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PROPOSAL OF REVISIONS TO

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §215.1 AND §215.2

SUBCHAPTER B. LICENSES, GENERALLY

43 TAC §§215.81, 215.82, 215.83, 215.84, 215.85, 215.89 AND §215.91

SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS

43 TAC §§215.101, 215.104, 215.105, 215.107, 215.108, 215.110, 215.113, 215.114, 215.115, 215.120

AND 215.121

SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES

43 TAC §§215.131, 215.132, 215.133, 215.134, 215.137, 215.140, 215.141, 215.144, 215.145, 215.152,

215.153, 215.154, 215.155, 215.157, 215.158, AND 215.159

SUBCHAPTER E. LESSORS AND LEASE FACILITATORS

43 TAC §§215.171, 215.175, 215.177, AND 215.181

SUBCHAPTER F. ADVERTISING

43 TAC §§215.241, 215.242, 215.243, 215.244, 215.246, 215.264, 215.269, AND §215.270

SUBCHAPTER G. ADMINISTRATIVE SANCTIONS

§215.500

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §215.2 and repeal of §215.1; proposes amendments to Subchapter B, Licenses Generally, §§215.82 - 215.85, 215.89 and 215.91 and repeal of §215.81; proposes amendments to Subchapter C, Franchised Dealers, Manufacturers, Distributors, and

1 Converters, §§215.104, 215.105, 215.108, 215.110, 215.113 - 215.115, 215.120, and 215.121, proposes
2 new §215.107, and repeal of §215.101; proposes amendments to Subchapter D, General Distinguishing
3 Numbers and In-transit Licenses, §§215.132 - 215.134, 215.137, 215.140, 215.141, 215.144, 215.145,
4 215.152, 215.154, 215.155, 215.157, and 215.158, proposes new §215.153 and §215.159, and repeal of
5 §215.131; proposes amendments to Subchapter E, Lessors and Lease Facilitators, §§215.175, 215.177,
6 and 215.181, and repeal of §215.171; proposes amendments to Subchapter F, Advertising, §§215.242,
7 215.244, 215.246, 215.264, and 215.270, and repeals of §§215.241, 215.243, and 215.269; and proposes
8 amendments to Subchapter G, Administrative Sanctions, §215.500.

9 The proposed amendments are necessary to enhance the enforceability of the Motor Vehicle
10 Records Disclosure Act in Transportation Code, Chapter 730; to modify language to be consistent with
11 statutes and other chapters in Title 43 of the Texas Administrative Code; to modify language to be
12 consistent with current practice; to improve readability through the use of consistent terminology; to
13 clarify or delete unused, archaic, or inaccurate definitions, terms, references or other language; to
14 establish or clarify existing requirements for license plate use, management, and storage; and to
15 streamline and modernize language.

16 Three new sections are also being proposed. Proposed new §215.107 would document licensing
17 requirements when a manufacturer or distributor sells or transfers a line-make; proposed new §215.153,
18 would clarify a dealer's use of buyer's provisional license plates, and proposed new §215.159 would
19 establish when a dealer with multiple locations may store or manage license plates from a location other
20 than the licensed location.

21 On December 8, 2025, the department provided an early draft of the proposed new rules and
22 other rules with substantive changes to the Motor Vehicle Industry Regulation Advisory Committee
23 (MVIRAC). Committee members then voted on formal motions and provided informal comments on other

1 provisions. The department has incorporated input from this committee in proposed §§215.104, 215.145,
2 215.153, 215.159, and 215.244.

3 Redundant or unnecessary rules identified in the course of the department’s work with the Texas
4 Regulatory Efficiency Office are proposed for repeal, including §§215.1, 215.81, 215.101, 215.131,
5 215.171, 215.241, 215.243, and 215.269.

6 **EXPLANATION.**

7 The department is conducting a review of Chapter 215 rules in compliance with Government
8 Code, §2001.039. Notice of the department’s plan to review is also published in this issue of the *Texas*
9 *Register*. As a part of the review, the department is proposing necessary amendments, new sections, and
10 repeals as detailed in the following paragraphs.

11

12 Subchapter A. General Provisions

13 §215.1

14 This section describing the purpose and scope of the chapter is proposed for repeal because the
15 section is unnecessary, as relevant statutory references may be incorporated into each rule.

16 §215.2

17 Proposed amendments to §215.2(a) would add a reference to Transportation Code, Chapter 730,
18 the Motor Vehicle Records Disclosure Act, to clarify that the definitions in Chapter 730 would apply to
19 Chapter 215 because the rules in this proposal would enforce that act. The proposed amendments would
20 also amend related punctuation. A proposed amendment to §215.2(b)(7) would clarify that the definition
21 of standard license plate does not include a dealer’s temporary license plate issued under Transportation
22 Code, §503.062. A dealer’s temporary license plate may only be used for the purposes authorized in

1 Transportation Code, §503.062, whereas a dealer’s standard license plate, authorized under
2 Transportation Code, §503.061, may be used for a broader set of purposes.

3

4 Subchapter B. Licenses, Generally

5 §215.81

6 This section describing the purpose and scope of the subchapter is proposed for repeal because
7 it is unnecessary, as relevant statutory references may be incorporated into each rule.

8 §215.82

9 Proposed amendments to §215.82 would add “and Dealer’s Temporary” to the title of the section
10 and would add a dealer’s temporary license plate to the rule text to include this license plate type as an
11 additional type for which a dealer could get a replacement license plate or sticker at no charge if the dealer
12 did not receive the original license plate the dealer ordered and the dealer made a request for a
13 replacement within 45 days of the department mailing the license plate in the license plate system
14 designated by the department. Proposed amendments would also delete unnecessary references to the
15 specific types of license holders eligible to receive a standard license plate because the phrase “standard
16 license plate” is already defined in §215.2(b)(7) of this title (relating to Definitions; Conformity and
17 Statutory Requirements) as a license plate issued to a license holder. Additional proposed amendments
18 would delete “standard” from the description of the license plate in §215.82(1) and §215.82(2) because
19 these provisions would apply to both standard license plates and dealer’s temporary license plates. These
20 proposed amendments would allow a dealer to receive a replacement at no charge if a dealer’s temporary
21 license plate is lost in the mail and a dealer promptly requests a replacement.

1 §215.83

2 Proposed amendments to §215.83 would create new paragraph §215.83(a) to document existing
3 requirements for a new applicant to register for an account in the department-designated licensing
4 system by accessing the licensing system through the department's website. These proposed
5 amendments would require an applicant to designate an account administrator, provide the name and
6 email address for that person, and provide the business telephone number, name, business type, and
7 social security number or employer identification number, as applicable, and would specify that the
8 applicant's licensing account administrator must be an owner, officer, manager, or bona fide employee.
9 These proposed amendments reflect existing requirements for setting up an account that an applicant
10 may then use to submit a license application. The remaining paragraphs of §215.83 would be renumbered
11 to accommodate new §215.83(a).

12 §215.84

13 Proposed amendments to §215.84 would delete subsection (a) and reletter the remaining
14 subsections because the text in this subsection unnecessarily duplicates language in Occupations Code,
15 §2301.002(3) and §2301.006.

16 §215.85

17 Proposed amendments to §215.85 would streamline the language throughout the section to
18 improve readability without changing meaning, delete language found in statute, and clarify the
19 requirements for buyer referrals. Proposed amendments to §215.85(a) would streamline this subsection
20 by moving a descriptive phrase to eliminate unnecessary words and punctuation, and would delete an
21 unnecessary phrase and an unnecessary sentence because that language is included in statute. Proposed
22 amendments to §215.85(b) would substitute a phrase to clarify that a referral service, program, plan, or
23 club must meet each of the criteria listed for the referral service to be considered compliant. Proposed

1 amendments to §215.85(b)(1) through §215.85(b)(7) would streamline these paragraphs by deleting
2 unnecessary words without changing meaning. Proposed amendments to §215.85(c) would substitute
3 “under” for “pursuant to” to streamline and modernize the phrase and would add “motor” to more
4 accurately describe the type of vehicles that a GDN holder under Transportation Code, §503.029(a)(6)(B)
5 is authorized to sell.

6 §215.89

7 Proposed amendments to §215.89(a) would delete an unnecessary phrase to streamline the
8 subsection language. A proposed amendment to §215.89(b)(2) would update for ease of reference a
9 citation to the criminal offense guidelines for the motor vehicle industry in 43 TAC Chapter 211, which
10 was renumbered on November 1, 2025. A proposed amendment to §215.89(b)(5) would add a modifying
11 phrase to identify a specific factor – consumer harm – which the department may consider when
12 evaluating if a license holder or applicant is unfit to hold a license due to insolvency or failure to obtain or
13 maintain financial resources sufficient to meet financial obligations. Consideration of this factor is
14 important as a license holder may need to reorganize finances due to a business setback but may not be
15 considered unfit if no consumer harm resulted. A proposed amendment to §215.89(b)(8) would delete an
16 unnecessary introductory verb and connector as a previous license is referenced later in the paragraph,
17 and would update a citation to the section referring to the criminal offense guidelines because this section
18 is proposed for renumbering to §211.9 in a rule proposal which the Board approved for publication on
19 December 11, 2025, and will consider adopting at the same board meeting in which this proposal is being
20 considered.

21 §215.91

22 Occupations Code, §55.004(b-1), as amended by Senate Bill 1818, 89th Texas Legislature, Regular
23 Session, requires all state licensing agencies including the department to issue a provisional license to

1 military service members, veterans and military spouses while the agency processes the application for
2 licensure. Proposed amendments to §215.91(b) would clarify the license application process for a military
3 service member, military spouse, or military veteran to obtain a provisional license. These clarifications
4 are necessary for the department to be able to identify and process these applications on an expedited
5 basis as required by Occupations Code, §55.0041, as amended by House Bill (HB) 5629, 89th Legislature,
6 Regular Session. Proposed amendments to §215.91(b)(1) would align the rule with Occupations Code,
7 §55.004, as amended by Senate Bill (SB) 1818, 89th Legislature, Regular Session, to require licensing
8 agencies to issue a provisional license while the agency reviews the application of military service
9 members, spouses and veterans who are currently licensed and in good standing in another state or have
10 been licensed in Texas within the past five years. The proposed amendments to §215.91(b)(1) would
11 establish less onerous application requirements for a provisional license, as specified by Occupations
12 Code, §55.004 and §55.0041, and would clarify that a military service member, military spouse, or military
13 veteran may apply for a provisional license by downloading and completing the application form from the
14 department website or contacting the department. Proposed amendments to §215.91(b)(1) would also
15 require the applicant to submit the completed provisional license application to the department at the
16 email address designated in the application form, delete a requirement to submit the more
17 comprehensive online application specified in §215.83, and would reletter the required attachments that
18 must be submitted with the provisional license application. The proposed amendments would also add a
19 new §215.91(b)(1)(C) and amend relettered §215.91(b)(1)(A) to clarify and separate the documentation
20 requirements for military veterans from the documents that active-duty military and spouses need to
21 submit to prove their military service status. Proposed amendments to §215.91(b)(1)(D) would clarify that
22 the affidavit requirement of Occupations Code, §55.0041(b)(3) for applicants who have previously been
23 licensed by another state applies to not only military active duty and spouses but also veterans seeking

1 provisional licensure, as a standard method for the department to get the information it needs to
2 determine eligibility for a provisional license.

3 Proposed amendments to §215.91(b)(2) would add the phrase “provisional license” to describe
4 the application type, to align with Occupations Code, §55.004 as amended by SB 1818. Proposed
5 amendments in §215.91(b)(2)(A) would add a reference to military veteran to align with Occupations
6 Code, §55.004 as amended by HB 5629, and update related punctuation and a conjunction. Proposed
7 amendments in §215.91(b)(2)(B) would change a verb to “confirm” for consistency with proposed
8 language in §215.91(b)(2)(C). Proposed amendments in §215.91(b)(2)(C) would add that if the department
9 confirms the information in subparagraphs (A) and (B), that the department will notify the applicant to
10 submit a sufficient application as described in §215.83 at the time the department issues the provisional
11 license, to align with Occupations Code, §55.0041(b-1) as amended by HB 5629. Proposed amendments
12 to §215.91(b)(3) would clarify that the department will issue a license within 10 days of receiving a
13 sufficient application – or notify the applicant why a license cannot currently be issued – as required under
14 Occupations Code, §55.0041(b-1) as amended by HB 5629, when an applicant holds a provisional license,
15 was licensed in good standing in another state with similar licensing requirements, or was licensed in good
16 standing in Texas in the last five years. Another proposed amendment to §215.91(b)(3) would move the
17 last sentence to a new §215.91(c) to improve readability and would reletter current §215.91(c) to
18 §215.91(d). These proposed amendments would streamline the process for military members, military
19 spouses, and military veterans to apply for and obtain a provisional license consistent with the
20 requirements of Occupations Code, Chapter 55 as amended by HB 5629 and SB 1818, without requiring
21 substantial licensing system changes that would impact implementation.

22

1 Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters

2 §215.101

3 This section describing the purpose and scope of the subchapter is proposed for repeal because
4 it is unnecessary, as relevant statutory references may be incorporated into each rule.

5 §215.104

6 Proposed amendments to §215.104(a) and §215.104(b) would modernize and simplify text to
7 improve readability without changing meaning. Proposed amendment to §215.104(a)(2) would remove a
8 typographical error. Proposed amendments to §215.104(c) would add a requirement for a franchised
9 dealer to file a license amendment application within ten days if the person responsible for a franchised
10 dealer's business activities changes due to the appointment of a receiver or filing for bankruptcy, and
11 would make related changes in punctuation and placement of a conjunction. These proposed
12 amendments would help ensure that the proper representative receives department licensing and
13 enforcement notices and can act within the time limits established by statute and rule. Proposed
14 amendments to §215.104(d) would modernize and simplify text to improve readability without changing
15 meaning.

16 §215.105

17 Proposed amendments throughout §215.105 would modernize and simplify text to improve
18 readability without changing meaning.

19 §215.107

20 Proposed new §215.107 would describe the licensing requirements when a manufacturer or
21 distributor purchases, licenses, or otherwise accepts the transfer of an existing line-make from another
22 manufacturer or distributor. Proposed new §215.107(a) would require the manufacturer or distributor
23 acquiring the line-make to either apply for a manufacturer or distributor license or submit a license

1 amendment to add the transferred line-make. Proposed new §215.107(b) would require the acquiring
2 manufacturer or distributor to identify the effective date of the transfer, identify the franchised dealers
3 authorized to sell and service the line-make, identify the person responsible for warranty and franchised
4 dealer obligations incurred prior to the transfer, and certify compliance with Occupations Code, Chapter
5 2301, Subchapter J. This proposed new section would enable the department to more efficiently
6 transition a line-make and clarify the manufacturer or distributor responsible for statutory warranty and
7 dealer obligations under Occupations Code, Chapter 2301.

8 §215.108

9 Proposed amendments to §215.108 would modernize and simplify text to improve readability
10 without changing meaning and would add “or relocated” for consistency.

11 §215.110

12 A proposed amendment to §215.110(b) would clarify that the information described is in
13 subsection (a) of the section, and not in other subsections, to prevent any reader confusion.

14 §215.113

15 Proposed amendments to §215.113(c) would update the Subchapter designation in 43 TAC,
16 Chapter 224, and delete “License” in a referenced section title to correct the name and subchapter
17 reference.

18 §215.114

19 Proposed amendments to §215.114 would modernize and simplify text to improve readability
20 without changing meaning.

21 §215.115

22 Proposed amendments to §215.115(e) would add “if applicable” and related punctuation because
23 certain records listed may not be relevant to an individual license holder’s business.

1 §215.120

2 Proposed amendments to §215.120(a) and (b) would remove the phrases “manufacturer’s” and
3 “manufacturer or converter” from modifying “standard license plate” because they are unnecessary since
4 the definition of “standard license plate” in §215.2(b)(7) includes plates issued to these types of license
5 holders. A proposed amendment to §215.120(d) would substitute “license holder” for “manufacturer,
6 distributor, or converter” to simplify rule text without changing meaning. A proposed amendment to
7 §215.120(d)(2) would substitute “secured” for “affixed” for consistency in terminology. A proposed
8 amendment to §215.120(g) would delete the phrase referencing a franchised or other GDN dealer
9 because this phrase is unnecessary as §215.139 addresses the process for license holders to request and
10 receive additional standard license plates. A proposed amendment to §215.120(g)(1) would clarify that a
11 business justification that a license holder could provide to receive additional standard license plates
12 would include the number of vehicles assembled or modified only in the prior twelve months and only at
13 facilities located in Texas or serving the Texas market. The proposed language would clarify the relevant
14 information that the department would consider and address a common question posed by
15 manufacturers when requesting additional standard license plates. A proposed amendment to
16 §215.120(h) would correct a capitalization error.

17 §215.121

18 Proposed amendments to §215.121(a) would delete that subsection as unnecessary because the
19 sanction actions the board or department may take are included in statute, and would delete the
20 orphaned remaining subsection designation. Further proposed amendments to §215.121 would
21 substitute “sanction” for a reference to deleted subsection (a) and would add “if the person:” before
22 listing common violations in the succeeding paragraphs to improve readability. Proposed amendments to
23 unlettered §215.121(10) would update references to relevant Transportation Code chapters that may

1 result in a license holder receiving a sanction if a provision is violated. A proposed amendment to
2 unlettered §215.121(11) would update a citation to the criminal offense guidelines in 43 TAC Chapter 211,
3 which was renumbered to §211.10 on November 1, 2025.

4 Proposed amendments would add new §215.121(19) to enforce Transportation Code, Chapter
5 730, the Motor Vehicle Records Disclosure Act, by adding a sanction if a manufacturer, distributor,
6 converter, or franchised dealer, or employee or agent violates the Act, and would make related changes
7 in punctuation and placement of a conjunction. These license holders and their employees and agents
8 have access to motor vehicle records protected under the Motor Vehicle Records Disclosure Act and
9 disclosure in violation of the Act may cause significant consumer harm.

10

11 Subchapter D. General Distinguishing Numbers and In-Transit Licenses

12 §215.131

13 This section describing the purpose and scope of the subchapter is proposed for repeal because
14 it is unnecessary, as relevant statutory references may be incorporated into each rule.

15 §215.132

16 Proposed amendments would update definitions consistent with other proposed rule changes in
17 Subchapter D. Proposed amendments would delete the definition of “barrier” in §215.132(1) because a
18 proposed amendment in §215.140 would delete that term, and would renumber the following definitions
19 accordingly. A proposed amendment to renumbered §215.132(1) would delete the last sentence that
20 references a “buyer’s provisional license plate” to align with the proposal of a new definition for a “buyer’s
21 provisional license plate” in renumbered §215.132(2). Proposed amendments to renumbered §215.132(2)
22 would define a “buyer’s provisional license plate” as a license plate a dealer uses when the general issue
23 license plate for that vehicle or motor vehicle type is not in a dealer's license plate inventory, a dealer has

1 submitted an application for an exempt license plate for the vehicle and that application is pending
2 department approval, or a retail buyer requires a commercial fleet specific-use license plate and will
3 obtain that license plate through the Motor Carrier division or other department system. This proposed
4 definition would clarify the uses of a buyer’s provisional license plate and would allow a dealer to more
5 efficiently process retail sales for various types of vehicles.

6 §215.133

7 Proposed amendments to §215.133 would delete subsections (a) and (b) and reletter subsequent
8 subsections because the deleted subsections unnecessarily repeat statutory requirements. Proposed
9 amendments to relettered §215.133(a) would add “license” to clarify the application type referenced. The
10 proposed amendments to relettered §215.133(a) would also would clarify that a dealer or wholesale
11 motor vehicle auction reapplying for a GDN after the GDN expires or is closed must enter or verify
12 information in the application, provide related information and documents for any new requirements,
13 and pay required fees including any outstanding civil penalties owed the department under a final order.
14 A proposed amendment to relettered §215.133(b) would update a citation to the criminal offense
15 guidelines in 43 TAC Chapter 211, which was renumbered to §211.13 on November 1, 2025. Proposed
16 amendments would delete §215.133(i) because that language unnecessarily duplicates statutory
17 language, and would reletter the remaining subsections accordingly. Proposed amendments would also
18 delete an unnecessary reference to subsection §215.133(i) in relettered §215.133(g).

