participate in scheduling mediation or to appear at mediation as required under Subchapter C of this chapter (relating to Contested Cases Between Motor Vehicle Industry License Holders or Applicants);

(B) failure of a complaining or protesting party to respond to department requests for information or scheduling matters;

(C) failure of a complaining or protesting party to dismiss a contested case that has been resolved by the parties;

(6) by dismissal for want of jurisdiction;

(7) by summary judgment or summary disposition;

(8) by default judgment; or

(9) when a party waives opportunity for a contested case hearing.

(b) In accordance with Occupations Code, §2301.704 and §2301.711, a hearings examiner is

1 authorized to issue a final order in a contested case brought under Occupations Code, §2301.204 or
2 §§2301.601-2301.613.

3 (c) In accordance with Transportation Code, §1003.005, the director of the department's
4 Motor Carrier Division is delegated the authority to issue a final order in contested cases under
5 Subchapter D of this chapter excluding contested cases for which the department's director, as
6 defined by Transportation Code, §643.001, is expressly authorized to issue the final order under
7 Transportation Code, Chapter 643.

8 (d) In accordance with Transportation Code, §1003.005, the director of the department's
9 Motor Carrier Division is authorized to issue a final order in a contested case under §224.294 of this
10 title (relating to Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization
11 under Transportation Code, §545.459) when:

12 (1) a SOAH ALJ has not submitted a proposal for decision to the department for
13 consideration by the final order authority; or

14 (2) a SOAH ALJ submits a proposal for decision regarding a default proceeding to the
15 department for consideration by the final order authority.

16 (e) In a contested case in which the board has delegated final order authority under
17 subsection (a), (c) or (d) of this section, a motion for rehearing shall be filed with and decided by the
18 final order authority delegate.

19
20 **SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD**

21 **ENFORCEMENT**

1 **STATUTORY AUTHORITY.** The department adopts amendments under Government Code, §2001.004,
2 which requires state agencies to adopt rules of practice stating the nature and requirements of all
3 available formal and informal procedures; Transportation Code, §502.0021, which authorizes the
4 department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code,
5 §502.091(b), which authorizes the department to adopt and enforce rules to carry out the
6 International Registration Plan (IRP); Transportation Code, §621.008, which authorizes the board to
7 adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621;
8 Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to
9 implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which
10 authorizes the board to adopt rules that are necessary to implement and enforce Transportation
11 Code, Chapter 623; Transportation Code, §643.003, which authorizes the department to adopt rules
12 to administer Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes
13 an applicant to appeal the denial of an application for registration, renewal of registration, or
14 reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to
15 appeal the revocation or suspension of a registration or placement on probation of the motor carrier
16 as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b);
17 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
18 appropriate to implement the powers and duties of the department; Transportation Code, §1003.001,
19 which states that the department is subject to Government Code, Chapter 2001, except as specifically
20 provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any
21 power relating to a contested case, including the power to issue a final order, to certain department
22 staff; and the statutory authority referenced throughout this preamble and in the rule text, which is
23 incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapter 2001; and Transportation Code, Chapters 502, 621, 622, 623, 643, and 645; Transportation Code, §§1002.001, 1003.001, and 1003.005.

Text.

§224.110. Purpose and Scope.

This subchapter and Subchapters A, E, and I of this chapter describe the procedures by which the department will adjudicate alleged violations and claims under Transportation Code, Chapters 502, 621-623, 643, and 645. These contested cases involve registrants under the International Registration Plan, motor carriers, motor carrier leasing businesses, motor transportation brokers, and household goods carriers. Contested cases involving persons operating oversize or overweight vehicles or moving oversize or overweight loads are also included.

