

1 However, without registration insignia, the specialized rental trailer license plate would provide
2 less information for law enforcement, since it would no longer be evident from the face of the plate
3 whether the trailer’s registration was current. It is therefore important to limit the number of vehicles
4 that are eligible for this specialized license plate, to limit the impact on law enforcement. First,
5 Transportation Code, §504.516(b)(2) limits the vehicles eligible for the plate by defining a “rental trailer”
6 as a “utility trailer” so the rental trailer plate is only available for a utility trailer. In the industry, “utility
7 trailer” is a commonly used term for flatbed trailers with no roof and either low side walls or no side walls.
8 Proposed new §217.66(a)(2) would define “utility trailer” to reflect this meaning. It would also limit “utility
9 trailer” to only include a vehicle with a gross weight of 7,500 pounds or less, to exclude heavier flatbed
10 vehicles that are not typically described in the industry as “utility trailers.” Further, proposed new
11 §217.66(a)(1) would create a definition for “rental fleet” so that persons who rent fewer than five trailers
12 would not qualify for the specialized plate, further ensuring that the specialized plate would have a limited
13 impact on law enforcement.

14 Proposed new §217.66 would apply to any vehicle registration type for which the applicant
15 qualifies, except for registration under Transportation Code, §502.0023, which requires the license plate
16 to include the expiration date of the registration period unless the license plate is issued for a token trailer.
17 The department is not authorized by rule to exempt a registrant from the requirement to display the
18 expiration date on the license plate under Transportation Code, §502.0023(d)(2).

19 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
20 has determined that for each year of the first five years the proposed new section will be in effect, there
21 will be no significant fiscal impact to state or local governments as a result of the enforcement or
22 administration of the proposal. By not having to issue registration insignia for these specialized plates, the
23 department will save approximately \$0.1804 per sticker per registration period, which can vary from one

1 to five years. However, these savings are not expected to create a significant reduction in cost for the
2 department because the number of trailers registered through these specialized plates is not expected to
3 exceed 10,000 based on estimates provided by stakeholders. The department does not expect to incur
4 any significant additional costs to design or produce the specialized plate because the rental trailer plate
5 already exists and is already covered under the existing contract with the Texas Department of Criminal
6 Justice for production of license plates. Annette Quintero, Director of the Vehicle Titles and Registration
7 Division, has determined that there will be no measurable effect on local employment or the local
8 economy as a result of the proposal.

9 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero has also determined that, for each year of the first five
10 years the new section is in effect, there are several public benefits anticipated and no costs to comply.

11 Anticipated Public Benefits. Ms. Quintero anticipates that proposed new §217.66 would lower
12 logistical costs for trailer rental companies, potentially leading to lower trailer rental costs for the public.

13 Anticipated Costs to Comply with the Proposal. Ms. Quintero anticipates that there will be no
14 costs to comply with this rule. The designation of a specialized plate that does not require a registration
15 insignia to validate the license plate should save the owners of vehicles covered by proposed new §217.66
16 the time and logistical costs required to change out registration insignia regularly.

17 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
18 Code, §2006.002, the department has determined that the proposed new section will not have an adverse
19 economic effect on small businesses, micro-businesses, and rural communities. The proposed new section
20 does not require small businesses, micro-businesses, or rural communities to incur costs. Therefore, the
21 department is not required to prepare a regulatory flexibility analysis under Government Code,
22 §2006.002.

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

5 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
6 first five years the proposed new section is in effect, no government program would be created or
7 eliminated. Implementation of the proposed new section would not require the creation of new employee
8 positions or elimination of existing employee positions. Implementation would not require an increase or
9 decrease in future legislative appropriations to the department or an increase or decrease in fees paid to
10 the department. The proposed new section would create a new regulation designating a rental trailer
11 plate as a specialized license plate that does not require a registration insignia to validate the plate. The
12 proposed new section does not expand, limit or repeal an existing regulation. The proposed new section
13 affects the number of individuals subject to the rule's applicability because it requires a rental trailer to
14 be a part of a rental fleet and requires the rental trailers to fall within the definition of a “utility trailer”
15 before the applicant is eligible to obtain a rental trailer license plate for its rental trailer. Lastly, the
16 proposed new section will not affect this state's economy.

17 **REQUEST FOR PUBLIC COMMENT.**

18 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on January 27,
19 2025. A request for a public hearing must be sent separately from your written comments. Send written
20 comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas
21 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the
22 department will consider written comments and public testimony presented at the hearing.

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1 **STATUTORY AUTHORITY.** The department proposes new section §217.66 under Transportation Code,
2 §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter
3 502; Transportation Code, §502.059(e), which authorizes the department to designate specialized
4 license plates that are exempt from the requirement to attach a registration insignia to validate the
5 license plate; Transportation Code, §504.0011, which authorizes the board to adopt rules to implement
6 and administer Transportation Code, Chapter 504; Transportation Code, §504.516, which allows the
7 department to issue specially designed license plates for rental utility trailers and to prescribe a
8 manner of designating a “rental fleet”; and Transportation Code, §1002.001, which authorizes the
9 board to adopt rules that are necessary and appropriate to implement the powers and the duties of the
10 department, as well as the statutes referenced throughout this preamble.

11 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 502, 504 and 1002.

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13 TEXT.

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SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

15 §217.66. Specialized License Plate for Registration of Rental Trailers.

16 (a) For purposes of this section:

17 (1) “rental fleet” means five or more rental trailers that are:

18 (A) owned by the same owner; and

19 (B) offered for rent or rented without drivers.

20 (2) “utility trailer” means:

21 (A) a trailer of flatbed design with no roof and either low side walls or no

22 side walls; and

23 (B) with a gross weight of 7,500 pounds or less.

1 (b) Notwithstanding §217.27(a)(2) and (c)(2) of this title (relating to Vehicle Registration
2 Insignia), the department shall issue a registration receipt and one specialized metal license plate
3 as evidence of registration for a utility trailer that is part of a rental fleet. The specialized metal
4 license plate under this section does not include an expiration date or require an annual
5 registration insignia to be valid under Transportation Code, §502.059.

6 (c) This section does not apply to vehicles registered under Transportation Code,
7 §502.0023.

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