19 §215.134

20 Proposed amendments to §215.134 would delete subsection (a) and reletter subsequent
21 subsections because the deleted subsection unnecessarily repeats statutory requirements. A proposed
22 amendment to relettered §215.134(e) would update a citation to the criminal offense guidelines in 43
23 TAC Chapter 211, which was renumbered to §211.13 on November 1, 2025.

1 §215.137

2 Proposed amendments would delete §215.137(f) because Transportation Code, §503.033
3 describes the GDN holders to whom the security requirement applies, so describing the GDN holders to
4 which the surety bond does not apply is unnecessary.

5 §215.140

6 Proposed amendments to §215.140(a)(3)(A), §215.140(a)(4)(A)(i), and §215.140(b)(3)(A) would
7 add “legible” to describe the requirements for letters on a sign to ensure that the public and the
8 department can read the sign and identify the GDN holder. Proposed amendments to §215.140(a)(3)(B),
9 §215.140(a)(4)(A)(ii), and §215.140(b)(3)(B) would add flexibility to dealer and auction signage
10 requirements by adding a sign “permanently affixed or etched on an exterior window, wall, or door” to
11 the definition of a permanently mounted sign as an alternative to a sign “permanently installed in the
12 ground.” Proposed amendments to §215.140(a)(5)(F) would add “licensed” to describe a dealer’s physical
13 location and add language that would allow the department to mail or deliver license plates to another
14 physical location included in the dealer’s license record and approved by the department. This
15 amendment was requested by dealers to allow a dealer with multiple locations to centralize inventory
16 and management of license plates, if desired, in accordance with proposed new §215.159. Proposed
17 amendments to §215.140(a)(6)(E) would delete unnecessary license plate descriptors to improve
18 readability of the text without changing meaning. Proposed amendments to §215.140(a)(11)(B)(iv) and
19 §215.140(a)(11)(B)(vii) would remove the requirement that a dealer install and maintain a material object
20 or barrier that cannot be readily removed and that must be in place on all sides except for the space
21 necessary to allow vehicle entry and exit. The department received feedback that the current barrier
22 requirement was difficult for dealers in shared spaces to implement and manage on an ongoing basis. In
23 response, the department is proposing a simpler requirement: the proposed amendments to

1 §215.140(a)(11)(B)(iv) and §215.140(a)(11)(B)(vii) would require a dealer to have permanent signage
2 identifying the dealer’s reserved display space if sharing a location with another business, including
3 another dealer. Dealers should find it easier and cheaper to comply with the proposed new requirement,
4 while the department and the public will still be able to identify which portions of a shared location belong
5 to a specific dealer.

6 §215.141

7 Proposed amendments to §215.141(a) would delete that subsection because the actions the
8 board or department may take are stated in statute, and would delete the orphaned remaining subsection
9 designation. Further proposed amendments to §215.141 would substitute “sanction” for a reference to
10 subsection (a) and add “if the person:” before listing common violations in the succeeding paragraphs for
11 readability. Proposed amendments to unlettered §215.141(16) would add references to relevant
12 Transportation Code Chapters and delete references to irrelevant Transportation Code Chapters because
13 a license holder could not violate a provision in those chapters. A proposed amendment to unlettered
14 §215.141(17) would update a citation to the criminal offense guidelines in 43 TAC Chapter 211, which was
15 renumbered to §211.10 on November 1, 2025. Proposed amendments to unlettered §215.141(26),
16 §215.141(28), and §215.141(34) would delete archaic references in the text that are no longer necessary
17 due to the passage of time or changes in the law. Proposed amendments would add new §215.141(36) to
18 enforce Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, by adding a sanction
19 if a general distinguishing number (GDN) holder, or employee or agent violates the Act, and would make
20 related changes in punctuation and placement of a conjunction. These license holders and their
21 employees and agents have access to motor vehicle records protected under the Motor Vehicle Records
22 Disclosure Act and disclosure in violation of the Act may cause significant consumer harm. Proposed
23 amendments would add new §§215.141(37) - (39) to specify that the following actions by a dealer would

1 be a violation: issuing the wrong type of license plate for a vehicle transaction; securing a license plate to
2 a sold vehicle but failing to assign the license plate in the system designated by the department; and
3 voiding and reissuing the same license plate to a buyer to extend a title or registration filing deadline.
4 While investigating consumer complaints received after July 1, 2025, when temporary tags were
5 eliminated, department investigators have discovered evidence of dealers taking these actions, which
6 may cause law enforcement to make unnecessary vehicle stops and cause consumer harm by delaying
7 proper titling and registration.

8 §215.144

9 Proposed amendments to §215.144(e)(8)(L) would add a phrase to clarify that a dealer is not
10 required to copy a purchaser’s photo identification document if doing so would violate federal law, to
11 address dealers’ concerns about a potential conflict between state and federal requirements. Proposed
12 amendments to §215.144(e)(8)(M) would add a requirement that the odometer disclosure agreement be
13 properly executed by the seller of the motor vehicle and acknowledged by the purchaser, and would
14 delete the phrase “signed by the buyer” for consistency with 43 TAC §217.4(d)(2), relating to Initial
15 Application for Title. Proposed amendments to §215.144(e)(8)(M) and §215.144(e)(8)(N) would move a
16 conjunction and add punctuation to accommodate proposed new §215.144(e)(8)(O), which would require
17 that a dealer retain the dealer’s copy of the buyer’s license plate receipt in the dealer’s record. Adding
18 this requirement will ensure a complete record is available to a department investigator should a
19 complaint be filed about the transaction. A proposed amendment to §215.144(l)(1) would remove
20 redundant language. A proposed amendment to §215.144(l)(2) would change “Buyer’s License Plates” to
21 “License Plate” in the reference to §215.151 to correct the title of that section.

22 §215.145

1 Proposed amendments to §215.145(d)(1) and §214.145(e)(1) would simplify the wording to
2 “amendment application” to improve readability without changing meaning. A proposed amendment to
3 §215.145 would add new subsection (h), which would require a dealer to file a license amendment
4 application with the department within ten days if the dealer has a change in the person responsible for
5 overseeing the business due to a receiver being appointed or after filing for bankruptcy. These proposed
6 amendments would help ensure that the proper representative receives department licensing and
7 enforcement notices and can act on behalf of the license holder within the time limits established by
8 statute and rule.

9 §215.152

10 A proposed amendment to §215.152(e) would revise wording to increase readability without
11 changing meaning. A proposed amendment to §215.152(h) would delete an extraneous word to improve
12 readability without changing meaning. Proposed amendments to §215.152(i)(6) would add a requirement
13 that the delivery service notify the department that a license plate shipment is undeliverable before a
14 dealer is considered ineligible for a quarterly allocation delivered to the dealer’s licensed location.
15 Proposed amendments would add new §215.152(i)(8), which would make an applicant or dealer ineligible
16 for a quarterly allocation delivered to the licensed location if the person has filed a change of address with
17 the department and the department has not yet approved the new location. The proposed amendments
18 would change punctuation and conjunctions as necessary to accommodate new §215.152(i)(8). Proposed
19 amendments to §215.152(l) and §215.152(m) would replace the term “general issue plates” with “buyer’s
20 license plates” because buyer’s license plates include more than just general issue license plates, and
21 would substitute the possessive term “buyer’s” for the singular term “buyer” for consistency in
22 terminology. An amendment to §217.152(n) would replace “receive” with “request” for consistency in
23 terminology. A proposed amendment to §215.152(o)(1) would substitute “dealer’s” for “requestor’s” for

1 clarity and specificity, and because a dealer’s license plate activity is a relevant factor the department may
2 consider in evaluating a request to change the number of license plates allocated to a dealer. A proposed
3 amendment to §215.152(p) would correct a cross-reference to a subsection.

4 §215.153

5 Proposed new §215.153 would describe a dealer’s responsibilities when issuing a buyer’s
6 provisional license plate, which is a type of buyer’s license plate that a dealer may assign to a sold vehicle
7 if the dealer does not have an appropriate license plate in inventory. This license plate type was largely
8 implemented after the initial House Bill 718 rules were published on November 8, 2024. The purposes for
9 this license plate type are to facilitate retail sales for dealers who have depleted their inventory of general
10 issue license plates and not yet received a shipment of these license plates, to facilitate retail sales for
11 vehicles that are eligible for an exempt license plate, and to facilitate retail sales of commercial fleet
12 vehicles.

13 Proposed new §215.153(a) would specify that a dealer is responsible for managing the dealer’s
14 inventory of buyer’s provisional license plates within the buyer’s license plate allocation provided in
15 §215.152, and that a dealer may order buyer’s provisional license plates for any class of vehicle for which
16 the dealer holds a GDN by submitting a request in the license plate system designated by the department.
17 Proposed new §215.153(a) would also specify that a dealer may be required to submit information to
18 explain a request for buyer’s provisional license plates such as fleet sales orders or fleet sales history, to
19 allow the department to identify unnecessary requests that would create additional license plate
20 manufacturing and delivery costs for the department and would increase the risk of license plate fraud by
21 allowing an excess supply of unassigned license plates.

22 Proposed new §215.153(b) would require a dealer to issue a buyer’s provisional license plate
23 when the dealer does not have a general issue license plate in inventory and the retail purchaser does not

1 have a license plate eligible to be assigned to the vehicle at the time of a retail sale. Proposed new
2 §215.153(b) would also require the dealer to secure the license plate and enter the license plate
3 information into the system designated by the department, consistent with 43 TAC §215.151, relating to
4 License Plate General Use Requirements, and §215.155, relating to Buyer’s License Plates.

5 Proposed new §215.153(c) would authorize a dealer to issue a buyer’s provisional license plate
6 for use on a vehicle eligible for an exempt license plate until the department processes the exempt license
7 plate application submitted by the dealer. If the department does not approve the application for an
8 exempt license plate, this proposed new subsection would require a dealer to issue a general issue license
9 plate and charge the retail buyer a registration fee.

10 Proposed new §215.153(d) would allow a dealer to issue a buyer’s provisional license plate when
11 a purchased vehicle is eligible for a commercial fleet license plate, which is a license plate that a retail
12 purchaser is responsible for ordering in the department’s designated system known as TxFLEET. For all
13 vehicles that are not part of a commercial fleet, proposed new §215.153(e) would ensure that the dealer
14 fulfills the requirements of Transportation Code, §503.063 by requiring the selling dealer to promptly
15 obtain a general issue license plate to assign to the vehicle, remove the provisional license plate if secured
16 to the vehicle, and secure a license plate provided by the retail purchaser or the tax assessor-collector.

17 Proposed new §215.153(f) would specify that a buyer’s provisional license plate is for temporary use only
18 and expires fourteen days after a general issue, exempt, or a commercial fleet license plate, or other
19 eligible license plate is assigned to the vehicle, to prevent unexpired plates from creating an opportunity
20 for fraud. Proposed new §215.153(g) would require a dealer to mark and destroy the expired buyer’s
21 provisional license plate as provided in 43 TAC §215.158, relating to General Requirements for Buyer’s
22 License Plates, to further deter fraud.

1 §215.154

2 Proposed amendments to the attached graphic in §215.154(b) would increase the initial
3 allocation of dealer’s temporary license plates for GDN dealers that sell trailers and semi-trailers and for
4 wholesale motor vehicle dealers who also hold a wholesale auction GDN. The department received a
5 substantial number of requests for additional dealer’s temporary license plates from these two types of
6 license holders during the initial license plate implementation, suggesting that a higher initial allocation is
7 necessary for these two groups. Proposed amendments to the attached graphic in §215.154(b) would
8 increase the allocation of dealer’s temporary license plates for GDN holders that sell trailers and semi-
9 trailers from 5 to 15, add a category for wholesale motor vehicle dealers who also hold a wholesale motor
10 vehicle auction, and establish an allocation of 40 dealer’s temporary license plates for this new category.

11 Proposed amendments would delete §215.154(c) and reletter subsequent subsections because a
12 dealer licensed on July 1, 2025, has already received an initial allocation, so that subsection is no longer
13 necessary. Proposed amendments to relettered §215.154(f) would add a requirement for a dealer to
14 include proof of the number of vehicles transported within the last 12-month period, if applicable, so the
15 Motor Vehicle Division director may consider that information when evaluating a dealer’s waiver request
16 to receive additional dealer’s temporary license plates. This requirement would apply to a wholesale
17 motor vehicle dealer who also holds a wholesale motor vehicle auction general distinguishing number.
18 The number of vehicles transported is an important consideration for the department in evaluating a
19 waiver request for this type of license holder, to help the department determine whether a request is
20 necessary and avoid an excess of unassigned plates that create an avenue for fraud.

21 §215.155

22 Proposed amendments to §215.155(b) would delete the term “general issue” to describe buyer’s
23 license plates because buyer’s license plates may include provisional license plates. Proposed

1 amendments to §215.155(e) would delete the requirement for a dealer to remit the registration fee with
2 the title transfer application because each transaction is handled separately.

3 §215.157

4 Proposed amendments to §215.157 would streamline the text by deleting language that restates
5 statute, and refer instead to Transportation Code, §503.0631(d) and §215.156, relating to Buyer’s License
6 Plate Receipt, to improve readability.

7 §215.158

8 Proposed amendments to §215.158 would delete the unnecessary phrase “buyer's license plate
9 or buyer's temporary” to describe license plates to clarify that the loss, theft, or destruction of any license
10 plate must be reported to the department to deter fraud.

11 §215.159

12 Proposed new §215.159 would set out the options and requirements for a dealer with two or
13 more licensed locations to store and manage license plate inventory away from the licensed location. This
14 new proposed rule would provide operational flexibility while ensuring security of license plates and
15 access by delivery services and department staff. Proposed new §215.159(a) would require such a dealer
16 to disclose the physical address of the license plate storage location in a license application, which could
17 be a new, renewal, or amendment application, and certify that the license plate storage location satisfies
18 all location requirements in new proposed subsection (b). Proposed new §215.159(b)(1) confirms that if
19 a dealer chooses to manage license plate inventory for a licensed location at another licensed location,
20 then that location must comply with the requirements of §215.140, regarding Established and Permanent
21 Place of Business Premises Requirements.

22 Proposed new §215.159(b)(2) contains the requirements for a license plate storage location that
23 is not located at another licensed location. Proposed new §215.159(b)(2)(A) would require the license

1 plate storage location to be in Texas, at an address recognized by the U.S. Postal Service that is capable of
2 receiving U.S. mail, and has an assigned emergency services property address. These requirements would
3 ensure that the department has jurisdiction over the location, that a dealer can receive mailed
4 department notices, and that the location is not a post office box. These requirements are important to
5 deter fraud and ensure department access to the location so the department may monitor compliance
6 under Transportation Code, §503.063(d). Proposed new §215.159(b)(2)(B) would require the storage
7 location to be in a building with a permanent roof and connecting exterior walls on all sides. These
8 requirements are consistent with the requirements for a licensed location and deter fraud by requiring a
9 location that can be secured. Proposed new §215.159(b)(2)(C) would require that the licensed location be
10 equipped with a computer, internet access, a working telephone number listed in the business name or
11 assumed name, and a locked and secured room or closet or a least one securely locked and substantially
12 constructed safe or steel cabinet bolted or secured to a floor or wall and of sufficient size to store all plates
13 in the dealer's possession. These equipment requirements are necessary to allow a dealer to access the
14 department's license plate database, to allow dealer personnel to promptly respond to inquiries, and to
15 provide secure storage to prevent license plate inventory discrepancies and theft and fraud of license
16 plates. Proposed new §215.159(b)(2)(D) would require that the license plate inventory be organized so
17 that the inventory assigned to each licensed location is separate and easily identifiable, which would assist
18 both the dealer and the department in efficiently fulfilling their respective responsibilities under
19 Transportation Code, §§503.063, 503.0631, and 503.0633. Proposed new §215.159(b)(2)(E) - (G) would
20 require the address to be clearly visible from the street, would require business hours to be posted in a
21 public area, would set minimum business hours consistent with the requirements for a retail dealer's
22 licensed location, and would require an owner or bona fide employee to be present at the license plate
23 storage location. These requirements ensure that delivery services will have reasonable access to the

1 location to deliver and transport license plates, and that department staff may fulfill their responsibilities
2 under Transportation Code, §503.063(d). Proposed new §215.159(b)(2)(H) would require the telephone
3 to be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service,
4 voicemail service, or answering machine. This requirement ensures that the department and others may
5 contact the location and speak to a person or leave a message. Proposed new §215.159(b)(2)(I) would
6 allow a portable office building to be used as a license plate storage location if the building meets the
7 other requirements and is not readily moveable. This flexibility is consistent with premises requirements
8 in §215.140 for licensed locations and provides fraud prevention while providing flexibility which
9 especially benefits small dealers. Proposed new §215.159(b)(2)(I) and §215.159(2)(J) would restrict where
10 a license plate storage location may be located to prevent fraud and deter theft consistent with existing
11 requirements for a licensed location.

12 Proposed new §215.159(c) would notify dealers that the department may visit a license plate
13 storage location prior to approving a dealer's request to add that location to a dealer's license and during
14 the license term to monitor compliance with department rules as authorized by Occupations Code,
15 §2301.256 and Transportation Code, §503.063(d), because a department visit may be necessary to
16 confirm a dealer's compliance with statute and rule.

17

18 Subchapter E. Lessors and Lease Facilitators

19 §215.171

20 This section describing the purpose and scope of the subchapter is proposed for repeal because
21 it is unnecessary, as relevant statutory references may be incorporated into each rule.

22 §215.175

1 Proposed amendments to §215.175(a) would delete that subsection as redundant because the
2 actions the board or department may take are stated in statute; the proposed amendments would reletter
3 the remaining subsections accordingly. Proposed amendments to §215.175 would add punctuation,
4 substitute “sanction” for a reference to deleted subsection (a), and add “if the person:” before listing
5 common violations in the succeeding paragraphs for readability. A proposed amendment to relettered
6 §215.175(a)(10) would update a reference to the applicable criminal offense guidelines in Chapter 211 of
7 this title, which are proposed to be renumbered in an adoption proposal also being considered by the
8 board. Proposed amendments would add new §215.175(a)(14) to enforce Transportation Code, Chapter
9 730, the Motor Vehicle Records Disclosure Act, by adding a sanction if a vehicle lessor, a vehicle lease
10 facilitator, or their employee or agent violates the Act, and proposes related changes in punctuation and
11 placement of a conjunction. Vehicle lessor and vehicle lease facilitator license holders and their employees
12 and agents have access to motor vehicle records protected under the Motor Vehicle Records Disclosure
13 Act, and disclosure in violation of the Act may cause significant consumer harm.

14 §215.177

15 A proposed amendment to §215.177(a)(2) would add “legible” to describe the requirements for
16 letters on a sign to ensure that the public and the department can read the sign and identify the license
17 holder.

18 §215.181

19 Proposed amendments to §215.181 would add a subject and rephrase a sentence to modernize
20 and improve readability without changing meaning.

21

22 Subchapter F. Advertising

23 §215.241

1 This section describing the purpose and scope of the subchapter is proposed for repeal because
2 it is unnecessary, as relevant statutory references may be incorporated into each rule.