SUBCHAPTER E. CONTESTED CASES REFERRED TO SOAH

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b), which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code,

1 §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce
2 Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to
3 adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622;
4 Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to
5 implement and enforce Transportation Code, Chapter 623; Transportation Code, §623.271, which
6 states that the notice and hearing requirements under Transportation Code, §643.2525 apply to the
7 imposition of an administrative penalty or the revocation of a permit under §623.271; Transportation
8 Code, §623.272, which states that the notice and hearing requirements under Transportation Code,
9 §643.2525 apply to the imposition of an administrative penalty under §623.272; Transportation Code,
10 §643.003, which authorizes the department to adopt rules to administer Transportation Code,
11 Chapter 643; Transportation Code, §643.2525, which provides the process for an administrative
12 hearing under Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes
13 an applicant to appeal the denial of an application for registration, renewal of registration, or
14 reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to
15 appeal the revocation or suspension of a registration or placement on probation of the motor carrier
16 as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b);
17 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
18 appropriate to implement the powers and duties of the department; Transportation Code, §1003.001,
19 which states that the department is subject to Government Code, Chapter 2001, except as specifically
20 provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any
21 power relating to a contested case, including the power to issue a final order, to certain department
22 staff; and the statutory authority referenced throughout this preamble and in the rule text, which is
23 incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, Chapters 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

Text.

§224.150. Purpose and Scope.

(a) This subchapter describes department practice and procedures for referring a contested case to SOAH for a hearing, including a contested case under Subchapter B (relating to Motor Vehicle, Salvage Vehicle, and Trailer Industry Enforcement), Subchapter C (relating to Contested Cases Between Motor Vehicle Industry License Holders or Applicants), and Subchapter D (Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement) of this chapter, as well as §224.294 of this title (relating to Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under Transportation Code, §545.459).

(b) When SOAH accepts a referral from the department, jurisdiction of the contested case transfers to SOAH, and practice and procedure in contested cases heard by SOAH are addressed in:

(1) 1 TAC Chapter 155, and

(2) subchapter A and this subchapter, where not in conflict with SOAH rules.

(c) When SOAH disposes of a contested case, jurisdiction transfers from SOAH back to the department. The department will issue a final order under §224.29 of this title (relating to Delegation of Final Order Authority), under Subchapter F of this chapter (relating to Board

Procedures in Contested Cases), or under Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

§224.152. Referral to SOAH.

(a) The department shall refer contested cases to SOAH upon determination that a hearing is appropriate under Occupations Code, Chapter 2301 or 2302; Transportation Code, Chapters 502, 503, 621-623, 643, 645, or 1001-1005; or Transportation Code, §545.459(k), including contested cases relating to:

(1) an enforcement complaint on the department's own initiative;

(2) a notice of protest that has been timely filed in accordance with §215.106 of this title (relating to Time for Filing Protest);

(3) a protest filed under Occupations Code, §2301.360 or a protest or complaint filed under Occupations Code, Chapter 2301, Subchapters I or J;

(4) a department-issued cease and desist order; or

(5) any other contested matter that meets the requirements for a hearing at SOAH.

(b) The department will follow SOAH procedures to file a Request to Docket Case and related documents and request a setting of a hearing.

(c) SOAH will provide the department with the date, time, and place of the initial hearing.

§224.164. Issuance of a Proposal for Decision.

(a) After a hearing on the merits, the ALJ shall submit a proposal for decision in a contested case to the department and all parties.

(b) The parties may submit to the ALJ exceptions to the proposal for decision and replies to exceptions to the proposal for decision in accordance with the SOAH rules.

(c) The ALJ will review all exceptions and replies and notify the department and parties whether the ALJ recommends any changes to the proposal for decision.

(d) The parties are not entitled to file exceptions or briefs in response to a final proposal for decision but may raise an issue regarding the final proposal for decision before the following:

(1) the board as allowed at the time of oral presentation under Subchapter F of this chapter; or

(2) the Motor Carrier Division Director as allowed at the time of an oral presentation at a special public meeting, if any, under Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

§224.166. Transfer of Jurisdiction for Final Decision.

(a) A party may appeal an interlocutory order issued under Occupations Code, Chapter 2301 to the board under §224.192 of this title (relating to Appeal of an Interlocutory Order). SOAH retains jurisdiction on all other pending matters in the contested case, except as provided otherwise in this chapter.

(b) If a contested case includes a hearing on the merits, SOAH's jurisdiction transfers to the board or other final order authority when the ALJ confirms that the proposal for decision is final.