3 §215.242

4 Proposed amendments to §215.242 would delete unnecessary phrases to improve readability
5 without changing meaning.

6 §215.243

7 This section is proposed for repeal because it is unnecessary and redundant to consider an
8 advertising rule violation a prima facie violation of Occupations Code, Chapter 2301. Occupations Code,
9 §2301.263 states that a license issued under Chapter 2301 is subject to both Chapter 2301 and board rules
10 in effect on the date the license is issued, and to any statutory or rule change that takes effect during the
11 term of the license. Thus, considering an advertising rule violation to also be prima facie violation of
12 Occupations Code, Chapter 2301 is unnecessary because it is a restatement of the statute.

13 §215.244

14 Proposed amendments to §215.244 would add and modify definitions found in the advertising
15 rules. Proposed amendments would add §215.244(1)(A)(vi) and (vii) to modernize the definition of
16 advertisement by including in the definition a statement or representation displayed on an internet
17 website, social media platform, other digital application or platform, or sent electronically, such as in
18 email. Use of electronic forms of advertisement have changed and expanded and these amendments
19 would modernize the language to include the most common forms of digital advertisement. The proposed
20 amendments to §215.244 would also move a conjunction and change punctuation to accommodate new
21 §215.244(1)(A)(vi) and (vii).

22 Proposed new §215.244(6) would add a definition for what would constitute a “cure” to an
23 alleged advertising violation in accordance with Occupations Code, §2301.203, which requires the

1 department to notify a license holder of an alleged advertising violation and give the license holder an
2 opportunity to cure the violation before sending a notice of violation and recommended sanction to the
3 license holder. The proposed new provision would define a cure as a license holder’s agreement to not
4 violate the advertising rule cited in a department-issued opportunity-to-cure letter for a two-year period,
5 and would require the license holder to correct any consumer harm caused by the alleged violation.
6 Defining the term “cure” would provide license holders with a consistent way in which to cure an alleged
7 violation and avoid receiving a notice of violation and related sanction. Proposed amendments would
8 renumber subsequent paragraphs to accommodate proposed new §215.244(6) and update cross-
9 references within those paragraphs to the definition of “Monroney Label.” Proposed amendments to
10 renumbered §215.224(18) would modify the definition of “subsequent violation” to be a violation of the
11 same advertising rule previously identified in an opportunity to cure notice within two years, for
12 consistency with the proposed new definition of “cure” in §215.244(6) and the requirements of
13 Occupations Code, §2301.203.

14 §215.246

15 Proposed amendments to §215.246 would delete a redundant and unnecessary sentence because
16 the requirement for an advertisement not to be false, deceptive, or misleading is already stated in
17 §215.242 of this title, relating to General Prohibition.

18 §215.264

19 Proposed amendments to §215.264(h) and §215.264(j) would modernize the options for a dealer
20 to provide the required disclosures in radio and television advertisements for leased vehicles. Instead of
21 a dealer’s advertisement referring only to a written advertisement published in the community served by
22 the media station during a certain time period before and after the advertisement airs, a dealer will have
23 the option to include all information required by this section in the radio or television advertisement itself

1 without having to publish a concurrent written advertisement. These proposed amendments would
2 provide more flexibility for dealers in markets without a general circulation community publication and
3 would modernize the rule while still requiring dealers to provide consumers with important information
4 about vehicle leasing terms.

5 §215.269

6 This section is proposed for repeal because the procedures for finding a violation under
7 department rules were moved to 43 TAC Chapter 224. Therefore, this rule is redundant and no longer
8 required.

9 §215.270

10 Proposed amendments to §215.270(a)(1) would streamline rule language to improve readability,
11 and modernize the methods the department uses to contact licensees to include email. Proposed
12 amendments to §215.270(a)(2) would add subparagraphs (A) and (B) and related punctuation to state
13 that the department may issue a Notice of Department Decision to a license holder who did not timely
14 respond to a notice of an opportunity to cure letter, or who agreed to cure the violation but failed
15 complete the cure process by either not correcting a consumer harm or by committing a subsequent
16 advertising violation. Another proposed amendment to §215.270(a)(2) would delete existing language
17 regarding a subsequent violation of the same advertising violation for consistency with proposed
18 amendments to the definitions of “cure” and “subsequent violation” in §215.244 of this title, relating to
19 Definitions. Proposed amendments to §215.270(b) would amend §215.270(b)(3), and amend related
20 punctuation and a conjunction, for consistency with proposed amendments to the definitions of “cure”
21 and “subsequent violation” in §215.244. Proposed amendments would delete §215.270(c) and reletter
22 the remaining subsection accordingly because printing a retraction notice in a local newspaper is no longer
23 an effective or efficient method to put the public on notice or cure an alleged advertising violation.

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Subchapter G. Administrative Sanctions

§215.500

Proposed amendments to §215.500 would add in the first sentence a clarifying phrase that an administrative sanction may include one or more penalties authorized by statute and rule, and would add corresponding references to Occupations Code, Chapter 2301, Transportation Code, Chapter 503, and §215.504, relating to Buyer or Lessee Refund. Proposed amendments to §215.500 would also delete paragraphs (1) through (5) because these paragraphs duplicate language found in statute or this proposed rule, and would delete unnecessary punctuation.

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

Monique Johnston, Director of the Motor Vehicle Division (MVD), and Corrie Thompson, Director of the Enforcement Division (ENF), have determined that there will be not be a measurable effect on local employment or the local economy as a result of the proposal because the overall number of motor vehicle sales will not be reduced.

PUBLIC BENEFIT AND COST NOTE. Ms. Johnston, Ms. Thompson, and Ms. Bowman have also determined that, for each year of the first five years amended and new sections are in effect, there are multiple public benefits anticipated because these amendments will facilitate consumer vehicle sales, and reduce opportunities for license plate fraud, and that vehicle registrants and certain applicants and license holders may incur costs to comply with the proposal. The department prioritized the public benefits associated with facilitating sales and reducing fraud and related crime, while carefully considering

1 potential costs to license holders, vehicle registrants, and the public consistent with board and
2 department responsibilities.

3 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include
4 facilitating retail vehicle sales; limiting the criminal activity of a small subset of dealers who may seek to
5 fraudulently obtain, sell, or issue license plates to persons seeking to engage in violent criminal activity,
6 including armed robbery, human trafficking, and assaults on law enforcement, or to criminally operate
7 uninsured and uninspected vehicles as a hazard to Texas motorists and the environment; to reduce the
8 misuse of motor vehicle record information by licensees; to reduce false or misleading advertising by
9 licensees; and to enhance clarity and readability of the rules for the public.

10 Anticipated Costs to Comply With The Proposal. Ms. Johnston anticipates that certain license
11 holders may incur costs to comply with these rules. Amendments to §215.104 and §215.145 would require
12 a dealer to incur a \$25 statutorily required license amendment fee when a dealer principal or other person
13 overseeing the dealer’s business activities changes. Ms. Johnston has determined that this cost is offset
14 by the reduced risk of a dealer incurring civil penalties, including a fine and the potential loss of a license,
15 if the person authorized to act on a dealer’s behalf does not timely receive a department notice regarding
16 an enforcement or licensing matter. Amendments to §215.107 would require a manufacturer or
17 distributor who acquires an existing line-make to provide more information in the license amendment
18 application. Ms. Johnston has determined these costs will be offset by the reduced risk of a manufacturer
19 or distributor being required to respond to a protest or department notice for an alleged statutory or rule
20 violation for which the manufacturer or distributor is not responsible and will enable the department to
21 more efficiently process line-make-related dealer and consumer complaints. Amendments to §215.140
22 would require a dealer sharing a location with another business to post permanent signage to identify the
23 dealer’s reserved vehicle display space rather than use barriers that cannot be readily removed.

1 Department research suggests that purchasing a sign for each of the five required spaces could range from
2 \$22 to \$40 for a 12-inch by 18-inch sign or between \$110 and \$200 in total. The cost of two larger signs,
3 such as 24-inch or 30-inch by 36-inch sign to cover multiple spaces could range from \$100 to \$225 per
4 sign. Department research suggests that purchasing signage is less expensive than purchasing barriers for
5 each space which may cost between \$100 and \$125 per vehicle space for a total of \$500 to \$625 for five
6 spaces and which may be more susceptible to damage or loss. Ms. Johnston has determined that going
7 forward this signage requirement is less expensive for dealers sharing a location, easier for these dealers
8 to implement, and a standard that is easier to interpret and enforce.

9 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
10 Code, §2006.002, the department has determined that this proposal may have an adverse economic
11 effect or disproportionate economic impact on small or micro-businesses. More specifically, the
12 department believes that the proposed amendments in §215.140 for dealers that share a location may
13 have an adverse impact if the dealer is a small or micro-business. The department believes the costs
14 associated with purchasing permanent signage for the dealer’s display space may create an adverse
15 economic impact on a short-term basis but that this cost will be offset in the future because the dealer
16 will be more likely to not incur replacement or repair costs that would have been incurred under the prior
17 rule which required barriers be put in place for each vehicle display space.

18 The department has determined that the proposed amendments will not have an adverse
19 economic effect on rural communities because rural communities are exempt from the requirement to
20 hold a GDN under Transportation Code, §503.024.

21 The cost analysis in the Public Benefit and Cost Note section of this proposal determined that the
22 proposed new rule may result in additional costs for existing license holders. Based on data from the
23 Comptroller and the Texas Workforce Commission, the department estimates that most dealers are small

1 or micro-businesses, especially those dealers that share a location, which the department estimates to be
2 approximately 29% of all dealers. The department has tried to minimize costs for these dealers by
3 proposing a rule that is anticipated to be lower cost over time and by proposing other signage changes
4 that are more flexible and may be less expensive. The proposed new requirements are designed to set
5 minimum standards that will satisfy the requirements of Transportation Code, §503.032(3) and allow
6 these dealers to operate without incurring significant ongoing or unreasonable costs in the future. These
7 requirements do not include requirements that will cause a dealer to incur unnecessary or burdensome
8 costs, such as employing additional persons.

9 Under Government Code §2006.002, the department must perform a regulatory flexibility
10 analysis. The department considered the alternatives of not adopting amendments, exempting small and
11 micro-business license holders from these amendments, and adopting a limited version of these
12 amendments for small and micro-business applicants and license holders. The department rejects all three
13 options. The department reviewed licensing records, including records for dealers who share locations
14 with other dealers and determined that these small and micro-business license holders are more likely to
15 violate department rules, including premises requirements under Transportation Code, §503.032. The
16 department, after considering the purpose of the authorizing statutes, does not believe it is feasible to
17 waive or limit the requirements of the proposed amendments for small or micro-business GDN dealers.
18 Also, Government Code §2006.002(c-1) does not require the department to consider alternatives that
19 might minimize possible adverse impacts on small businesses and micro-businesses if the alternatives
20 would not be protective of the health and safety of the state. The department has determined that the

1 proposed amendments will not have an adverse economic effect on rural communities because rural
2 communities are exempt from the requirement to hold a GDN under Transportation Code, §503.024.

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

7 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
8 first five years the proposed new sections and amendments are in effect, no government program would
9 be created or eliminated. Implementation of the proposed new sections and amendments would not
10 require the creation of new employee positions or elimination of existing employee positions.
11 Implementation would not require an increase or decrease in future legislative appropriations to the
12 department and would not increase fees paid to the department. The proposed new sections and
13 amendments do create new regulations and expand existing regulations to provide more flexibility to
14 license holders, protect consumers, and facilitate the department's obligation to monitor compliance with
15 existing statutes. Lastly, the proposed new sections and amendments do not affect the number of
16 individuals subject to the rule's applicability and 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. CDT on May
19 26, 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,
20 including any applicable data, research, or analysis, from any person required to comply with the
21 proposed rule or any other interested person. A request for a public hearing must be sent separately from
22 your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by
23 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,

1 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
2 presented at the hearing.

3

4

SUBCHAPTER A. GENERAL PROVISIONS.

5

6 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 215 under Occupations
7 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor
8 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;
9 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
10 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
11 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
12 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
13 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
14 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
15 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
16 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
17 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
18 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
19 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
20 Code, §411.122(d), which authorizes department access to criminal history record information
21 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
22 (2025), which authorizes the department to obtain criminal history record information from DPS and the
23 FBI for license applicants, license holders, and representatives whose act or omission would be cause for

1 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
2 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
3 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
4 issuance of a license to military service members, military veterans, or military spouses that allow
5 licensure if the applicant holds a current license issued by another state that is similar in scope to the
6 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
7 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
8 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
9 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
10 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
11 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
12 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
13 dealer complete web-based education and training developed or approved by the department;
14 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
15 of a surety bond and the procedure by which a claimant may recover against the surety bond;
16 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
17 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
18 implement and manage the department's database of dealer-issued buyer’s license plates; Transportation
19 Code, §730.014 which authorizes state agencies to adopt rules to implement and administer the Motor
20 Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt
21 rules that are necessary and appropriate to implement the powers and the duties of the department, as
22 well as the statutes referenced throughout this preamble.

1 The department also proposes amendments and a new rule under the authority of Transportation
2 Code, §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in
3 addition to the statutory authority referenced throughout this preamble.

4 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
5 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
6 rules to administer Transportation Code, Chapter 502.

7 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
8 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
9 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.
10 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
11 suspension, annulment, or withdrawal of a license.

12 **CROSS REFERENCE TO STATUTE.** These proposed amendments would implement Government Code,
13 Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters
14 501–503, 730, and 1002.

15
16 Text.

17 §215.2. Definitions; Conformity with Statutory Requirements.

18 (a) The definitions contained in Occupations Code, Chapters 2301 and 2305, and Transportation
19 Code, Chapters 503, 520, 730, and 1001-1005 govern this chapter. In the event of a conflict, the definition
20 or procedure referenced in Occupations Code, Chapter 2301 controls.

21 (b) The following words and terms, when used in this chapter, shall have the following meanings,
22 unless the context clearly indicates otherwise.

1 (1) Board--The Board of the Texas Department of Motor Vehicles, including department
2 staff to whom the board delegates a duty.

3 (2) Day--The word "day" refers to a calendar day.

4 (3) Director--The director of the division that regulates the distribution and sale of motor
5 vehicles, including any department staff to whom the director delegates a duty assigned under this
6 chapter.

7 (4) Employee--A natural person employed directly by the license holder for wages or a
8 salary.

9 (5) GDN--General distinguishing number, a license issued under Transportation Code,
10 Chapter 503.

11 (6) Governmental agency--A state agency other than the department, all local
12 governmental agencies, and all agencies of the United States government, whether executive, legislative,
13 or judicial.

14 (7) Standard license plate--A motor vehicle license plate issued by the department to a
15 license holder for use by the license holder that is not a personalized prestige dealer's license plate issued
16 under Transportation Code §503.0615 or a dealer's temporary license plate issued under Transportation
17 Code, §503.062.

18
19 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
20 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
21 and the authority to take any action that is necessary or convenient to exercise that authority;
22 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
23 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute

1 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
2 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
3 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
4 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
5 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
6 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
7 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
8 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
9 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
10 Code, §411.122(d), which authorizes department access to criminal history record information
11 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
12 (2025), which authorizes the department to obtain criminal history record information from DPS and the
13 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
14 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
15 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
16 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
17 issuance of a license to military service members, military veterans, or military spouses that allow
18 licensure if the applicant holds a current license issued by another state that is similar in scope to the
19 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
20 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
21 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
22 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
23 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;

1 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
2 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
3 dealer complete web-based education and training developed or approved by the department;
4 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
5 of a surety bond and the procedure by which a claimant may recover against the surety bond;
6 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
7 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
8 implement and manage the department's database of dealer-issued buyer's license plates; and
9 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
10 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
11 throughout this preamble.

12 The department also proposes a repeal under the authority of Government Code, §2001.039, in
13 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
14 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
15 the rule.

16 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
17 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
18 and 1002.

19
20 [~~§215.1. Purpose and Scope.~~]

21 [~~Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 504, 520,~~
22 ~~and 1001–1005 require the Texas Department of Motor Vehicles to license and regulate the vehicle~~
23 ~~industry to ensure a sound system of distributing and selling vehicles; provide for compliance with~~

1 ~~manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and other~~
2 ~~abuses of the people of this state in connection with the distribution and sale of vehicles. This chapter~~
3 ~~describes licensing requirements and the rules governing the vehicle industry.]~~

4

5

SUBCHAPTER B. LICENSES, GENERALLY.

6 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 215 under Occupations
7 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor
8 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;
9 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
10 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
11 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
12 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
13 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
14 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
15 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
16 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
17 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
18 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
19 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
20 Code, §411.122(d), which authorizes department access to criminal history record information
21 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
22 (2025), which authorizes the department to obtain criminal history record information from DPS and the
23 FBI for license applicants, license holders, and representatives whose act or omission would be cause for

1 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
2 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
3 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
4 issuance of a license to military service members, military veterans, or military spouses that allow
5 licensure if the applicant holds a current license issued by another state that is similar in scope to the
6 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
7 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
8 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
9 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
10 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
11 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
12 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
13 dealer complete web-based education and training developed or approved by the department;
14 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
15 of a surety bond and the procedure by which a claimant may recover against the surety bond;
16 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
17 dealer’s license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
18 implement and manage the department’s database of dealer-issued buyer’s license plates; Transportation
19 Code, §730.014 which authorizes state agencies to adopt rules to implement and administer the Motor
20 Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt
21 rules that are necessary and appropriate to implement the powers and the duties of the department, as
22 well as the statutes referenced throughout this preamble.

1 The department also proposes amendments and a new rule under the authority of Transportation
2 Code, §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in
3 addition to the statutory authority referenced throughout this preamble.

4 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
5 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
6 rules to administer Transportation Code, Chapter 502.

7 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
8 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
9 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.
10 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
11 suspension, annulment, or withdrawal of a license.

12 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Government Code,
13 Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters
14 501–503, 730, and 1002.

15

16 Text.

17 §215.82. Replacement Standard and Dealer’s Temporary License Plates and Stickers.

18 A license holder may receive a replacement [~~dealer's, converter's, drive-a-way in transit, or~~
19 ~~manufacturer's~~] standard license plate or a dealer’s temporary license plate or assigned sticker, as
20 applicable, at no charge if the license holder:

21 (1) did not receive the applicable [~~standard~~] license plate or sticker;

1 (2) makes the request within 45 days of the date the applicable [~~standard~~] license plate
2 or sticker was mailed to the license holder; and

3 (3) submits a request electronically in the licensing system designated by the
4 department.

5

6 §215.83. License Applications, Amendments, or Renewals.

7 (a) An applicant for a new license must register for an account in the department-designated
8 licensing system by:

9 (1) accessing the licensing system through the department's website;

10 (2) designating the account administrator, which must be an owner, officer, manager, or
11 bona fide employee;

12 (3) providing the name and email address for the account administrator; and

13 (4) providing the applicant's business telephone number, name, business type, and
14 social security number or employer identification number, as applicable.

15 (b) An application for a new license, license amendment, or license renewal filed with the
16 department must be:

17 (1) filed electronically in the department-designated licensing system on a form
18 approved by the department;

19 (2) completed by the applicant, license holder, or authorized representative who is an
20 employee, a licensed attorney, or a certified public accountant;

1 (3) accompanied by the required fee, paid by credit card or by electronic funds transfer,
2 drawn from an account held by the applicant or license holder, or drawn from a trust account of the
3 applicant's attorney or certified public accountant; and

4 (4) accompanied by proof of a surety bond, if required.

5 (c) [~~(b)~~] An authorized representative of the applicant or license holder who files an application
6 with the department on behalf of an applicant or license holder may be required to provide written
7 proof of authority to act on behalf of the applicant or license holder.

8 (d) [~~(c)~~] The department will not provide information regarding the status of an application,
9 application deficiencies, or pending new license numbers to a person other than a person listed in
10 subsection (a)(2) of this section, unless that person files a written request under Government Code,
11 Chapter 552.

12 (e) [~~(d)~~] Prior to the expiration of a license, a license holder or authorized representative must
13 electronically file with the department a sufficient license renewal application. Failure to receive notice
14 of license expiration from the department does not relieve the license holder from the responsibility to
15 timely file a sufficient license renewal application. A license renewal application is timely filed if the
16 department receives a sufficient license renewal application on or before the date the license expires.

17 (f) [~~(e)~~] An application for a new license, license amendment, or license renewal filed with the
18 department must be sufficient. An application is sufficient if the application:

19 (1) includes all information and documentation required by the department; and

20 (2) is filed in accordance with subsection (a) of this section.

1 (g) [~~(f)~~] If an applicant, license holder, or authorized representative does not provide the
2 information or documentation required by the department, the department will issue a written notice
3 of deficiency. The information or documentation requested in the written notice of deficiency must be
4 received by the department within 20 calendar days of the date of the notice of deficiency, unless the
5 department issues a written extension of time. If an applicant, license holder, or authorized
6 representative fails to respond or fully comply with all deficiencies listed in the written notice of
7 deficiency within the time prescribed by this subsection, the application will be deemed withdrawn and
8 will be administratively closed.

9 (h) [~~(g)~~] The department will evaluate a sufficient application for a new license, license
10 amendment, or license renewal in accordance with applicable rules and statutes to determine whether
11 to approve or deny the application. If the department determines that there are grounds for denial of
12 the application, the department may pursue denial of the application in accordance with Subchapter G
13 of this chapter (relating to Administrative Sanctions).

14 (i) [~~(h)~~] The department will process an application for a new license, license amendment, or
15 license renewal filed by a military service member, military spouse, or military veteran in accordance
16 with Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military
17 Service Members, Spouses, and Veterans).

18 (j) [~~(i)~~] A license holder who timely files a sufficient license renewal application in accordance
19 with subsection (d) of this section may continue to operate under the expired license until the license
20 renewal application is determined in accordance with Government Code §2001.054.

21 (k) [~~(j)~~] A license holder who fails to timely file a sufficient license renewal application in
22 accordance with subsection (d) of this section is not authorized to continue licensed activities after the

1 date the license expires. A license holder may dispute a decision that a license renewal application was
2 not timely or sufficient by submitting evidence to the department demonstrating that the license
3 renewal application was timely and sufficient. Such evidence must be received by the department within
4 15 days of the date the department issues notice that a timely or sufficient license renewal application
5 was not received by the department.

6 (l) ~~[(k)]~~ The department shall accept a late license renewal application up to 90 days after the
7 date the license expires. In accordance with subsection (j) of this section, the license holder is not
8 authorized to continue licensed activities after the date the license expires until the department
9 approves the late license renewal application. If the department grants a license renewal under this
10 section, the licensing period begins on the date the department issues the renewed license. The license
11 holder may resume licensed activities upon receipt of the department's written verification or upon
12 receipt of the renewed license.

13 (m) ~~[(h)]~~ If the department has not received a late license renewal application within 90 days
14 after the date the license expires, the department will close the license. A person must apply for and
15 receive a new license before that person is authorized to resume activities requiring a license.

16 (n) ~~[(m)]~~ A dealer's standard license plate issued in accordance with Transportation Code,
17 Chapter 503, Subchapter C expires on the date the associated license expires, is canceled, or when a
18 license renewal application is determined, whichever is later.

19

20 §215.84. Brokering, New Motor Vehicles.

21 ~~[(a) Unless excluded from the definition of "Broker" in Occupations Code, §2301.002, a person~~
22 ~~may not act, offer to act, or claim to be a broker.]~~

1 (a) ~~[(b)]~~ For purposes of this chapter, the phrase "arranges or offers to arrange a transaction," as
2 used in the definition of broker in Occupations Code, §2301.002, includes the practice of arranging or
3 offering to arrange a transaction involving the sale of a new motor vehicle for a fee, commission, or
4 other valuable consideration. Advertising is not acting as a broker, provided the person's business
5 primarily is broadcasting, printing, publishing, or advertising for others in their own names.

6 (b) ~~[(c)]~~ A buyer referral service, program, plan, club, or any other entity that accepts a fee for
7 arranging a transaction involving the sale of a new motor vehicle is a broker. The payment of a fee to
8 such entity is aiding and abetting brokering. However, a referral service, program, plan, club, or other
9 entity that forwards a referral to a franchised dealership may lawfully operate in a manner that includes
10 all ~~[of]~~ the following conditions:

11 (1) There is no exclusive market area offered to a dealer by the program. All dealers are
12 allowed to participate in the program on equal terms.

13 (2) Participation by a dealer in the program is not restricted by conditions, such as
14 limiting the number of line-makes or discrimination by size of dealership or location. The total number
15 of participants in the program may be restricted if the program is offered to all dealers at the same time,
16 with no regard to the line-make.

17 (3) All participants pay the same fee for participation in the program. The program fee
18 shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes sold by the
19 franchised dealer.

20 (4) A person is not to be charged a fee on a per referral fee basis or any other basis that
21 could be considered a transaction-related fee.

1 (5) The program does not set or suggest to the dealer any price of a motor vehicle or a
2 trade-in.

3 (6) The program does not advertise or promote its plan in a manner that implies that the
4 buyer, as a customer of that program, receives a special discounted price that cannot be obtained unless
5 the customer is referred through that program.

6 (7) A program must comply with Subchapter F of this chapter (related to Advertising).

7 (c) ~~(d)~~ This section does not apply to a person who is not a broker as defined in Occupations
8 Code, §2301.002.

9

10 §215.85. Brokering, Used Motor Vehicles.

11 (a) Transportation Code, §503.021 prohibits a person from directly or indirectly engaging in
12 business as a dealer [~~, directly or indirectly, including by consignment~~] without a GDN. Except as
13 provided by this section, "directly or indirectly" includes the practice of arranging or offering to arrange
14 a transaction involving the sale of a used motor vehicle for a fee, commission, or other valuable
15 consideration. [~~A person who is a bona fide employee of a dealer holding a GDN and acts for the dealer~~
16 ~~is not a broker for the purposes of this section.~~]

17 (b) A buyer referral service, program, plan, club, or any other entity that accepts a fee for
18 arranging a transaction involving the sale of a used motor vehicle is required to meet the requirements
19 for and obtain a GDN, unless the referral service, program, plan, or club meets each of the following
20 criteria [~~is operated in the following manner~~]:

1 (1) No ~~[There is no]~~ exclusive market area is offered to a dealer ~~[by the program]~~. All
2 dealers are allowed to participate ~~[in the program]~~ on equal terms.

3 (2) Dealer participation ~~[Participation by a dealer in the program]~~ is not restricted by
4 conditions, such as limiting the number of line-makes or discriminating ~~[discrimination]~~ by dealer size ~~[of~~
5 ~~dealer]~~ or location. The ~~[total]~~ number of participants ~~[in the program]~~ may be restricted if ~~[the program~~
6 ~~is]~~ offered to all dealers at the same time, with no regard to the line-make.

7 (3) All participants pay the same participation fee ~~[for participation in the program]~~. The
8 ~~[program]~~ fee shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes
9 sold by the dealer.

10 (4) A person is not ~~[to be]~~ charged a fee on a per referral fee basis or any other basis
11 that could be considered a transaction-related fee.

12 (5) No motor vehicle or trade-in price is set or suggested to the dealer. ~~[The program~~
13 ~~does not set or suggest to the dealer any price of a motor vehicle or a trade-in.]~~

14 (6) Advertisements or promotions do not imply that a buyer ~~[The program does not~~
15 ~~advertise or promote its plan in a manner that implies that the buyer, as a customer of that program,]~~
16 receives a special discounted price by being referred. ~~[that cannot be obtained unless the customer is~~
17 ~~referred through that program.]~~

18 (7) Advertising ~~[A program]~~ complies with Subchapter F of this chapter (relating to
19 Advertising).

20 (c) A dealer holding a GDN under ~~[pursuant to]~~ Transportation Code, §503.029(a)(6)(B), may pay
21 a referral fee in cash or value to an individual who has purchased a motor vehicle from the dealer within

1 the four-year period preceding the referral. The fee may be paid contingent upon either the new
2 referred individual:

- 3 (1) purchasing a motor vehicle from the dealer; or
- 4 (2) the referral of a new potential purchaser.

5

6 §215.89. Fitness.

7 (a) In determining a person's fitness for a license [~~issued or to be issued by the department~~]
8 under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, the board will consider:

- 9 (1) the requirements of Occupations Code, Chapter 53;
- 10 (2) the provisions of Occupations Code, §2301.651 and Transportation Code §503.034;
- 11 (3) any specific statutory licensing criteria or requirements;
- 12 (4) mitigating factors; and
- 13 (5) other evidence of a person's fitness, as allowed by law, including the standards
14 identified in subsection (b) of this section.

15 (b) The board may determine that a person is unfit to perform the duties and discharge the
16 responsibilities of a license holder and may, following notice and an opportunity for hearing, deny a
17 person's license application or revoke or suspend a license if the person:

- 18 (1) fails to meet or maintain the qualifications and requirements of licensure;
- 19 (2) is convicted, or considered convicted under Occupations Code §53.021(d), by any
20 local, state, federal, or foreign authority of an offense that directly relates to the duties or

1 responsibilities of the licensed occupation as described in §211.10 [~~§211.3~~] of this title (relating to
2 Criminal Offense Guidelines) or is convicted, or considered convicted under Occupations Code
3 §53.021(d), of an offense that is independently disqualifying under Occupations Code §53.021;

4 (3) omits information or provides false, misleading, or incomplete information on an
5 initial application, renewal application, or application attachment, for a license or other authorization
6 issued by the department or by any local, state, or federal regulatory authority;

7 (4) is found to have violated an administrative or regulatory requirement based on
8 action taken on a license, permit, or other authorization, including disciplinary action, revocation,
9 suspension, denial, corrective action, cease and desist order, or assessment of a civil penalty,
10 administrative fine, fee, or similar assessment, by the board, department, or any local, state, or federal
11 regulatory authority;

12 (5) is insolvent or fails to obtain or maintain financial resources sufficient to meet the
13 financial obligations of the license holder causing consumer harm;

14 (6) is a corporation or other legal entity that fails to maintain its charter, certificate,
15 registration, or other authority to conduct business in Texas;

16 (7) is assessed a civil penalty, administrative fine, fee, or similar assessment, by the
17 board, department, or a local, state, or federal regulatory authority, for violation of a requirement
18 governing or impacting the distribution or sale of a vehicle or a motor vehicle, or the acquisition, sale,
19 repair, rebuild, reconstruction, or other dealing of a salvage motor vehicle or nonrepairable motor
20 vehicle, and fails to comply with the terms of a final order or fails to pay the penalty pursuant to the
21 terms of a final order;

1 (8) ~~was or~~ is a person described in §211.9 of this title (relating to Application of
2 Subchapter B) [§211.2 of this title (relating to Application of Subchapter)] whose actions or omissions
3 could be considered unfit, who is ineligible for licensure, or whose current or previous license, permit, or
4 other authorization issued by any local, state, or federal regulatory authority has been subject to
5 disciplinary action including suspension, revocation, denial, corrective action, cease and desist order, or
6 assessment of a civil penalty, administrative fine, fee, or similar assessment;

7 (9) has an ownership, organizational, managerial, or other business arrangement, that
8 would allow a person the power to direct or cause the direction of the management, policies, and
9 activities, of an applicant or license holder, whether directly or indirectly, when the person could be
10 considered unfit, ineligible for licensure, or whose current or previous license, permit, or other
11 authorization issued by any local, state, or federal regulatory authority, has been subject to disciplinary
12 action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment
13 of a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or any local,
14 state, or federal regulatory authority;

15 (10) is found in a final order issued after a contested case hearing to be unfit or acting in
16 a manner detrimental to the system of distribution or sale of motor vehicles in Texas, the economy of
17 the state, the public interest, or the welfare of Texas residents.

18

19 §215.91. License Processing for Military Service Members, Spouses, and Veterans.

20 (a) The department will process a license, amendment, or renewal application submitted for
21 licensing of a military service member, military spouse, or military veteran in accordance with
22 Occupations Code, Chapter 55. A license holder who fails to timely file a sufficient renewal application

1 because the license holder was on active duty is exempt from any increased fee or penalty imposed by
2 the department.

3 (b) A military service member, ~~[or]~~ military spouse, or military veteran may engage in a business
4 or occupation for which a department-issued license is required if the person ~~[military service member~~
5 ~~or military spouse]~~ meets the requirements of Occupations Code, §55.004 or §55.0041 and this section.

6 (1) To receive a provisional license a [A] military service member, ~~[or]~~ military spouse, or
7 military veteran must submit to the department a completed provisional license application. The
8 applicant may download the provisional license application form from the department website or
9 contact the department to request the form. The applicant must submit the completed application to
10 the department email address listed in the application form and attach the following:

11 ~~[(A) a sufficient application as described in §215.83(e) of this title (relating to~~
12 ~~License Applications, Amendments, or Renewals);]~~

13 (A) ~~[(B)]~~ if the applicant is a military service member or a military spouse, proof
14 of the military service member being stationed in Texas and a copy of the military service member or
15 military spouse's military identification card;

16 (B) ~~[(C)]~~ if the applicant is a military spouse, a copy of the military spouse's
17 marriage license; ~~[and]~~

18 (C) if the applicant is a military veteran, a copy of the applicant's discharge
19 certificate or other official document verifying military service and an identification document listed in
20 the applicable license application rule; and

1 (D) if the applicant is licensed by another state, a notarized affidavit that meets
2 the requirements of [as required by] Occupations Code, § 55.0041(b)(3).

3 (2) Upon receipt of the provisional license application and documentation required by
4 paragraph (1) of this subsection the department shall:

5 (A) confirm with the other state that the military service member, ~~[or]~~ military
6 spouse, or military veteran is currently licensed and in good standing for the relevant business or
7 occupation; and

8 (B) conduct a comparison of the other state's license requirements, statutes,
9 and rules with the department's licensing requirements to confirm ~~[determine]~~ if the requirements are
10 similar in scope of practice; and

11 (C) if both subparagraphs (A) and (B) of this paragraph are confirmed, promptly
12 issue a provisional license and notify the applicant to submit a sufficient application as described in
13 §215.83(f) of this title (relating to License Applications, Amendments, or Renewals).

14 (3) The department shall issue a license, or notify the applicant why the department is
15 currently unable to issue a license, within 10 days of receiving a complete application as
16 described in §215.83(f) of this title (relating to License Applications, Amendments, or Renewals)
17 if the applicant:

18 (A) has been issued a provisional license;

19 (B) is currently licensed in good standing in another state with licensing
20 requirements that are similar in scope and practice; or

21 (C) was licensed in good standing in Texas in the last five years.

1 ~~[If the department confirms that a military service member or military spouse is~~
2 ~~currently licensed in good standing in another state with licensing requirements that are similar in scope~~
3 ~~and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a~~
4 ~~license to the military service member or military spouse for the relevant business or occupation, or~~
5 ~~notify the applicant why the department is currently unable to issue a license pursuant to Occupations~~
6 ~~Code, §55.0041(b-1), within 10 days.]~~

7 (c) The license is subject to the requirements of this chapter and Occupations Code, Chapter
8 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under the standard
9 application process, unless exempted or modified under Occupations Code, Chapter 55.

10 (d) ~~(c)~~ This section establishes requirements and procedures authorized or required by
11 Occupations Code, Chapter 55, and does not modify or alter rights that may be provided under federal
12 law.

13
14 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
15 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
16 and the authority to take any action that is necessary or convenient to exercise that authority;
17 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
18 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
19 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
20 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
21 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
22 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter

1 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
2 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
3 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
4 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
5 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
6 Code, §411.122(d), which authorizes department access to criminal history record information
7 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
8 (2025), which authorizes the department to obtain criminal history record information from DPS and the
9 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
10 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
11 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
12 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
13 issuance of a license to military service members, military veterans, or military spouses that allow
14 licensure if the applicant holds a current license issued by another state that is similar in scope to the
15 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
16 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
17 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
18 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
19 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
20 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
21 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
22 dealer complete web-based education and training developed or approved by the department;
23 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice

1 of a surety bond and the procedure by which a claimant may recover against the surety bond;
2 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
3 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
4 implement and manage the department's database of dealer-issued buyer's license plates; and
5 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
6 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
7 throughout this preamble.

8 The department also proposes a repeal under the authority of Government Code, §2001.039, in
9 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
10 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
11 the rule.

12 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
13 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
14 and 1002.

15

16 [~~§215.81. Purpose and Scope.~~]

17 [~~This subchapter implements Occupations Code, Chapter 2301 and Transportation Code,~~
18 ~~Chapter 503, regarding licenses required under those chapters.]~~

19

20 **SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTERS, AND CONVERTERS.**

21 **STATUTORY AUTHORITY.** The department proposes amendments and new sections to Chapter 215 under
22 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease

1 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that
2 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of
3 license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by
4 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses
5 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
6 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
7 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
8 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
9 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
10 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
11 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
12 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
13 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
14 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
15 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
16 §503.0633, which allows the department to establish the maximum number of license plates or sets of
17 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
18 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
19 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
20 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
21 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
22 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
23 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of

1 the department’s automated registration and titling system; Transportation Code, §730.014 which
2 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
3 Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
4 necessary and appropriate to implement the powers and the duties of the department, as well as the
5 statutes referenced throughout this preamble.

6 The department also adopts amendments under the authority of Transportation Code,
7 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
8 §2001.054, in addition to the statutory authority referenced throughout this preamble.

9 Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation
10 Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to
11 administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to
12 adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011
13 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code,
14 §520.003 authorizes the department to adopt rules to administer Chapter 520.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
16 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
17 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
18 of a license.

19 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
20 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–
21 504, 520, and 1002.

22

23 Text.

1 §215.104. Changes to Franchised Dealer's License.

2 (a) In accordance with Occupations Code, §2301.356, a franchised dealer must file an
3 amendment application [~~to amend the franchised dealer's license~~] to add a line-make [~~request an~~
4 ~~additional line-make~~] at the dealer's currently licensed showroom. The amendment application must be
5 filed electronically in the licensing system designated by the department.

6 (1) In accordance with §215.110 of this title (relating to Evidence of Franchise), the
7 franchised dealer must attach to the amendment application a legible and accurate electronic image of:

8 (A) the executed franchise agreement;

9 (B) the required excerpt from the executed franchise agreement; or

10 (C) an evidence of franchise form completed by the manufacturer, distributor,
11 or representative.

12 (2) The amendment application for an additional franchise at the showroom is
13 considered an original application and is subject to protest, in accordance with Occupations Code,
14 Chapter 2301, this chapter, and Chapter 224 of this title [~~(relating to)~~](relating to Adjudicative Practice
15 and Procedure)[~~}]~~.

16 (b) A franchised dealer may propose to sell or assign to another any interest in the licensed
17 entity, whether a corporation or otherwise, provided the physical location of the licensed entity remains
18 the same.

19 (1) The franchised dealer shall notify the department in writing within 10 days of the
20 sale or assignment of interest by filing a license amendment application [~~an application to amend the~~
21 ~~franchised dealer's license~~] electronically in the licensing system designated by the department.

1 (2) If the sale or assignment of any portion of the business results in a change of
2 business entity, then the purchasing entity or assignee must apply for and obtain a new license in the
3 name of the new business entity.

4 (3) A publicly-held corporation must file an amendment application if one person or
5 entity acquires 10% or greater interest in the licensed entity.

6 (c) A franchised dealer must file an amendment application electronically in the licensing system
7 designated by the department within 10 days of a license change, including:

8 (1) deletion of a line-make from the dealer's license;

9 (2) a change of assumed name on file with the Office of the Secretary of State or county
10 clerk;

11 (3) a change of mailing address;

12 (4) a change of telephone number; ~~or~~

13 (5) a change of email address; or[-]

14 (6) a change in the person responsible for a franchised dealer's business activities due to
15 a receiver being appointed or a dealer filing bankruptcy.