(c) Once jurisdiction transfers, no new testimony, witnesses, or information may be considered by the board or other final order authority.

(d) After SOAH transfers the SOAH administrative record to the department, the board or the Motor Carrier Division Director will consider the contested case under the provisions of Subchapter F of this chapter (relating to Board Procedures in Contested Cases) or Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

SUBCHAPTER F. BOARD PROCEDURES IN CONTESTED CASES

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

Text.

§224.190. Purpose and Scope.

This subchapter describes procedures for the board to review and issue a final order in a contested case in which:

(1) a SOAH ALJ has submitted a final proposal for decision for consideration by the board or board delegate with final order authority, except as stated otherwise in §224.310 of this title (relating to Purpose and Scope),

(2) a party has appealed an interlocutory cease-and-desist order issued by an ALJ, or

(3) a party affected by a statutory stay order issued by an ALJ requested a hearing to modify, vacate, or clarify the extent and application of the statutory stay order.

§224.194. Contested Case Review.

After SOAH submits a final proposal for decision and transfers SOAH's administrative record to the department, the board has jurisdiction and the record required to issue a final order and will review the contested case during the public session of a board meeting, in accordance with the APA.

§224.198. Written Materials and Evidence.

1 (a) If a party wants to provide written materials at the board meeting, the party must
2 provide the written materials to the department and all other parties in accordance with §224.11 of
3 this title (relating to Filing and Service of Documents) at least 21 days prior to the date of the board
4 meeting. If a party fails to timely provide written materials to the department or any other party, the
5 department shall not provide the written materials to the board and the party shall not provide the
6 written materials to the board at the board meeting. Non-parties are not authorized to provide
7 written materials to the board.

8 (b) For the purposes of this section, written materials are defined as language or images
9 including photographs or diagrams, that are contained in the SOAH administrative record and
10 recorded in paper form except as stated otherwise in this subsection. The language or images in the
11 written materials must be taken without changes from the SOAH administrative record; however,
12 proposed final orders and draft motions for possible board action are allowed to be included in a
13 party's written materials even if they contain arguments or requests that are not contained in the
14 SOAH administrative record. Written materials shall be limited to evidence contained in the SOAH
15 administrative record and consistent with the scope of the board's authority to act under
16 Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code,
17 Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable.

18 (c) All information in the written materials shall include a citation to the SOAH administrative
19 record on all points to specifically identify where the information is located. The citations may be
20 provided in an addendum to the written materials that is not counted against the 15-page limit
21 under subsection (d) of this section; however, the addendum must not include any information other
22 than a heading that lists the name of the party, the caption for the contested case, and text that lists
23 the citations and page numbers.

(d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15 pages per party. If a party provides the department with written materials that contain more pages than the maximum allowed, the department shall not provide the written materials to the board and a party shall not provide the written materials to the board at the board meeting.

§224.200. Oral Presentation Limitations and Responsibilities.

(a) A party to a contested case under review by the board shall limit oral presentation and discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion shall be consistent with the scope of the board's authority to act under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable.

(b) A party may argue that the board should remand the contested case to SOAH.

(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the board is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The board chair may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

(3) An intervenor of record from the SOAH proceeding supporting another party shall share that party's time.

(4) Time spent by a party responding to a board question is not counted against their presentation time.

(5) During an oral presentation, a party to the contested case before the board may object that a party presented material or argument that is not in the SOAH administrative record. Time spent discussing such objections is not counted against the objecting party's time.

§224.204. Board Conduct and Discussion When Reviewing a Contested Case or Interlocutory Order.

(a) The board shall conduct its contested case review in compliance with Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2302; Transportation Code Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable, including the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the prohibition on considering evidence outside of the SOAH administrative record.

(b) A board member may question a party or the department on any matter that is relevant to the proposal for decision; however, a question shall be consistent with the scope of the board's authority to take action under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code, Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable; a question must be limited to evidence contained in the SOAH administrative record; and the communication must comply with §224.5 of this title (relating to Prohibited Communication). In considering a contested case, a board member is authorized to ask a question regarding a request to remand the case to SOAH, including a remand to SOAH for further consideration of the evidence.