16 (d) A franchised dealer must file an ~~a business entity~~ amendment application electronically in
17 the licensing system designated by the department within 10 days of a business ~~an~~ entity change,
18 including:

1 (1) a change in management, dealer principal, or change of other person who oversees a
2 franchised dealer's business activities, including a managing partner, officer, director of a corporation, or
3 similar person; or

4 (2) a change of legal entity name on file with the Office of the Secretary of State.

5 (e) If a franchised dealer changes or converts from one type of business entity to another type of
6 business entity without changing ownership of the dealership, the submission of a franchise agreement
7 in the name of the new entity is not required in conjunction with an amendment application. The
8 franchise agreement on file with the department prior to the change or conversion of the dealer's
9 business entity type applies to the successor entity until the parties agree to replace the franchise
10 agreement. This subsection does not apply to a sole proprietorship or general partnership.

11 (f) If a franchised dealer adopts a plan of conversion under a state or federal law that allows one
12 legal entity to be converted into another legal entity, only an amendment application is necessary to be
13 filed with the department. The franchise agreement on file with the department continues to apply to
14 the converted entity. If a license holder becomes another legal entity by any means other than by
15 conversion, a new application is required, subject to subsection (e) of this section.

16 (g) In addition to obtaining permission from the manufacturer or distributor, a franchised dealer
17 must obtain department approval prior to opening a supplemental location or relocating an existing
18 location by filing an amendment application electronically in the licensing system designated by the
19 department. A franchised dealer must notify the department electronically in the licensing system
20 designated by the department when closing an existing location.

21

22 §215.105. Notification of License Application; Protest Requirements.

1 (a) This [~~The provisions of this~~] section does not apply [~~are not applicable~~] to a franchised
2 dealer's [~~an~~] application filed with the department as part of a buy-sell or other transfer agreement [~~for~~
3 ~~a franchised dealer's license as a result of the purchase or transfer of an existing entity holding a current~~
4 ~~franchised dealer's license~~] that does not involve a physical relocation of the purchased or transferred
5 line-makes.

6 (b) Upon receipt of a franchised dealer's license [~~an~~] application [~~for a franchised dealer's~~
7 ~~license~~], including a relocation [~~an~~] application [~~filed with the department by reason of the relocation~~] of
8 an existing dealership, the department shall notify [~~give notice of the filing of the application to~~] each
9 franchised dealer that may have standing to protest the application. The department shall send notice
10 electronically and by certified mail, return receipt requested, to the email address and mailing address
11 in the franchised dealer's license record.

12 (c) If it appears to the department that [~~there are~~] no franchised dealers have [~~with~~] standing to
13 protest, then no notice shall be given.

14 (d) A person holding a franchised dealer's license for the sale of the same new motor vehicle
15 line-make [~~of a new motor vehicle as proposed for sale in the subject application and~~] that has standing
16 to protest the application may file with the department a notice of protest opposing the granting of a
17 license by timely filing a protest electronically in the licensing system designated by the department and
18 paying the required fee.

19 (e) A franchised dealer that wishes to protest the application shall give notice in accordance with
20 Occupations Code, Chapter 2301.

21 (1) The notice of protest must be in writing and [~~shall be~~] signed by an authorized officer
22 or other official authorized to sign on behalf of the protesting dealer [~~filing the notice~~].

1 (2) The notice of protest must state the statutory basis upon which the protest is made
2 and assert how the protesting dealer meets the standing requirements under §215.119 of this title
3 (relating to Standing to Protest) ~~[to protest the application]~~.

4 (3) The notice of protest must state that the protest is not made for purposes of delay or
5 for any other purpose except for justifiable cause.

6 (4) If a protest is filed against an application for the establishment of a dealership or for
7 addition of a line-make at an existing dealership, the notice of protest must state under which provision
8 of Occupations Code, Chapter 2301 the protest is made.

9
10 §215.107. Sale or Transfer of a Line-Make.

11 (a) If a manufacturer or distributor sells, licenses, or otherwise transfers an existing line-make to
12 another person, the acquiring person must:

13 (1) apply for a manufacturer or distributor license and add that line-make to the license;
14 or

15 (2) amend an existing license to add that line-make.

16 (b) As part of the application or license amendment application process the person acquiring the
17 line-make must:

18 (1) identify the effective date of the transfer;

19 (2) identify the franchised dealers authorized to sell and service the line-make;

1 (3) identify the person responsible for warranty and franchised dealer obligations
2 incurred prior to the transfer; and

3 (4) certify compliance with Occupations Code, Chapter 2301, Subchapter J, which
4 includes manufacturer or distributor responsibilities to existing dealers of that line-make if a franchise
5 agreement is changed or terminated.

6

7 §215.108. Addition or Relocation of Line-make

8 A franchised dealer's amendment application to add or relocate a line-make to an existing
9 dealership [~~An application to amend an existing franchised dealer's license for the addition of another~~
10 ~~line make at the existing dealership or for the relocation of a line make to the existing dealership]~~ shall
11 be deemed an "application to establish a dealership" insofar as the line-make to be added or relocated
12 is concerned, and shall be subject to the provisions of §215.105 of this title (relating to Notification of
13 License Application; Protest Requirements) and §215.106 of this title (relating to Time for Filing Protest).

14

15 §215.110. Evidence of Franchise.

16 (a) Upon application for a franchised dealer's license or an amendment of an existing franchised
17 dealer's license to add a line-make, the applicant must submit a legible and accurate electronic image of
18 the franchise agreement pages that reflect:

19 (1) the parties,

20 (2) the authorized signatures of the parties,

1 (3) each line-make listed in the application, and

2 (4) the address of the franchised dealership's physical location.

3 (b) To meet this requirement temporarily for the purpose of application processing, a form
4 prescribed by the department and completed by the manufacturer or distributor may be electronically
5 submitted with the application in lieu of the information described in subsection (a) of this section.

6 (c) The applicant must submit the required franchise agreement pages described in this section
7 immediately upon the applicant's receipt of the franchise agreement as the department will not issue a
8 license without verifying that the franchise agreement has been executed.

9 (d) Upon application to relocate a franchised dealership, the franchised dealer applicant must
10 submit a form prescribed by the department and completed by the manufacturer or distributor that
11 identifies the license holder and the new franchised dealership location.

12

13 §215.113. Manufacturer Ownership of Franchised Dealer; Good Cause Extension; Dealer Development.

14 (a) In the absence of a showing of good cause, an application for a franchised dealer's license of
15 which a manufacturer or distributor owns any interest in or has control of the dealership entity must be
16 submitted to the department electronically in the licensing system designated by the department no
17 later than 30 days before:

18 (1) the opening of the dealership;

19 (2) close of the buy-sell agreement; or

20 (3) the expiration of the current license.

1 (b) If a manufacturer or distributor applies for a franchised dealer's license of which the
2 manufacturer or distributor holds an ownership interest in or has control of the dealership entity in
3 accordance with Occupations Code, §2301.476(d) - (f), the license application must contain a sworn
4 statement from the manufacturer or distributor that the dealership was purchased from a franchised
5 dealer and is for sale at a reasonable price and under reasonable terms and conditions, and that the
6 manufacturer or distributor intends to sell the dealership to a person not controlled or owned by the
7 manufacturer or distributor within 12 months of acquiring the dealership, except as provided by
8 subsection (h) of this section.

9 (c) A request for an extension of the initial 12-month period for manufacturer or distributor
10 ownership or control of a franchised dealership, in accordance with Occupations Code, §2301.476(e),
11 must be submitted to the department in accordance with subsection (a) of this section along with a
12 sufficient application to renew the new motor vehicle dealer's license. The request must contain a
13 detailed explanation, including appropriate documentary support, to show the manufacturer's or
14 distributor's good cause for failure to sell the dealership within the initial 12-month period. The director
15 shall evaluate the request and determine whether the license should be renewed for a period not to
16 exceed 12 months or deny the renewal application. If the renewal application is denied, the
17 manufacturer or distributor may request a hearing on the denial in accordance with Occupations Code,
18 Chapter 2301, Subchapter O and the matter will be referred to SOAH for a hearing under Chapter 224,
19 Subchapter B [€] of this title (relating to Motor Vehicle, Salvage Vehicle, and Trailer Industry [~~License~~]
20 Enforcement).

21 (d) Requests for extensions after the first extension is granted, as provided by Occupations
22 Code, §2301.476(e), must be submitted at least 120 days before the expiration of the current license
23 electronically in the licensing system designated by the department. Upon receipt of a subsequent

1 request, the department shall initiate a hearing in accordance with Occupations Code, Chapter 2301,
2 Subchapter O, at which the manufacturer or distributor will be required to show good cause for the
3 failure to sell the dealership. The manufacturer or distributor has the burden of proof and the burden of
4 going forward on the sole issue of good cause for the failure to sell the dealership.

5 (e) The department shall give notice of the hearing described in subsection (d) of this section to
6 all other franchised dealers holding franchises for the sale and service or service only of the same line-
7 make of new motor vehicles that are located in the same county in which the dealership owned or
8 controlled by the manufacturer or distributor is located or in an area within 15 miles of the dealership
9 owned or controlled by the manufacturer or distributor. Such dealers, if any, will be allowed to
10 intervene and protest the granting of the subsequent extension. Notices of intervention by dealers
11 afforded a right to protest under Occupations Code, §2301.476(e) must be filed with the department
12 electronically in the licensing system designated by the department within 15 days of the date of mailing
13 of the notice of hearing, and a copy must be provided to the manufacturer or distributor. The
14 department shall reject a notice of intervention if the notice is not filed at least 30 days before:

- 15 (1) the opening of the dealership;
- 16 (2) close of the buy-sell agreement; or
- 17 (3) the expiration of the current license.

18 (f) A hearing under subsection (d) of this section will be referred to SOAH for a hearing under
19 Chapter 224, Subchapter C of this title (relating to Contested Cases Between Motor Vehicle Industry
20 License Holders or Applicants). The franchised dealer's license that is the subject of the hearing will
21 continue in effect until a final decision on the request for a subsequent extension is issued by the board.

1 (g) The procedures described in subsections (d) - (f) of this section will be followed for all
2 extensions requested by the manufacturer or distributor after the initial extension.

3 (h) An application for a new motor vehicle dealer's license of which a manufacturer or
4 distributor owns any interest in the dealership entity in accordance with Occupations Code,
5 §2301.476(g) must contain sufficient documentation to show that the applicant meets the requirements
6 of Occupations Code, §2301.476(g).

7

8 §215.114. Sale of a Vehicle by a Manufacturer or Distributor at a Wholesale Motor Vehicle Auction.

9 A licensed manufacturer or distributor [~~licensed under Occupations Code, Chapter 2301~~] or a
10 wholly owned subsidiary [~~of a manufacturer or distributor~~], may sell motor vehicles it owns to dealers
11 through a licensed Texas wholesale motor vehicle auction. The department shall cancel a [A] GDN issued
12 to a licensed manufacturer, distributor, or wholly owned subsidiary of a manufacturer or distributor
13 [~~shall be canceled,~~] unless otherwise allowed under Occupations Code, Chapter 2301.

14

15 §215.115. Manufacturer, Distributor, and Converter Vehicle Sales Records.

16 (a) A manufacturer or distributor must maintain, for a minimum period of 48 months, a record
17 of each vehicle sold to any person in this state. The manufacturer or distributor shall make the record
18 available during business hours for inspection and copying by the department or be available to submit
19 electronically to the department upon request.

20 (b) A converter must maintain, for a minimum period of 48 months, a record of each vehicle
21 converted for a person in this state, including a Texas franchised dealer. The converter shall make the

1 record available during business hours for inspection and copying by the department or be available to
2 submit electronically to the department upon request.

3 (c) A manufacturer, distributor, or converter is required to maintain at its licensed location a
4 record reflecting each purchase, sale, or conversion for a minimum period of 24 months. Records for
5 prior time periods may be kept off-site.

6 (d) Within 15 days of receipt of a request sent by mail or electronic document transfer from the
7 department, a manufacturer, distributor, or converter must submit a copy of specified records to the
8 address listed in the request.

9 (e) Records required to be maintained and made available to the department must include the
10 following, if applicable:

11 (1) the date of sale or conversion of the motor vehicle;

12 (2) the VIN;

13 (3) the name and address of the person purchasing the motor vehicle;

14 (4) a copy of or a record with the information contained in the manufacturer's
15 certificate of origin or title;

16 (5) information regarding the prior status of the motor vehicle such as the Reacquired
17 Vehicle Disclosure Statement;

18 (6) the repair history of any motor vehicle subject to a warranty complaint;

19 (7) technical service bulletin or equivalent advisory; and

20 (8) any audit of a franchised dealership.

1 (f) Any record required by the department may be maintained in an electronic format, if the
2 electronic record can be printed at the licensed location upon request by the department or be available
3 to submit electronically to the department upon request.

4

5 §215.120. Standard License Plates.

6 (a) A manufacturer, distributor, or converter may apply for a [~~manufacturer or converter~~]
7 standard license plate for use on a new unregistered vehicle of the same vehicle type assembled or
8 modified in accordance with Transportation Code §503.064 or §503.0618, as applicable:

9 (1) when applying for a new or renewal license, or

10 (2) by submitting a standard license plate request application electronically in the
11 system designated by the department.

12 (b) A manufacturer may use a [~~manufacturer's~~] standard license plate to test a prototype motor
13 vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry
14 a load. A [~~manufacturer's~~] standard license plate may not be used on a commercial motor vehicle
15 prototype or new commercial motor vehicle to carry a load for which the manufacturer or other person
16 receives compensation.

17 (c) A manufacturer, distributor, or converter shall attach a standard license plate to the rear of a
18 vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

19 (d) A manufacturer, distributor, or converter shall maintain a record of each standard license
20 plate issued to the license holder [~~manufacturer, distributor, or converter~~] by the department either in

1 the license holder's recordkeeping system or in the department-designated system. The license plate
2 record must contain:

3 (1) the license plate number;

4 (2) the year and make of the vehicle to which the license plate is secured [~~affixed~~];

5 (3) the VIN of the vehicle, if one has been assigned; and

6 (4) the name of the person in control of the license plate.

7 (e) If a manufacturer, distributor, or converter cannot account for a standard license plate or a
8 standard license plate is damaged, the manufacturer, distributor, or converter shall:

9 (1) document the license plate as "void" in the department-designated system; and

10 (2) within three days of discovering that the license plate is missing or damaged, report
11 the license plate as lost, stolen, or damaged electronically in the system designated by the department;
12 and

13 (3) if found after reported missing, cease use of the license plate.

14 (f) A standard license plate is no longer valid for use after the manufacturer, distributor, or
15 converter reports to the department that the license plate is lost, stolen, or damaged. A manufacturer,
16 distributor, or converter must render a void license plate unusable by permanently marking the front of
17 the plate with the word "VOID" or a large "X" and once marked, shall destroy or recycle the license
18 plate, or return the license plate to the department within 10 days.

1 (g) In evaluating requests for additional standard license plates ~~[from any eligible license holder,~~
2 ~~including a franchised or other GDN dealer,]~~ the department shall consider the business justification
3 provided by a license holder including the following:

4 (1) the number of vehicles assembled or modified in the prior 12 months at facilities in
5 or serving the Texas market;

6 (2) the highest number of motor vehicles in inventory in the prior 12 months;

7 (3) the size and type of business;

8 (4) how the license holder typically uses standard licenses plates;

9 (5) the license holder's record of tracking and reporting missing or damaged license
10 plates to the department; and

11 (6) any other factor the Department in its discretion deems necessary to support the
12 number of license plates requested.

13 (h) A ~~[a]~~ license holder shall return a department-issued license plate to the department within
14 10 days of the license holder closing the associated license or the associated license being revoked,
15 canceled, or closed by the department.

16
17 §215.121. Sanctions.

18 ~~[(a) The board or department may take the following actions against a license applicant, a~~
19 ~~license holder, or a person engaged in business for which a license is required:]~~

20 ~~[(1) deny an application;]~~

1 ~~[(2) revoke a license;]~~

2 ~~[(3) suspend a license;]~~

3 ~~[(4) assess a civil penalty;]~~

4 ~~[(5) issue a cease and desist order; or]~~

5 ~~[(6) take other authorized action.]~~

6 ~~[(b)]~~ The board or department may sanction ~~[take action described in subsection (a) of this~~
7 ~~section if]~~ a license applicant, a license holder, or a person engaged in business for which a license is
8 required if the person:

9 (1) fails to maintain records required under this chapter;

10 (2) refuses or fails within 15 days to comply with a request for records made by a
11 representative of the department;

12 (3) sells or offers to sell a motor vehicle to a retail purchaser other than through a
13 licensed or authorized dealer;

14 (4) fails to submit a license amendment application in the electronic licensing system
15 designated by the department to notify the department of a change of the license holder's physical
16 address, mailing address, telephone number, or email address within 10 days of the change;

17 (5) fails to timely submit a license amendment application in the electronic licensing
18 system designated by the department to notify the department of a license holder's business or
19 assumed name change, deletion of a line-make, or management or ownership change;

1 (6) fails to notify the department or pay or reimburse a franchised dealer as required by
2 law;

3 (7) misuses or fails to display a license plate as required by law, or fails to report a lost,
4 stolen, or damaged license plate within the time designated by rule;

5 (8) is a manufacturer or distributor and fails to provide a manufacturer's certificate for a
6 new vehicle;

7 (9) fails to remain regularly and actively engaged in the business of manufacturing,
8 assembling, or modifying a new motor vehicle of the type and line make for which a license has been
9 issued by the department;

10 (10) violates a provision of Occupations Code, Chapter 2301; Transportation Code
11 Chapters 501-504 [~~501-503~~] or 520 [~~1001-1005~~]; a board order or rule; or a regulation of the
12 department relating to the manufacture, assembly, sale, lease, distribution, financing, or insuring of
13 vehicles, including advertising rules under Subchapter F of this chapter (relating to Advertising);

14 (11) is convicted of an offense that directly relates to the duties or responsibilities of the
15 occupation in accordance with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines);

16 (12) is determined by the board or department, in accordance with §215.89 of this title
17 (relating to Fitness), to be unfit to hold a license;

18 (13) omits information or makes a material misrepresentation in any application or
19 other documentation filed with the department including providing a false or forged identity document
20 or a false or forged photograph, electronic image, or other document;

1 (14) fails to remit payment as ordered for a civil penalty assessed by the board or
2 department;

3 (15) violates any state or federal law or regulation relating to the manufacture,
4 distribution, modification, or sale of a motor vehicle;

5 (16) fails to issue a refund as ordered by the board or department;

6 (17) fails to participate in statutorily required mediation without good cause; [~~or~~]

7 (18) fails to keep or maintain records required under Occupations Code, Chapter 2305,
8 Subchapter D; or [-]

9 (19) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
10 Disclosure Act, including a violation by an employee or other agent.

11
12 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
13 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
14 and the authority to take any action that is necessary or convenient to exercise that authority;
15 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
16 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
17 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
18 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
19 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
20 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
21 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives

1 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
2 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
3 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
4 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
5 Code, §411.122(d), which authorizes department access to criminal history record information
6 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
7 (2025), which authorizes the department to obtain criminal history record information from DPS and the
8 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
9 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
10 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
11 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
12 issuance of a license to military service members, military veterans, or military spouses that allow
13 licensure if the applicant holds a current license issued by another state that is similar in scope to the
14 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
15 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
16 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
17 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
18 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
19 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
20 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
21 dealer complete web-based education and training developed or approved by the department;
22 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
23 of a surety bond and the procedure by which a claimant may recover against the surety bond;

1 Transportation Code, §503.061, which authorizes the board to adopt rules regulating the issuance of
2 dealer's license plates; and Transportation Code, §, 503.0631, which require the board to adopt rules
3 necessary to implement and manage the department's database of dealer-issued license plates; and
4 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
5 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
6 throughout this preamble.

7 The department also proposes a repeal under the authority of Government Code, §2001.039, in
8 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
9 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
10 the rule.

11 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
12 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
13 and 1002.

14

15 [~~§215.101. Purpose and Scope.~~]

16 [~~This subchapter implements Occupations Code, Chapters 2301 and 2305, and Transportation~~
17 ~~Code, Chapters 503, 504, 520, and 1001–1005, and applies to franchised dealers, manufacturers,~~
18 ~~distributors, and converters.~~]

19

20 **SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.**

21 **STATUTORY AUTHORITY.** The department proposes amendments and new sections to Chapter 215 under
22 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease

1 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that
2 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of
3 license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by
4 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses
5 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
6 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
7 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
8 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
9 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
10 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
11 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
12 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
13 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
14 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
15 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
16 §503.0633, which allows the department to establish the maximum number of license plates or sets of
17 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
18 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
19 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
20 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
21 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
22 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
23 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of

1 the department’s automated registration and titling system; Transportation Code, §730.014 which
2 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
3 Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
4 necessary and appropriate to implement the powers and the duties of the department, as well as the
5 statutes referenced throughout this preamble.

6 The department also adopts amendments under the authority of Transportation Code,
7 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
8 §2001.054, in addition to the statutory authority referenced throughout this preamble.

9 Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation
10 Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to
11 administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to
12 adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011
13 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code,
14 §520.003 authorizes the department to adopt rules to administer Chapter 520.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
16 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
17 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
18 of a license.

19 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
20 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–
21 504, 520, 730, and 1002.

22

1 Text.

2 §215.132. Definitions.

3 The following words and terms, when used in this subchapter, shall have the following meanings,
4 unless the context clearly indicates otherwise.

5 ~~[(1) Barrier--A material object or set of objects that separates or demarcates.]~~

6 (1) [(2)] Buyer's license plate--A general issue license plate or set of license plates issued
7 by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled and
8 registered in Texas. [This term also includes a buyer's provisional license plate that a dealer issues when
9 the general issue license plate or set of license plates for that vehicle or motor vehicle type is not in a
10 dealer's license plate inventory at the time of retail sale.]

11 (2) Buyer's provisional license plate--A license plate that a dealer issues when at the time
12 of a retail sale:

13 (A) the general issue license plate for that vehicle or motor vehicle type is not in
14 a dealer's license plate inventory;

15 (B) the dealer has submitted an application for an exempt license plate for the
16 vehicle and that application is pending department approval; or

17 (C) a retail buyer requires a commercial fleet specific use license plate and will
18 obtain that license plate from the department.

19 (3) Buyer's temporary license plate--A temporary license plate issued by a dealer to a
20 non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in accordance with
21 Transportation Code, §503.063(i).

1 (4) Consignment sale--The owner-authorized sale of a motor vehicle by a person other
2 than the owner.

3 (5) Dealer's temporary license plate--A license plate that a dealer may purchase and use
4 for the purposes allowed under Transportation Code, §503.062.

5 (6) House trailer--A nonmotorized vehicle designed for human habitation and for
6 carrying persons and property on its own structure and for being drawn by a motor vehicle. A house
7 trailer does not include manufactured housing. A towable recreational vehicle, as defined by
8 Occupations Code, §2301.002, is included in the terms "house trailer" or "travel trailer."

9 (7) Municipality--As defined according to the Local Government Code, Chapter 1.

10 (8) Person--Has the meaning assigned by Occupations Code, §2301.002.

11 (9) Sale--With regard to a specific vehicle, the transfer of possession of that vehicle to a
12 purchaser for consideration.

13 (10) Towable recreational vehicle--Has the same meaning as "house trailer" defined by
14 this section.

15 (11) Travel Trailer--Has the same meaning as "house trailer" defined by this section.

16 (12) Vehicle--Has the meaning assigned by Transportation Code, §503.001.

17 (13) VIN--Vehicle identification number.

18

1 §215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

2 ~~[(a) No person may engage in business as a dealer or as a wholesale motor vehicle auction~~
3 ~~unless that person has a valid GDN assigned by the department for each location from which the~~
4 ~~person engages in business. A dealer must also hold a GDN for a consignment location, unless the~~
5 ~~consignment location is a wholesale motor vehicle auction.]~~

6 ~~[(b) Subsection (a) of this section does not apply to a person exempt from the requirement~~
7 ~~to obtain a GDN under Transportation Code §503.024.]~~

8 (a) [(c)] A GDN dealer or wholesale motor vehicle auction license application must be on a
9 form prescribed by the department and properly completed by the applicant as required under
10 §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or
11 wholesale motor vehicle auction application must include all required information, required
12 supporting documents, and required fees and must be submitted to the department electronically
13 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle
14 auction GDN holder renewing or amending its GDN, or a dealer or wholesale motor vehicle auction
15 reapplying for a GDN, must enter or verify current license information, provide related
16 information and documents for any new requirements or changes to the GDN, and pay required
17 fees including any outstanding civil penalties owed the department under a final order. An
18 applicant for a new dealer or wholesale motor vehicle auction GDN must provide the following:

19 (1) Required information:

20 (A) type of GDN requested;

21 (B) business information, including the name, physical and mailing
22 addresses, telephone number, Secretary of State file number (as applicable), and website address,
23 as applicable;

1 (C) contact name, email address, and telephone number of the person
2 submitting the application;

3 (D) contact name, email address, and telephone number of a person who
4 can provide information about business operations and the motor vehicle products or services
5 offered;

6 (E) the name, social security number, date of birth, identity document
7 information, and ownership percentage for each owner, partner, member, or principal if the
8 applicant is not a publicly traded company;

9 (F) the name, social security number, date of birth, and identity document
10 information for each officer, director, manager, trustee, or other representative authorized to act
11 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

12 (G) the name, employer identification number, ownership percentage, and
13 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

14 (H) the name, social security number, date of birth, and identity document
15 information of at least one manager or other bona fide employee who will be present at the
16 established and permanent place of business if the owner is out of state or will not be present
17 during business hours at the established and permanent place of business in Texas;

18 (I) if a dealer, the name, telephone number, and business email address of
19 the account administrator for the temporary tag database prior to July 1, 2025, or for the license
20 plate system on or after July 1, 2025, designated by the applicant who must be an owner or
21 representative listed in the application;

1 (J) criminal history record information under the laws of Texas, another
2 state in the United States, the United States, and any foreign jurisdiction for each person listed in
3 the application, including offense description, date, and location;

4 (K) military service status;

5 (L) licensing history required to evaluate fitness for licensure under §215.89
6 of this title (relating to Fitness);

7 (M) information about the business location and business premises,
8 including whether the applicant will operate as a salvage vehicle dealer at the location;

9 (N) history of insolvency, including outstanding or unpaid debts, judgments,
10 or liens, unless the debt was discharged under 11 U.S.C. §§101 et seq. (Bankruptcy Act) or is
11 pending resolution under a case filed under the Bankruptcy Act;

12 (O) signed Certification of Responsibility, which is a form provided by the
13 department; and

14 (P) if a dealer, whether the applicant repairs a motor vehicle with a catalytic
15 converter in Texas, and if so, the physical address where the repair is performed; and

16 (Q) any other information required by the department to evaluate the
17 application under current law and board rules.

18 (2) A legible and accurate electronic image of each applicable required document:

19 (A) proof of a surety bond if required under §215.137 of this title (relating
20 to Surety Bond);

21 (B) the certificate of filing, certificate of incorporation, or certificate of
22 registration on file with the Secretary of State, as applicable;

1 (C) each assumed name certificate on file with the Secretary of State or
2 county clerk;

3 (D) at least one of the following unexpired identity documents for each
4 natural person listed in the application:

5 (i) driver license;

6 (ii) Texas Identification Card issued by the Texas Department of
7 Public Safety under Transportation Code, Chapter 521, Subchapter E;

8 (iii) license to carry a handgun issued by the Texas Department of
9 Public Safety under Government Code, Chapter 411, Subchapter H;

10 (iv) passport; or

11 (v) United States military identification card.

12 (E) a certificate of occupancy, certificate of compliance, or other official
13 documentation confirming the business location complies with municipal ordinances, including
14 zoning, occupancy, or other requirements for a vehicle business;

15 (F) documents proving business premises ownership, or lease or sublease
16 agreement for the license period;

17 (G) business premises photos and a notarized affidavit certifying that all
18 premises requirements in §215.140 of this title (relating to Established and Permanent Place of
19 Business Premises Requirements) are met and will be maintained during the license period;

20 (H) evidence of franchise if applying for a franchised motor vehicle dealer
21 GDN;

22 (I) proof of completion of the dealer education and training required under
23 Transportation Code §503.0296, if applicable; and

1 (J) any other documents required by the department to evaluate the
2 application under current law and board rules.

3 (3) Required fees:

4 (A) the fee for each type of license requested as prescribed by law; and

5 (B) the fee, including applicable taxes, for each dealer's standard plate, and
6 dealer's temporary license plate on or after July 1, 2025, requested by the applicant as prescribed
7 by law.

8 (b) ~~[(d)]~~ An applicant for a dealer or wholesale auction GDN must also comply with
9 fingerprint requirements in §211.13 ~~[\$211.6]~~ of this title (relating to Fingerprint Requirements for
10 Designated License Types), as applicable.

11 (c) ~~[(e)]~~ An applicant for a GDN operating under a name other than the applicant's business
12 name shall use the assumed name under which the applicant is authorized to do business, as filed
13 with the Secretary of State or county clerk, and the assumed name of such legal entity shall be
14 recorded by the applicant on the application using the letters "DBA." The applicant may not use a
15 name or assumed name that may be confused with or is similar to that of a governmental entity or
16 that is otherwise deceptive or misleading to the public.

17 (d) ~~[(f)]~~ A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with
18 licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or
19 exchange vehicles at retail.

20 (e) ~~[(g)]~~ An independent mobility motor vehicle dealer shall retain and produce for
21 inspection all records relating to the license requirements under Occupations Code, §2301.002(17-
22 b) and all information and records required under Transportation Code §503.0295.

1 (f) ~~[(h)]~~ In evaluating a new or renewal GDN application or an application for a new GDN
2 location, the department may require a site visit to determine if the business location meets the
3 requirements in §215.140. The department will require the applicant or GDN holder to provide a
4 notarized affidavit confirming that all premises requirements are met and will be maintained
5 during the license period.

6 ~~[(i) A person holding an independent motor vehicle dealer GDN does not have to hold a
7 salvage vehicle dealer's license to:]~~

8 ~~[(1) act as a salvage vehicle dealer or rebuilder; or]~~

9 ~~[(2) store or display a motor vehicle as an agent or escrow agent of an insurance
10 company.]~~

11 (g) ~~[(j)]~~ A person holding an independent motor vehicle dealer GDN and performing salvage
12 activities ~~[under subsection (i)]~~ must apply for a National Motor Vehicle Title Information System
13 (NMVTIS) identification number and provide the number to the department in the GDN
14 application.

15 (h) ~~[(k)]~~ To be eligible for an independent motor vehicle dealer GDN, a person must
16 complete dealer education and training specified by the department, except as provided in this
17 subsection:

18 (1) once a person has completed the required dealer education and training, the
19 person will not have to retake the dealer education and training for subsequent GDN renewals, but
20 may be required to provide proof of dealer education and training completion as part of the GDN
21 renewal process;

22 (2) a person holding an independent motor vehicle dealer GDN for at least 10 years
23 as of September 1, 2019, is exempt from the dealer education and training requirement; and.

1 (3) a military service member, military spouse, or military veteran will receive
2 appropriate credit for prior training, education, and professional experience and may be exempted
3 from the dealer education and training requirement.

4

5 §215.134. Requirements for a Drive-a-way Operator In-Transit License.

6 ~~[(a) No drive-a-way operator may engage in business in Texas unless that person has a~~
7 ~~currently valid drive-a-way operator in-transit license issued by the department.]~~

8 (a) ~~[(b)]~~ A drive-a-way operator in-transit license application must be on a form prescribed
9 by the department and properly completed by the applicant as required under §215.83 of this title
10 (relating to License Applications, Amendments, or Renewals). A drive-a-way operator in-transit
11 application must include all required information, required supporting documents, and required
12 fees, and must be submitted to the department electronically in the licensing system designated
13 by the department.

14 (b) ~~[(c)]~~ A drive-a-way operator in-transit license holder renewing or amending its license
15 must verify current license information, provide related information and documents for any new
16 requirements or changes to the license, and pay required fees.

17 (c) ~~[(d)]~~ An applicant for a new license must register for an account in the department-
18 designated licensing system by selecting the licensing system icon on the dealer page of the
19 department website. An applicant must designate the account administrator and provide the name
20 and email address for that person, and provide the business telephone number, name, business
21 type, and social security number or employer identification number, as applicable. The applicant's
22 licensing account administrator must be an owner, officer, manager, or bona fide employee.

1 (d) ~~[(e)]~~ Once registered, an applicant may apply for a new license and must provide the
2 following:

3 (1) Required information:

4 (A) type of license requested;

5 (B) business information, including the name, physical and mailing
6 addresses, telephone number, Secretary of State file number (as applicable), and website address,
7 as applicable;

8 (C) contact name, email address, and telephone number of the person
9 submitting the application;

10 (D) contact name, email address, and telephone number of a person who
11 can provide information about business operations and the motor vehicle services offered;

12 (E) the name, social security number, date of birth, identity document
13 information, and ownership percentage for each owner, partner, member, beneficiary, or principal
14 if the applicant is not a publicly traded company;

15 (F) the name, social security number, date of birth, and identity document
16 information for each officer, director, manager, trustee, or other representative authorized to act
17 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

18 (G) the name, employer identification number, ownership percentage, and
19 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

20 (H) criminal history record information under the laws of Texas, another
21 state in the United States, the United States, and any foreign jurisdiction for each person listed in
22 the application, including offense description, date, and location;

23 (I) military service status;

1 (J) licensing history required to evaluate fitness for licensure under §215.89
2 of this title (relating to Fitness);

3 (K) signed Certification of Responsibility, which is a form provided by the
4 department; and

5 (L) any other information required by the department to evaluate the
6 application under current law and board rules.

7 (2) A legible and accurate electronic image of each applicable required document:

8 (A) the certificate of filing, certificate of incorporation, or certificate of
9 registration on file with the Secretary of State, as applicable;

10 (B) each assumed name certificate on file with the Secretary of State or
11 county clerk;

12 (C) one of the following unexpired identity documents for each natural
13 person listed in the application:

14 (i) driver license;

15 (ii) Texas Identification Card issued by the Texas Department of
16 Public Safety under Transportation Code, Chapter 521, Subchapter E;

17 (iii) license to carry a handgun issued by the Texas Department of
18 Public Safety under Government Code, Chapter 411, Subchapter H;

19 (iv) passport; or

20 (v) United States military identification card;

21 (D) a list of manufacturers, distributors, dealers, or auctions for which the
22 applicant provides drive-a-way services;

1 (E) a description of the business model or business process, transportation
2 methods, compensation agreements, products, and services used or offered sufficient to allow
3 department to determine if the license type applied for is appropriate under Texas law; and

4 (F) any other documents required by the department to evaluate the
5 application under current law and board rules.

6 (3) Required fees:

7 (A) the license fee as prescribed by law; and

8 (B) the fee, including any taxes, for each drive-a-way in-transit standard
9 license plate requested by the applicant as prescribed by law.

10 ~~(e)~~ [(f)] An applicant for a drive-a-way operator in-transit license must also comply with
11 fingerprint requirements in §211.13 [~~§211.6~~] of this title (relating to Fingerprint Requirements for
12 Designated License Types).

13 ~~(f)~~ [(g)] An applicant operating under a name other than the applicant's business name
14 shall use the name under which the applicant is authorized to do business, as filed with the
15 Secretary of State or county clerk, and the assumed name of such legal entity shall be recorded by
16 the applicant on the application using the letters "DBA." The applicant may not use a name or
17 assumed name that may be confused with or is similar to that of a governmental entity or that is
18 otherwise deceptive or misleading to the public.

19
20 §215.137. Surety Bond.

21 (a) The surety bond required by Transportation Code, §503.033 shall be in the legal
22 business name in which the dealer's GDN will be issued and shall contain the complete physical
23 address of each location licensed under the GDN that the surety bond is intended to cover.

1 (b) A surety bond executed by an agent representing a bonding company or surety must be
2 supported by an original power of attorney from the bonding company or surety.

3 (c) The identity of the obligee on a surety bond or a rider to a surety bond must be
4 approved by the department. An obligee may be identified as:

5 (1) a person who obtains a court judgment assessing damages and attorney's fees
6 for an act or omission on which the bond is conditioned; or

7 (2) unknown.

8 (d) A bonding company that pays any claim against a surety bond shall immediately report
9 the payment to the department.

10 (e) A bonding company shall give written notice to the department 30 days prior to
11 canceling any surety bond.

12 ~~[(f) The surety bond required by this section does not apply to a:]~~

13 ~~[(1) franchised motor vehicle dealer licensed by the department;]~~

14 ~~[(2) franchised motorcycle dealer licensed by the department;]~~

15 ~~[(3) franchised house trailer or travel trailer dealer licensed by the department; or]~~

16 ~~[(4) trailer or semitrailer dealer licensed by the department.]~~

17

18 §215.140. Established and Permanent Place of Business Premises Requirements.

19 (a) A dealer must meet the following requirements at each licensed location and maintain the
20 requirements during the term of the license. If multiple dealers are licensed at a location, each dealer
21 must maintain the following requirements during the entire term of the license.

22 (1) Business hours for retail dealers.

1 (A) A retail dealer's office must be open at least four days per week for at least
2 four consecutive hours per day and may not be open solely by appointment.

3 (B) The retail dealer's business hours for each day of the week must be posted at
4 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.
5 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location
6 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
7 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
8 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
9 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business
10 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona
11 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
12 to speak to a natural person or leave a message during these hours.

13 (2) Business hours for wholesale motor vehicle dealers. A dealer that holds only a
14 wholesale motor vehicle dealer's GDN must post its business hours at the main entrance of the
15 wholesale motor vehicle dealer's office in a manner and location that is accessible to the public. A
16 wholesale motor vehicle dealer or bona fide employee shall be at the wholesale motor vehicle dealer's
17 licensed location at least two weekdays per week for at least two consecutive hours per day. A wholesale
18 motor vehicle dealer may not be open solely by appointment. Regardless of the wholesale motor vehicle
19 dealer's business hours, the wholesale motor vehicle dealer's telephone must be answered from 8:00
20 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or
21 answering machine. A caller must be able to speak to a natural person or leave a message during these
22 hours.

23 (3) Business sign requirements for retail dealers.

1 (A) A retail dealer must display a conspicuous, permanent sign with legible
2 letters at least six inches in height showing the retail dealer's business name or assumed name
3 substantially similar to the name reflected on the retail dealer's GDN under which the retail dealer
4 conducts business. A business sign is considered conspicuous if it is easily visible to the public within 100
5 feet of the main entrance of the business office. A business sign is considered permanent only if it is
6 made of durable, weather-resistant material.

7 (B) The sign must be permanently mounted at the physical address listed on the
8 application for the retail dealer's GDN. A business sign is considered permanently mounted if bolted to
9 an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign support permanently
10 installed in the ground, or permanently affixed or etched on an exterior window, wall, or door.

11 (C) A retail dealer may use a temporary sign or banner if that retail dealer can
12 show proof that a sign that meets the requirements of this paragraph has been ordered and provides a
13 written statement that the sign will be promptly and permanently mounted upon delivery.