1 (c) A board member may use personal expertise in the industry to understand a contested
2 case and make effective decisions, consistent with the scope of the board's authority to act under
3 Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code
4 Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable. However, a board
5 member is not an advocate for a particular industry. A board member is an impartial public servant
6 who takes an oath to preserve, protect, and defend the Constitution and laws of the United States
7 and Texas.

8
9 **SUBCHAPTER H. AUTOMATED MOTOR VEHICLE AUTHORIZATIONS**

10
11 **STATUTORY AUTHORITY.** The department adopts new sections under Transportation Code, §545.453
12 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer
13 Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which
14 requires state agencies to adopt rules of practice stating the nature and requirements of all available
15 formal and informal procedures; Government Code, §2001.054, which specifies the requirements
16 regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license;
17 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
18 appropriate to implement the powers and duties of the department; Transportation Code, §1003.001,
19 which states that the department is subject to Government Code, Chapter 2001, except as specifically
20 provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any
21 power relating to a contested case, including the power to issue a final order, to certain department
22 staff; and the statutory authority referenced throughout this preamble and in the rule text, which is
23 incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted new sections implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

Text.

§224.290. Purpose and Scope.

This subchapter prescribes the procedures for:

(1) the suspension, revocation, or cancellation of an automated motor vehicle authorization issued under Transportation Code, §545.456;

(2) the imposition of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459;

(3) the rescission of a suspension, revocation, or cancellation of an automated motor vehicle authorization under Transportation Code, §545.456 or §545.459; and

(4) the removal of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459.

§224.292. Immediate Suspension, Revocation, or Cancellation of an Automated Motor Vehicle Authorization under Transportation Code, §545.456(f).

(a) No other section in this chapter applies to a suspension, revocation, or cancellation of an automated motor vehicle authorization under Transportation Code, §545.456(f), except for §224.290 of this title (relating to Purpose and Scope).

1 (b) The department may immediately suspend, revoke, or cancel an automated motor
2 vehicle authorization under Transportation Code, §545.456(f) by sending notice to the authorization
3 holder's email address on file in the department's designated system referenced in §220.23 of this
4 title (relating to Application Requirements). The action described in the notice is effective when the
5 notice is emailed by the department.

6 (c) The department shall promptly notify the authorization holder of a rescission of a
7 suspension, revocation, or cancellation of an automated motor vehicle authorization under
8 Transportation Code, §545.456(g) by sending notice to the authorization holder's email address on
9 file in the department's designated system referenced in §220.23 of this title. The rescission
10 described in the notice is effective when the notice is emailed by the department.

11 (d) In addition to emailing a notice to the authorization holder under this section, the
12 department shall also mail a notice to an authorization holder by first-class mail using the authorization
13 holder's mailing address on file in the department's designated system referenced in §220.23 of this
14 title.

15 (e) The director of the department's Motor Carrier Division is authorized to make the decisions
16 under this section regarding a suspension, revocation, cancellation, or rescission.

17 (f) A reference in a department rule or communication to an "authorization holder" whose
18 authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the
19 suspension, revocation or cancellation of the authorization.

20
21 §224.294. Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under
22 Transportation Code, §545.459.

1 (a) Subchapters A, E, F, and I of this chapter apply to a suspension, revocation, or
2 cancellation of an authorization under Transportation Code, §545.459, and the imposition of one or
3 more restrictions on the operation of the automated motor vehicle under Transportation Code,
4 §545.459.

5 (b) The department shall send the notice of intent required under Transportation Code,
6 §545.459 to the authorization holder by certified mail, return receipt requested consistent with
7 Government Code, §2001.054. The department shall also send the notice of intent to the
8 authorization holder's email address on file in the department's designated system referenced in
9 §220.23 of this title (relating to Application Requirements).