14 (D) A retail dealer is responsible for ensuring that the business sign complies
15 with municipal ordinances, and that any lease signage requirements are consistent with the signage
16 requirements in this paragraph.

17 (4) Business sign requirements for wholesale motor vehicle dealers.

18 (A) Exterior Sign

19 (i) A wholesale motor vehicle dealer must display a conspicuous,
20 permanent sign with legible letters at least six inches in height showing the wholesale motor vehicle
21 dealer's business name or assumed name substantially similar to the name reflected on the wholesale
22 motor vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective

1 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
2 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to
3 the public within 100 feet of the main entrance of the business office. A business sign is considered
4 permanent only if it is made of durable, weather-resistant material.

5 (ii) The sign must be permanently mounted on the business property at
6 the physical address listed on the application. A business sign is considered permanently mounted if
7 bolted to an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign support
8 permanently installed in the ground, or permanently affixed or etched on an exterior window, wall, or
9 door. A wholesale motor vehicle dealer may use a temporary exterior sign or banner if the wholesale
10 motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been
11 ordered and provides a written statement that the sign will be promptly and permanently mounted upon
12 delivery.

13 (B) Interior Sign

14 (i) If the wholesale motor vehicle dealer's office is located in an office
15 building with one or more other businesses and an outside sign is not permitted by the property owner,
16 a conspicuous permanent business sign permanently mounted on or beside the main door to the
17 wholesale motor vehicle dealer's office with legible letters at least two inches in height is acceptable.
18 Effective September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed
19 Dealers" in letters at least one inch in height.

20 (ii) An interior business sign is considered conspicuous if it is easily
21 visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office.
22 An interior sign is considered permanent if made from durable material and has lettering that cannot be

1 changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed
2 to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or
3 banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of
4 this paragraph has been ordered and provides a written statement that the sign will be promptly and
5 permanently mounted upon delivery.

6 (C) A wholesale motor vehicle dealer is responsible for ensuring that the
7 business sign complies with municipal ordinances and that any lease signage requirements are
8 consistent with the signage requirements in this paragraph.

9 (5) Office requirements for a retail dealer and a wholesale motor vehicle dealer.

10 (A) A dealer's office must be located in a building with a permanent roof and
11 connecting exterior walls on all sides.

12 (B) A dealer's office must comply with all applicable municipal ordinances,
13 including municipal zoning ordinances. The dealer is responsible for obtaining a certificate of occupancy,
14 certificate of compliance, or other required document issued by a municipal government to show
15 compliance, including a new certificate or document when the building is altered or remodeled, or when
16 the building use changes.

17 (C) A dealer's office may not be located in a residence, apartment, hotel, motel,
18 rooming house, or any room or building not open to the public.

19 (D) A dealer's office may not be located in a restaurant, gas station, or
20 convenience store, unless the office has a separate entrance door that does not require a dealer's
21 customer to pass through the other business.

1 (E) A dealer's office may not be virtual or provided by a subscription for office
2 space or office services. Access to an office space or office services is not considered an established and
3 permanent location.

4 (F) The physical address of the dealer's office must be in Texas and recognized by
5 the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services
6 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state
7 address and will only mail or deliver a license plate to a dealer's licensed physical location or other
8 physical location listed in the dealer's license record and approved by the department.

9 (G) A portable-type office building may qualify as an office only if the building
10 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

11 (H) The dealer's office space must:

12 (i) include at least 100 square feet of interior floor space, exclusive of
13 hallways, closets, or restrooms;

14 (ii) have a minimum seven-foot-high ceiling;

15 (iii) accommodate required office equipment; and

16 (iv) allow a dealer and customer to safely access the office and conduct
17 business in private while seated.

18 (6) Required office equipment for a retail dealer and a wholesale motor vehicle dealer.

19 At a minimum, a dealer's office must be equipped with:

20 (A) a desk;

1 (B) two chairs;
2 (C) internet access;
3 (D) a working telephone number listed in the business name or assumed name
4 under which the dealer conducts business; and

5 (E) a locked and secured room or closet or at least one securely locked,
6 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
7 safe or steel cabinet cannot be readily removed and of sufficient size to store all ~~dealer's and buyer's~~
8 license plates ~~[in a dealer's possession including unissued and unassigned buyer's license plates]~~.

9 (7) Number of retail dealers in one building. Not more than four retail dealers may be
10 located in the same building. Each retail dealer located in the same building must meet the requirements
11 of this section.

12 (8) Number of wholesale motor vehicle dealers in one office building. Not more than
13 eight wholesale motor vehicle dealers may be located in the same office building. Each wholesale motor
14 vehicle dealer located in the same office building must meet the requirements of this section.

15 (9) Office sharing prohibition for retail dealers and wholesale motor vehicle dealers.
16 Unless otherwise authorized by the Transportation Code, a retail dealer and a wholesale motor vehicle
17 dealer licensed after September 1, 1999, may not be located in the same building.

18 (10) Dealer housed with other business.

19 (A) If a person conducts business as a dealer in conjunction with another
20 business owned by the same person and under the same name as the other business, the same

1 telephone number may be used for both businesses. If the name of the dealer differs from the name of
2 the other business, a separate telephone listing and a separate sign for each business are required.

3 (B) A person may conduct business as a dealer in conjunction with another
4 business not owned by that person only if the dealer owns the property on which business is conducted
5 or has a separate lease agreement from the owner of that property that meets the requirements of this
6 section. The same telephone number may not be used by both businesses. The dealer must have
7 separate business signs, telephone listings, and office equipment required under this section.

8 (C) A dealer's office must have permanent interior walls on all sides and be
9 separate from any public area used by another business.

10 (11) Display area and storage lot requirements.

11 (A) A wholesale motor vehicle dealer is not required to have display space at the
12 wholesale motor vehicle dealer's business premises.

13 (B) A retail dealer must have an area designated as display space for the retail
14 dealer's inventory. A retail dealer's designated display area must comply with the following
15 requirements.

16 (i) The display area must be located at the retail dealer's physical
17 business address or contiguous to the retail dealer's physical address. The display area may not be in a
18 storage lot.

19 (ii) The display area must be of sufficient size to display at least five
20 vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the
21 retail dealer's inventory and may not be used for customer parking, employee parking, general storage,

1 or shared or intermingled with another business or a public parking area, a driveway to the office, or
2 another dealer's display area.

3 (iii) The display area may not be on a public easement, right-of-way, or
4 driveway unless the governing body having jurisdiction of the easement, right-of-way, or driveway
5 expressly consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part
6 of the state highway system, use as a display area may only be authorized by a lease agreement.

7 (iv) If a retail dealer shares a display or parking area with another
8 business, including another dealer, the dealer's vehicle inventory must be separated from the other
9 business's display or parking area by permanent signage identifying the area as reserved display space
10 for that retail dealer's inventory. [~~a material object or barrier that cannot be readily removed. A barrier~~
11 ~~that cannot be readily removed is one that cannot be easily moved by one person and typically weighs~~
12 ~~more than 50 pounds. A material object or barrier must be in place on all sides except for the space~~
13 ~~necessary to allow for entry and exit of vehicle inventory.~~]

14 (v) If a dealer's business location includes gasoline pumps or a charging
15 station or includes another business that sells gasoline or has a charging station, the dealer's display area
16 may not be part of the parking area for fuel or charging station customers and may not interfere with
17 access to or from the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

18 (vi) The display area must be adequately illuminated if the retail dealer
19 is open at night so that a vehicle for sale can be properly inspected by a potential buyer.

20 (vii) The display area may be located inside a building; however, if
21 multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by
22 permanent signage identifying the area as reserved display space for that retail dealer's inventory. [a

1 ~~material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is~~
2 ~~one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material~~
3 ~~object or barrier must be in place on all sides except for the space necessary to allow for entry and exit~~
4 ~~of vehicle inventory.]~~

5 (C) A GDN holder may maintain a storage lot only if the storage lot is not
6 accessible to the public and no sales activity occurs at the storage lot. A sign stating the license holder's
7 name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be
8 fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or
9 applicant must disclose the address of a storage lot or the location of a vehicle in inventory upon request
10 by the department.

11 (12) Dealers authorized to sell salvage motor vehicles. If an independent motor vehicle
12 dealer offers a salvage motor vehicle for sale on the dealer's premises, the vehicle must be clearly and
13 conspicuously marked with a sign informing a potential buyer that the vehicle is a salvage motor vehicle.

14 (13) Lease requirements. If the premises from which a dealer conducts business,
15 including any display area, is not owned by the dealer, the dealer must maintain a lease that is
16 continuous during the period of time for which the dealer's license will be issued. The lease agreement
17 must be on a properly executed form containing at a minimum:

18 (A) the name of the property owner as the lessor of the premises and the name
19 of the dealer as the tenant or lessee of the premises;

20 (B) the period of time for which the lease is valid;

21 (C) the street address or legal description of the property, provided that if only a
22 legal description of the property is included, a dealer must attach a statement verifying that the property

1 description in the lease agreement is the physical street address identified on the application as the
2 physical address for the established and permanent place of business;

3 (D) the signature of the property owner as the lessor and the signature of the
4 dealer as the tenant or lessee; and

5 (E) if the lease agreement is a sublease in which the property owner is not the
6 lessor, the dealer must also obtain a signed and notarized statement from the property owner including
7 the following information:

8 (i) property owner's full name, email address, mailing address, and
9 phone number; and

10 (ii) property owner's statement confirming that the dealer is authorized
11 to sublease the location and may operate a vehicle sales business from the location.

12 (14) Dealer must display GDN and bond notice. A dealer must display the dealer's GDN
13 issued by the department at all times in a manner that makes the GDN easily readable by the public and
14 in a conspicuous place at each place of business for which the dealer's GDN is issued. A dealer required
15 to obtain a surety bond must post a bond notice adjacent to and in the same manner as the dealer's
16 GDN is displayed. The notice must include the bond company name, bond identification number, and
17 procedure by which a claimant can recover under the bond. The notice must also include the
18 department's website address and notify a consumer that a dealer's surety bond information may be
19 obtained by submitting a request to the department. If the dealer's GDN applies to more than one
20 location, a copy of the GDN and bond notice must be displayed in each supplemental location.

21 (b) Wholesale motor vehicle auction premises requirements. A wholesale motor vehicle auction
22 must comply with the following premises requirements:

1 (1) a wholesale motor vehicle auction GDN holder must hold a motor vehicle auction on
2 a regular periodic basis at the licensed location, and an owner or bona fide employee must be available
3 at the business location during each auction and during posted business hours. If the owner or a bona
4 fide employee is not available to conduct business during the posted business hours due to special
5 circumstances or emergencies, a separate sign must be posted indicating the date and time operations
6 will resume.

7 (2) the business telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a
8 bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must
9 be able to speak to a natural person or leave a message during these hours.

10 (3) a wholesale motor vehicle auction GDN holder must display a business sign that
11 meets the following requirements:

12 (A) The sign must be a conspicuous, permanent sign with legible letters at least
13 six inches in height showing the business name or assumed name substantially similar to the name
14 reflected on the GDN under which the GDN holder conducts business. A business sign is considered
15 conspicuous if it is easily visible to the public within 100 feet of the main entrance of the business office.
16 A business sign is considered permanent only if it is made of durable, weather-resistant material.

17 (B) The sign must be permanently mounted at the physical address listed on the
18 application for the wholesale motor vehicle auction GDN. A business sign is considered permanently
19 mounted if bolted to an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign
20 support permanently installed in the ground, or permanently affixed or etched on an exterior window,
21 wall, or door.

1 (C) An applicant may use a temporary sign or banner if the applicant can show
2 proof that a sign that meets the requirements of this paragraph has been ordered and provides a written
3 statement that the sign will be promptly and permanently mounted upon delivery.

4 (D) An applicant or holder is responsible for ensuring that the business sign
5 complies with municipal ordinances, and that any lease signage requirements are consistent with the
6 signage requirements in this paragraph.

7 (4) The business office of a wholesale motor vehicle auction GDN applicant and holder
8 must meet the following requirements:

9 (A) The office must be located in a building with a permanent roof and
10 connecting exterior walls on all sides.

11 (B) The office must comply with all applicable municipal ordinances, including
12 municipal zoning ordinances. The wholesale motor vehicle auction is responsible for obtaining a
13 certificate of occupancy, certificate of compliance, or other required document issued by a municipal
14 government to show compliance, including a new certificate or document when the building is altered or
15 remodeled, or when the building use changes.

16 (C) The office may not be located in a residence, apartment, hotel, motel,
17 rooming house, or any room or building not open to the public.

18 (D) The office may not be located in a restaurant, gas station, or convenience
19 store, unless the office has a separate entrance door that does not require a customer to pass through
20 the other business.

1 (E) The office may not be virtual or provided by a subscription for office space or
2 office services. Access to office space or office services is not considered an established and permanent
3 location.

4 (F) The physical address of the office must be in Texas and recognized by the U.S.
5 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property
6 address.

7 (G) A portable-type office building may qualify as an office only if the building
8 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

9 (5) A wholesale motor vehicle auction GDN applicant and holder must have the following
10 office equipment:

11 (A) a desk;

12 (B) a chair;

13 (C) internet access; and

14 (D) a working telephone number listed in the business name or assumed name
15 under which business is conducted.

16 (6) A wholesale motor vehicle auction must meet the following display area and storage
17 lot requirements:

18 (A) The area designated as display space for inventory must be located at the
19 physical business address or contiguous to the physical address. The display area may not be in a storage
20 lot.

1 (B) The display area must be of sufficient size to display at least five vehicles.

2 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,
3 employee parking, general storage, or shared or intermingled with another business or a public parking
4 area, or a driveway to the office.

5 (C) The display area may not be on a public easement, right-of-way, or driveway
6 unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly
7 consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the
8 state highway system, use as a display area may only be authorized by a lease agreement.

9 (D) If the business location includes gasoline pumps or a charging station or
10 includes another business that sells gasoline or has a charging station, the display area may not be part
11 of the parking area for fuel or charging station customers and may not interfere with access to or from
12 the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

13 (E) The display area must be adequately illuminated if open at night so that a
14 vehicle for sale can be properly inspected by a potential buyer.

15 (F) The display area may be located inside a building.

16 (G) A wholesale motor vehicle auction may maintain a storage lot only if the
17 storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the
18 business name, contact information, and the fact the property is a storage lot is permissible. A storage
19 lot must be fenced or in an access-controlled location to be considered not accessible to the public. A
20 GDN holder or applicant must disclose the address of a storage lot or the location of a vehicle in
21 inventory upon request by the department.

1 (7) A wholesale motor vehicle auction must meet the following lease requirements if the
2 business premises, including any display area, is not owned by the wholesale motor vehicle auction:

3 (A) the applicant or holder must maintain a lease that is continuous during the
4 period of time for which the GDN will be issued;

5 (B) The lease agreement must be on a properly executed form containing at a
6 minimum:

7 (i) the name of the property owner as the lessor of the premises and the
8 name of the GDN applicant or holder as the tenant or lessee of the premises;

9 (ii) the period of time for which the lease is valid;

10 (iii) the street address or legal description of the property, provided that
11 if only a legal description of the property is included, a wholesale motor vehicle auction must attach a
12 statement verifying that the property description in the lease agreement is the physical street address
13 identified on the application as the physical address for the established and permanent place of
14 business;

15 (iv) the signature of the property owner as the lessor and the signature
16 of the applicant or holder as the tenant or lessee; and

17 (C) if the lease agreement is a sublease in which the property owner is not the
18 lessor, the wholesale motor vehicle auction must also obtain a signed and notarized statement from the
19 property owner including the following information:

20 (i) property owner's full name, email address, mailing address, and
21 phone number; and

1 (ii) property owner's statement confirming that the wholesale motor
2 vehicle auction is authorized to sublease the location and may operate a wholesale motor vehicle
3 auction business from the location.

4

5 §215.141. Sanctions.

6 ~~[(a) The board or department may take the following actions against a license applicant, a license~~
7 ~~holder, or a person engaged in business for which a license is required:]~~

8 ~~[(1) deny an application;]~~

9 ~~[(2) revoke a license;]~~

10 ~~[(3) suspend a license;]~~

11 ~~[(4) assess a civil penalty;]~~

12 ~~[(5) issue a cease and desist order; or]~~

13 ~~[(6) take other authorized action.]~~

14 ~~[(b)]~~ The board or department may sanction ~~[take action described in subsection (a) of this~~
15 ~~section if]~~ a license applicant, a license holder, or a person engaged in business for which a license is
16 required if the person:

17 (1) fails to maintain a good and sufficient bond or post the required bond notice if
18 required under Transportation Code §503.033 (relating to Security Requirement);

19 (2) fails to meet or maintain the requirements of §215.140 of this title (relating to
20 Established and Permanent Place of Business Premises Requirements);

1 (3) fails to maintain records required under this chapter;

2 (4) refuses or fails to comply with a request by the department for electronic records or
3 to examine and copy electronic or physical records during the license holder's business hours at the
4 licensed business location:

5 (A) sales records required to be maintained by §215.144 of this title (relating to
6 Vehicle Records);

7 (B) ownership papers for a vehicle owned by that dealer or under that dealer's
8 control;

9 (C) evidence of ownership or a current lease agreement for the property on
10 which the business is located; or

11 (D) the Certificate of Occupancy, Certificate of Compliance, business license or
12 permit, or other official documentation confirming compliance with county and municipal laws or
13 ordinances for a vehicle business at the licensed physical location.

14 (5) refuses or fails to timely comply with a request for records made by a representative
15 of the department;

16 (6) holds a wholesale motor vehicle dealer's license and sells or offers to sell a motor
17 vehicle to a person other than a licensed or authorized dealer;

18 (7) sells or offers to sell a type of vehicle that the person is not licensed to sell;

19 (8) fails to submit a license amendment application in the electronic licensing system
20 designated by the department to notify the department of a change of the license holder's physical
21 address, mailing address, telephone number, or email address within 10 days of the change;

1 (9) fails to submit a license amendment application in the electronic licensing system
2 designated by the department to notify the department of a license holder's name change, or
3 management or ownership change within 10 days of the change;

4 (10) issues more than one buyer's license plate or buyer's temporary license plate for a
5 vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1,
6 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

7 (11) fails to remove a license plate or registration insignia from a vehicle that is displayed
8 for sale;

9 (12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;

10 (13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as
11 required by law;

12 (14) holds open a title or fails to take assignment of a certificate of title, manufacturer's
13 certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign
14 the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;

15 (15) fails to remain regularly and actively engaged in the business of buying, selling, or
16 exchanging vehicles of the type for which the GDN is issued by the department;

17 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
18 Chapters 501 - 504, or 520 [~~503 or 1001-1005~~]; a board order or rule; or a regulation of the department
19 relating to the sale, lease, distribution, financing, or insuring of vehicles, including advertising rules
20 under Subchapter F of this chapter (relating to Advertising);

1 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
2 occupation in accordance with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines);

3 (18) is determined by the board or department, in accordance with §215.89 of this title
4 (relating to Fitness), to be unfit to hold a license;

5 (19) has not assigned at least five vehicles in the prior 12 months, provided the dealer
6 has been licensed more than 12 months;

7 (20) files or provides a false or forged:

8 (A) title document, including an affidavit making application for a certified copy
9 of a title; or

10 (B) tax document, including a sales tax statement or affidavit;

11 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
12 provision of Occupations Code, Chapter 2301, 2302, 2305; Transportation Code, Chapters 503 [~~and 1001~~
13 ~~—1005~~]; or other laws;

14 (22) omits information or makes a material misrepresentation in any application or other
15 documentation filed with the department including providing a false or forged identity document or a
16 false or forged photograph, electronic image, or other document;

17 (23) fails to remit payment as ordered for a civil penalty assessed by the board or
18 department;

19 (24) sells a new motor vehicle without a franchised dealer's license issued by the
20 department;

1 (25) fails to comply with a dealer responsibility under §215.150 of this title (relating to
2 Dealer Authorization to Issue License Plates);

3 (26) ~~[on or after July 1, 2025,]~~ fails to securely store a license plate or fails to destroy a
4 ~~[previously issued but currently unassigned]~~ license plate within the time prescribed by statute;

5 (27) fails to maintain a record of dealer license plates as required under §215.138 of this
6 title (relating to Use of Dealer's License Plates);

7 (28) ~~[on or after July 1, 2025,]~~ fails to file or enter a vehicle transfer notice;

8 (29) fails to enter a lost, stolen, or damaged license plate in the electronic system
9 designated by the department within the time limit prescribed by rule;

10 (30) violates any state or federal law or regulation relating to the sale of a motor vehicle;

11 (31) knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or
12 reconstructed and issued a title under Transportation Code, §501.100 ~~[(relating to Application for
13 Regular Certificate of Title for Salvage Vehicle)]~~;

14 (32) fails to issue a refund as ordered by the board or department;

15 (33) fails to acquire or maintain a required certificate of occupancy, certificate of
16 compliance, business license or permit, or other official documentation for the licensed location
17 confirming compliance with county or municipal laws or ordinances or other local requirements for a
18 vehicle business;

19 (34) ~~[on or after July 1, 2025,]~~ fails to remove a license plate from a vehicle as required
20 by statute or rule; ~~[or]~~

1 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,
2 Subchapter D or to allow an inspection of these records by the department; [-]

3 (36) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
4 Disclosure Act, including a violation by an employee or other agent; or

5 (37) issues the wrong type of license plate based on the transaction or vehicle type;

6 (38) secures a license plate to a sold vehicle but fails to assign the license plate to the
7 vehicle in the system designated by the department; or

8 (39) voids and reissues the same license plate to a buyer to extend a title or registration
9 filing deadline.