10 (c) Any request for an extension on the department's deadline for corrective action and
11 certification under Transportation Code, §545.459(c)(2) and (e) must be submitted prior to the
12 department's deadline listed in the department's notice of intent and must contain an explanation
13 regarding the following:

- 14 (1) why the department's deadline is not reasonable;
15 (2) why the authorization holder needs more time, and the specific deadline the
16 authorization holder is requesting; and
17 (3) whether the authorization holder's requested deadline is likely to result in harm
18 to the public health, safety, or welfare.

19 (d) The department shall promptly provide notice to the authorization holder of the
20 department's action under this section and Transportation Code, §545.459, using the authorization
21 holder's email address on file in the department's designated system referenced in §220.23 of this
22 title, except as otherwise provided by statute or rule, including §224.154 of this title (relating to
23 Notice of Hearing) and §224.206 of this title (relating to Final Orders). The department shall also

1 promptly mail such notice by first-class mail to an authorization holder using the authorization
2 holder's mailing address on file in the department's designated system referenced in §220.23. The
3 date the department emails a decision or final determination is the date the department issues a
4 decision or final determination for the purposes of Transportation Code, §545.459(g), (h), and (i), as
5 applicable.

6 (e) The authorization holder shall submit any requests to the department under
7 Transportation Code, §545.459 to the designated address listed in the department's notice to the
8 authorization holder.

9 (f) A representative of an authorization holder may be required to provide written proof to the
10 department of authority to act on behalf of the authorization holder.

11 (g) An authorization holder shall electronically file any certification under Transportation Code,
12 §545.459(d) in the department's designated system and include an authorized signature on the
13 certification, in accordance with §224.11 of this title (relating to Filing and Service of Documents).

14 (h) The director of the department's Motor Carrier Division is authorized to issue a decision
15 under Transportation Code, §545.459(g).

16 (i) The director of the department's Motor Carrier Division shall review the decision and
17 issue a final determination under Transportation Code, §545.459(h) if the authorization holder
18 timely submits a written request to the department for review.

19 (j) Except as otherwise provided under §224.29 of this title (relating to Delegation of Final
20 Order Authority), the board has final order authority in a contested case under Transportation Code,
21 §545.459(k). However, the director of the department's Motor Carrier Division shall take the actions
22 required under Transportation Code, §545.459(j) regarding the rescission of a suspension,

1 revocation, or cancellation, or the removal of a restriction, regardless of whether the board issued
2 the final order.

3 (k) If a hearing is not timely held as required by Transportation Code, §545.459(k), the
4 department shall take the following actions:

5 (1) request the State Office of Administrative Hearings to dismiss the contested case;

6 and

7 (2) promptly notify the authorization holder that the authorization is automatically
8 reinstated and that any restriction is automatically removed, using the authorization holder's email
9 address on file in the department's designated system referenced in §220.23 of this title.

10 (l) A reference in a department rule or communication to an "authorization holder" whose
11 authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the
12 suspension, revocation, or cancellation of the authorization.

13 (m) Unless otherwise requested by the department in writing, §224.11(a) through (g) of this title
14 do not apply to a certification or communication from the authorization holder to the department
15 regarding the following under Transportation Code, §545.459(j):

16 (1) a potential rescission of a suspension, revocation, or cancellation; or

17 (2) a potential removal of a restriction.

18
19 **SUBCHAPTER I. MOTOR CARRIER DIVISION DIRECTOR PROCEDURES IN CONTESTED CASES**

20
21 **STATUTORY AUTHORITY.** The department adopts new sections under Government Code, §2001.004,
22 which requires state agencies to adopt rules of practice stating the nature and requirements of all

1 available formal and informal procedures; Transportation Code, §545.453 (as added by SB 2807),
2 which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter
3 545 of the Transportation Code; Transportation Code, §502.0021, which authorizes the department
4 to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b),
5 which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code,
6 §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce
7 Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to
8 adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622;
9 Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to
10 implement and enforce Transportation Code, Chapter 623; Transportation Code, §643.003, which
11 authorizes the department to adopt rules to administer Transportation Code, Chapter 643;
12 Transportation Code, §643.2525, which addresses the final order issued by the department for a
13 contested case under Transportation Code, Chapter 643; Transportation Code, §1002.001, which
14 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and
15 duties of the department; Transportation Code, §1003.001, which states that the department is
16 subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation
17 Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested
18 case, including the power to issue a final order, to certain department staff; and the statutory
19 authority referenced throughout this preamble and in the rule text, which is incorporated herein by
20 reference.

21 **CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapters
22 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005;
23 and Government Code, Chapter 2001.

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Text.

§224.310. Purpose and Scope.

This subchapter describes the procedures for the department’s director of the Motor Carrier Division (Motor Carrier Division Director) to review and issue a final order in a contested case in which the following conditions are met:

(1) the Motor Carrier Division Director is the final order authority pursuant to a delegation under this chapter or as designated under Transportation Code, §643.001(2); and

(2) a SOAH ALJ has submitted a final proposal for decision for consideration by a person with such final order authority.

§224.312. Contested Case Review.

(a) After SOAH submits a final proposal for decision and transfers SOAH's administrative record to the department, the Motor Carrier Division Director has jurisdiction and the record required to issue a final order and will review the contested case in accordance with the APA.

(b) The Motor Carrier Division Director may schedule a special public meeting to review the contested case, as specified under this subchapter; however, the Motor Carrier Division Director may also review SOAH’s administrative record in a contested case and issue a final order without holding a special public meeting. The provisions in this subchapter regarding a special public meeting only apply if the Motor Carrier Division Director schedules a special public meeting.

§224.314. Request for Oral Presentation.

(a) At least 20 days prior to the scheduled date of a special public meeting, the department shall notify the parties regarding the opportunity to attend and provide an oral presentation concerning a proposal for decision before the Motor Carrier Division Director. The department will deliver notice electronically to the last known email address provided to the department by the party or party's authorized representative in accordance with §224.11 of this title (relating to Filing and Service of Documents).

(b) If a party intends to make an oral presentation at the special public meeting, a party must submit a written request for an oral presentation to the department's contact listed in the notice provided under subsection (a) of this section and copy all other parties in accordance with §224.11 of this title at least seven days prior to the date of the special public meeting at which the party's contested case will be reviewed.

(c) If more than one party was not adversely affected by the proposal for decision, such parties may agree on the order of their presentations in lieu of the order prescribed under §224.320 of this title (relating to Order of Oral Presentations to the Motor Carrier Division Director). These parties must submit the agreed order of their presentations along with their requests to make an oral presentation under subsection (b) of this section. The order of presentations will be determined under §224.320 of this title if the parties who were not adversely affected by the proposal for decision do not timely provide the department and the other parties with notice regarding their agreed order of presentation.

(d) If a party timely submits a written request for an oral presentation, that party may make an oral presentation before the Motor Carrier Division Director at the special public meeting. If a

1 party fails to submit a written request for an oral presentation timely, that party shall not make an
2 oral presentation at the special public meeting.

3 (e) Non-parties are not authorized to provide an oral presentation or public comment to the
4 Motor Carrier Division Director at a special public meeting.

5
6 §224.316. Written Materials and Evidence.

7 (a) If a party wants to provide written materials at the special public meeting, the party
8 must provide the written materials to the department and all other parties in accordance with
9 §224.11 of this title (relating to Filing and Service of Documents) at least 14 days prior to the date of
10 the special public meeting. If a party fails to timely provide written materials to the department or
11 any other party, the department shall not provide the written materials to the Motor Carrier Division
12 Director and the party shall not provide the written materials to the Motor Carrier Division Director
13 at the special public meeting.

14 (b) For the purposes of this section, written materials are defined as language or images
15 including photographs or diagrams, that are contained in the SOAH administrative record and
16 recorded in paper form except as stated otherwise in this subsection. The language or images in the
17 written materials must be taken without changes from the SOAH administrative record; however,
18 proposed final orders are allowed to be included in a party's written materials even if they contain
19 arguments or requests that are not contained in the SOAH administrative record. Written materials
20 shall be limited to evidence contained in the SOAH administrative record and consistent with the
21 scope of the Motor Carrier Division Director's authority to act under Government Code,

§2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645.

(c) All information in the written materials shall include a citation to the SOAH administrative record on all points to specifically identify where the information is located. The citations may be provided in an addendum to the written materials that is not counted against the 15-page limit under subsection (d) of this section; however, the addendum must not include any information other than a heading that lists the name of the party, the caption for the contested case, and text that lists the citations and page numbers.

(d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15 pages per party. If a party provides the department with written materials that contain more pages than the maximum allowed, the department shall not provide the written materials to the Motor Carrier Division Director and a party shall not provide the written materials to the Motor Carrier Division Director at the special public meeting.

(e) Non-parties are not authorized to provide written materials to the Motor Carrier Division Director at a special public meeting.

§224.318. Oral Presentation Limitations and Responsibilities.

(a) A party to a contested case under review by the Motor Carrier Division Director shall limit oral presentation and discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion shall be consistent with the scope of the Motor Carrier Division

Director's authority to act under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645.

(b) A party may argue that the Motor Carrier Division Director should remand the contested case to SOAH.

(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the Motor Carrier Division Director is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The Motor Carrier Division Director may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

(3) An intervenor of record from the SOAH proceeding supporting another party shall share that party's time.

(4) Time spent by a party responding to a question from the Motor Carrier Division Director is not counted against such party's presentation time.

(5) During an oral presentation, a party to the contested case before the Motor Carrier Division Director may object that a party presented material or argument that is not in the SOAH administrative record. Time spent discussing such objections is not counted against the objecting party's time.

§224.320. Order of Oral Presentation to the Motor Carrier Division Director.

(a) The department will present the procedural history and summary of the contested case.

(b) The party that is adversely affected may present first. However, the Motor Carrier Division Director is authorized to determine the order of each party's presentation if:

(1) it is not clear which party is adversely affected;

(2) it appears that more than one party is adversely affected; or

(3) different parties are adversely affected by different portions of the contested case under review.

(c) The other party or parties not adversely affected will then have an opportunity to make a presentation. If more than one party is not adversely affected, each party will have an opportunity to respond in alphabetical order based on the name of the party in the pleadings in the SOAH administrative record, except as stated otherwise in §224.314 of this title (relating to Request for Oral Presentation).

§224.322. Motor Carrier Division Director Conduct and Discussion When Reviewing a Contested Case.

(a) The Motor Carrier Division Director shall conduct the contested case review in compliance with Government Code, Chapter 2001; and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645, including the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the prohibition on considering evidence outside of the SOAH administrative record.

(b) The Motor Carrier Division Director may question a party or the department on any matter that is relevant to the proposal for decision; however, a question shall be consistent with the scope of the Motor Carrier Division Director's authority to take action under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645; a question must be limited to evidence contained in the SOAH administrative record; and the communication must comply with §224.5 of this title (relating to Prohibited Communication). In considering a contested case, the Motor Carrier Division Director is authorized to ask a question regarding a request to remand the case to SOAH, including a remand to SOAH for further consideration of the evidence.

§224.324. Final Orders.

(a) The Motor Carrier Division Director shall sign a written final order in a contested case under this subchapter.

(b) The department shall email a copy of the final order to the parties in the contested case and send a copy of the final order by certified mail, return receipt requested.

(c) The provisions of Government Code, Chapter 2001, Subchapter F govern:

(1) the issuance of a final order issued under this subchapter; and

(2) motions for rehearing filed in response to a final order.

(d) An order in a contested case is final in accordance with Government Code, §2001.144.

1 §224.326. Public Access to Special Public Meetings.

2 (a) Persons who have special communication or accommodation needs and who plan to
3 attend a special public meeting may contact the department's contact listed in the posted meeting
4 agenda for the purpose of requesting auxiliary aids or services. Requests shall be made at least two
5 days before a special public meeting. The department shall make every reasonable effort to
6 accommodate these needs.

7 (b) Members of the public are not authorized to question the parties to the contested case
8 or the Motor Carrier Division Director regarding the contested case.

9 (c) A person who disrupts a special public meeting shall leave the meeting room and the
10 premises if ordered to do so by the Motor Carrier Division Director.