10

11 §215.144. Vehicle Records.

12 (a) Purchases and sales records. A dealer and wholesale motor vehicle auction shall maintain a
13 complete record of all vehicle purchases and sales for a minimum period of 48 months and make the
14 record available for inspection and copying by the department during business hours.

15 (b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer
16 shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work
17 performed on each vehicle for a minimum period of 36 months after the date the adaptive work is
18 performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce
19 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and
20 all information and records required under Transportation Code §503.0295.

1 (c) Location of records. A dealer's record reflecting purchases and sales for the preceding 13
2 months must be maintained at the dealer's licensed location. Original titles are not required to be kept
3 at the licensed location but must be made available to the agency upon reasonable request. A dealer's
4 record for prior time periods may be kept off-site.

5 (d) Request for records. Within 15 days of receiving a request from a representative of the
6 department, a dealer shall deliver a copy of the specified records to the address listed in the request. If a
7 dealer has a concern about the origin of a records request, the dealer may verify that request with the
8 department prior to submitting its records.

9 (e) Content of records. A dealer's complete record for each vehicle purchase or vehicle sale must
10 contain:

11 (1) the date of the purchase;

12 (2) the date of the sale;

13 (3) the VIN;

14 (4) the name and address of the person selling the vehicle to the dealer;

15 (5) the name and address of the person purchasing the vehicle from the dealer;

16 (6) the name and address of the consignor if the vehicle is offered for sale by

17 consignment;

18 (7) except for a purchase or sale where the Tax Code does not require payment of motor
19 vehicle sales tax, a county tax assessor-collector receipt marked paid;

- 1 (8) a copy of all documents, forms, and agreements applicable to a particular sale,
2 including a copy of:
- 3 (A) the title application;
 - 4 (B) the work-up sheet;
 - 5 (C) the front and back of the manufacturer's certificate of origin or
6 manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in
7 §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);
 - 8 (D) the front and back of the title for the purchase and the sale, unless the
9 dealer enters or obtains the title through webDEALER as defined in §217.71 of this title;
 - 10 (E) the factory invoice, if applicable;
 - 11 (F) the sales contract;
 - 12 (G) the retail installment agreement;
 - 13 (H) the buyer's order;
 - 14 (I) the bill of sale;
 - 15 (J) any waiver;
 - 16 (K) any other agreement between the seller and purchaser;
 - 17 (L) the purchaser's photo identification, unless prohibited by federal law;
 - 18 (M) the odometer disclosure statement properly executed by the motor vehicle
19 seller and acknowledged by the purchaser ~~signed by the buyer~~, unless the vehicle is exempt; ~~and~~

1 (N) the rebuilt salvage disclosure, if applicable; and [-]

2 (O) the dealer's copy of the buyer's license plate receipt.

3 (9) the original manufacturer's certificate of origin, original manufacturer's statement of
4 origin, or original title for a motor vehicle offered for sale by a dealer which must be properly stamped if
5 the title transaction is entered into webDEALER as defined in §217.71 of this title by the dealer;

6 (10) the dealer's monthly Motor Vehicle Seller Financed Sales Returns, if any; and

7 (11) if the vehicle sold is a motor home or a towable recreational vehicle subject to
8 inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at
9 the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

10 (f) Title assignments.

11 (1) For each vehicle a dealer acquires or offers for sale, the dealer must properly take
12 assignment in the dealer's name of any:

13 (A) title;

14 (B) manufacturer's statement of origin;

15 (C) manufacturer's certificate of origin; or

16 (D) other evidence of ownership.

17 (2) Unless not required by Transportation Code, §501.0234(b), a dealer must apply in the
18 name of the purchaser of a vehicle for the title and registration, as applicable, of the vehicle with a
19 county tax assessor-collector.

1 (3) To comply with Transportation Code, §501.0234(f), a title or registration is considered
2 filed within a reasonable time if filed within:

3 (A) 30 days of the vehicle sale date; or

4 (B) 45 days of the vehicle sale date for a dealer-financed transaction; or

5 (C) 60 days of the vehicle sale date for a vehicle purchased by a member or
6 reserve member of the United States armed forces, Texas National Guard, or National Guard of another
7 state serving on active duty.

8 (4) The dealer is required to provide to the purchaser the receipt for the title and
9 registration application.

10 (5) The dealer is required to maintain a copy of the receipt for the title and registration
11 application in the dealer's sales file.

12 (g) Out-of-state sales. For a sale involving a vehicle to be transferred out of state, the dealer
13 must:

14 (1) within 30 days of the date of sale, either file the application for certificate of
15 title on behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser;
16 and

17 (2) maintain in the dealer's record at the dealer's licensed location a photocopy
18 of the completed sales tax exemption form for out of state sales approved by the Texas Comptroller of
19 Public Accounts.

20 (h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written
21 consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle,

1 take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of
2 the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax
3 assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle
4 offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for
5 sale by consignment.

6 (i) Public motor vehicle auctions.

7 (1) A GDN holder that acts as a public motor vehicle auction must comply with
8 subsection (h) of this section.

9 (2) A GDN holder that acts as a public motor vehicle auction:

10 (A) is not required to take assignment of title of a vehicle before offering the
11 vehicle for sale at auction;

12 (B) must take assignment of title of a vehicle from a consignor prior to making
13 application for title on behalf of the buyer; and

14 (C) must make application for title on behalf of the purchaser and remit motor
15 vehicle sales tax within a reasonable time as defined in subsection (f) of this section.

16 (3) A GDN holder may not sell another GDN holder's vehicle at a public motor vehicle
17 auction.

18 (j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder
19 shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale
20 occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license

1 holder shall make the record available for inspection and copying by the department during business
2 hours.

3 (1) A wholesale motor vehicle auction license holder shall maintain at the licensed
4 location a record reflecting each purchase and sale for at least the preceding 24 months. Records for
5 prior time periods may be kept off-site.

6 (2) Within 15 days of receiving a department request, a wholesale motor vehicle auction
7 license holder shall deliver a copy of the specified records to the address listed in the request.

8 (3) A wholesale motor vehicle auction license holder's complete record of each vehicle
9 purchase and sale must, at a minimum, contain:

10 (A) the date of sale;

11 (B) the VIN;

12 (C) the name and address of the person selling the vehicle;

13 (D) the name and address of the person purchasing the vehicle;

14 (E) the dealer's license number of both the selling dealer and the purchasing
15 dealer, unless either is exempt from holding a license;

16 (F) all information necessary to comply with the federal odometer disclosure
17 requirements in 49 CFR Part 580;

18 (G) auction access documents, including the written authorization and
19 revocation of authorization for an agent or employee, in accordance with §215.148 of this title (relating
20 to Dealer Agents);

1 (H) invoices, bills of sale, checks, drafts, or other documents that identify the
2 vehicle, the parties, or the purchase price;

3 (I) any information regarding the prior status of the vehicle such as the
4 Reacquired Vehicle Disclosure Statement or other lemon law disclosures; and

5 (J) a copy of any written authorization allowing an agent of a dealer to enter the
6 auction.

7 (k) Electronic records. A license holder may maintain a record in an electronic format if the
8 license holder can print the record at the licensed location upon request by the department, except as
9 provided by subsection (l) of this section.

10 (l) Use of department electronic titling and registration systems:

11 (1) webDEALER. A license holder utilizing the department's web-based title application
12 known as webDEALER, as defined in §217.71 of this title [~~(relating to Automated and Web-Based Vehicle~~
13 ~~Registration and Title Systems)~~], shall comply with §217.74 of this title (relating to Access to and Use of
14 webDEALER). Original hard copy titles are not required to be kept at the licensed location but must be
15 made available to the department upon request.

16 (2) License Plate System. A license holder must comply with §215.151 of this title
17 (relating to License Plate [~~Buyer's License Plates~~] General Use Requirements) regarding requirements to
18 enter information into the department-designated electronic system for license plates.

19

20 §215.145. Change of Dealer's Status.

1 (a) A dealer's name change requires a new bond or a rider to the existing bond reflecting the
2 new name, unless the dealer is not otherwise required to purchase a bond.

3 (b) A dealer shall notify the department in writing within 10 days of a change of ownership by
4 submitting a license amendment application in the department-designated electronic licensing system. A
5 licensed dealer that proposes to sell or assign to another any interest in the licensed entity, whether a
6 corporation or otherwise, and provided the physical location of the licensed entity remains the same,
7 shall notify the department in writing within 10 days of the change by filing an application to amend the
8 license in the department-designated electronic licensing system. If the sale or assignment of any
9 portion of the business results in a change of entity, then the new entity must apply for and obtain a new
10 license. A publicly held corporation only needs to inform the department of a change in ownership if one
11 person or entity acquires a 10% or greater interest in the licensed entity.

12 (c) Upon the death of a dealer operating as a sole proprietor, either the surviving spouse of the
13 deceased dealer or other individual deemed qualified by the department shall submit to the department
14 a bond rider adding the name of the surviving spouse or other qualifying person to the bond for the
15 remainder of the bond and license term. The surviving spouse or other qualifying person may continue
16 operating under the current dealer license until the end of the license term.

17 (d) For purposes of subsection (c) of this section, the sole proprietor's surviving spouse may
18 change the ownership of the dealership at the time the license is renewed without applying for a new
19 GDN. At the time the renewal application is filed, the sole proprietor's surviving spouse must submit to
20 the department:

21 (1) an amendment application [~~to amend the business entity~~];

22 (2) a copy of the sole proprietor's certificate of death, naming the surviving spouse;

1 (3) the required ownership information; and

2 (4) if applicable, a bond in the name of the surviving spouse.

3 (e) For purposes of subsection (c) of this section, a qualifying person who is not the surviving
4 spouse may operate the sole proprietorship business during the term of the license. The qualifying
5 person must file with the department:

6 (1) an amendment application [~~to amend the business entity,~~] identifying the qualifying
7 person as the manager;

8 (2) an ownership information form, indicating that the qualifying person has no
9 ownership interest in the business; and

10 (3) a bond rider adding the qualified person's name to the existing bond.

11 (f) For purposes of subsection (c) of this section, a qualifying person who is not the surviving
12 spouse must file with the department an application for a new GDN on or before the expiration of the
13 license term in the department-designated electronic licensing system.

14 (g) A determination made under this section does not impact a decision made by the board
15 under Occupations Code, §2301.462 (relating to Succession Following Death of Franchised Dealer).

16 (h) A dealer shall notify the department in writing within 10 days of a change in dealer principal
17 or other person who oversees a dealer's business activities, including a change resulting from a receiver
18 being appointed or a dealer filing bankruptcy, by submitting a license amendment application in the
19 electronic licensing system designated by the department.

20

1 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

2 (a) A dealer or governmental agency is required to have internet access to connect to
3 webDEALER and the license plate system maintained by the department and is responsible for verifying
4 receipt of license plates in the license plate system.

5 (b) Except as provided by §215.157 of this title (relating to Issuing Buyer's License Plates and
6 License Plate Receipts When Internet Not Available) before a license plate may be issued or secured on a
7 vehicle, a dealer or governmental agency must enter in the license plate system true and accurate
8 information about:

9 (1) the vehicle;

10 (2) the buyer; and

11 (3) the license plate number issued or assigned to the vehicle.

12 (c) The department will inform each dealer annually of the maximum number of new buyer's
13 license plates the dealer is authorized to obtain during the calendar year under Transportation Code,
14 §503.063, including:

15 (1) an allotment of buyer's license plates to be issued to a buyer of a vehicle that is to be
16 titled and registered in Texas, and

17 (2) a separate allotment of buyer's temporary license plates to be issued to a non-
18 resident buyer for a vehicle that will be registered and titled in another state.

19 (d) The department will calculate a dealer's maximum annual allotment of new buyer's license
20 plates and buyer's temporary license plates based on the following formula:

1 (1) Vehicle title transfers, sales, or license plate issuance data determined from the
2 department's systems from the previous fiscal year;

3 (2) the total value of paragraph (1) of this subsection will be increased by a multiplier
4 based on the dealer's time in operation giving a 10 percent increase for each year the dealer has been in
5 operation up to 10 years; and

6 (3) the total value of paragraph (2) of this subsection will be increased by a multiplier
7 that is the greater of:

8 (A) the dealer's actual growth rate percentage identified from the preceding two
9 fiscal years, calculated by the growth of the number of in-state or out-of-state sales transactions
10 processed through the department-designated registration and title system or license plate system,
11 except that it may not exceed 200 percent; or

12 (B) the statewide actual growth rate percentage identified from the preceding
13 two fiscal years, calculated by the growth of the number of relevant transactions processed through the
14 department-designated registration and title system or license plate system, not less than zero, to
15 determine the dealer's annual allotment; and

16 (4) the department may increase or decrease the annual allotment for dealers in the
17 state, in a geographic or population area, or in a county, based on:

18 (A) changes in the market;

19 (B) temporary conditions that may affect sales; and

20 (C) any other information the department considers relevant.

1 (e) A dealer licensed after the commencement of a calendar year shall be allocated the number
2 of buyer's license plates and buyer's temporary plates allocated in this subsection prorated on all or part
3 of the remaining months until the commencement of the calendar year after the dealer's initial license
4 expires. The department shall determine the initial allocations [~~The initial allocations shall be as~~
5 ~~determined by the department~~] in granting the license, but not more than:

6 (1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised
7 dealer unless the dealer provides credible information indicating that a greater number of buyer's
8 license plates is warranted based on anticipated sales, and growth, to include new and used vehicle
9 sales, including information from the manufacturer or distributor, or as otherwise provided in this
10 section.

11 (2) 100 buyer's license plates and 48 buyer's temporary license plates for a
12 nonfranchised dealer unless the dealer provides credible information indicating that a greater number of
13 license plates is warranted based on anticipated sales as otherwise provided in this section.

14 (f) An existing dealer that is:

15 (1) moving its operations from one location to a different location will continue with its
16 allotment of buyer's license plates and buyer's temporary license plates and not be allocated license
17 plates under subsection (e) of this section;

18 (2) opening an additional location will receive a maximum allotment of buyer's license
19 plates and buyer's temporary license plates based on the greater of the allotment provided to existing
20 locations, including franchised dealers opening additional locations for different line makes, or the
21 amount under subsection (e) of this section;

1 (3) purchased as a buy-sell ownership agreement will receive the maximum allotment of
2 buyer's license plates and buyer's temporary license plates provided to the location being purchased and
3 not be allocated license plates under subsection (e) of this section; and

4 (4) inherited by will or laws of descent will receive the maximum allotment of buyer's
5 license plates and buyer's temporary license plates provided to the location being inherited and not be
6 allocated license plates under subsection (e) of this section.

7 (g) A new dealer may also provide credible information supporting a request for additional or
8 fewer buyer's license plates and buyer's temporary license plates to the amount allocated under
9 subsection (e) of this section based on:

10 (1) franchised dealer, manufacturer, or distributor sales expectations;

11 (2) a change in GDN required by death or retirement, except as provided in subsection
12 (f) of this section;

13 (3) prior year's sales by a dealer moving into the state; or

14 (4) other similar change of location or ownership that indicates some continuity in
15 existing operations.

16 (h) The annual allotment of buyer's ~~issue~~ license plates and buyer's temporary license plates
17 will each be divided by four and allocated to a dealer on a quarterly basis, unless a dealer sells only
18 antique or special interest vehicles as defined by Transportation Code, §683.077(b), in which case each
19 allocation may be divided by two and allocated on a half-yearly basis. A dealer's remaining unissued
20 license plates at the end of the allocation period will count towards the dealer's next allotment.

21 (i) A dealer is not eligible to receive a quarterly allocation in the following circumstances:

1 (1) the dealer's license has been closed, canceled, or revoked in a final order;
2 (2) the department has issued a notice of department decision under §224.56 of this
3 title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of
4 this title (relating to Established and Permanent Place of Business Premises Requirements) and appears
5 to have abandoned the licensed location;

6 (3) the department has denied the dealer access to the temporary tag system or the
7 license plate system in accordance with §224.58 of this title (relating to Denial of Dealer Access to
8 License Plate System) and Transportation Code, §503.0633(f);

9 (4) a dealer fails a compliance review performed by the department under
10 Transportation Code, §503.063(d);

11 (5) the dealer license expires during that quarter and the dealer has not submitted a
12 license renewal application to the department;

13 (6) a dealer does not have an owner or bona fide employee at the licensed location
14 during posted business hours to accept a license plate delivery and the delivery service has notified the
15 department that a license plate shipment is undeliverable; [✕]

16 (7) a dealer fails to keep license plates or the license plate system secure; or [-]

17 (8) an applicant or licensed dealer has filed a change of address with the department for
18 the licensed location and the new location has not been approved by the department.

19 (j) A dealer with an active license and access to the license plate database who is ineligible to
20 receive a quarterly allocation under subsection (i) of this section may request the department conduct a
21 compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to

1 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department
2 will conduct the compliance review within 14 days of the dealer's request.

3 (k) A dealer who has an active license but is not eligible to receive a quarterly allocation under
4 subsection (i) of this section may obtain buyer's license plates from a county tax assessor-collector or
5 department regional service center, as directed by the department.

6 (l) A dealer may request more buyer's license plates or buyer's temporary license plates:

7 (1) after using 50 percent of the quarterly allocation of buyer's license ~~[general issue]~~
8 plates or buyer's ~~[buyer]~~ temporary plates, a dealer may request an advance on the next quarter's
9 allotment; or

10 (2) after using 50 percent of the allotted annual maximum number of buyer's license
11 ~~[general issue]~~ plates or buyer's ~~[buyer]~~ temporary plates a dealer may request an increase in the annual
12 allotted number of license plates.

13 (m) A dealer may request fewer buyer's license plates or buyer's temporary license plates:

14 (1) after using less than 50 percent of the quarterly allocation of buyer's ~~[general issue]~~
15 license plates or buyer's ~~[buyer]~~ temporary license plates in a quarter; or

16 (2) after using less than 50 percent of the allotted annual maximum number of buyer's
17 ~~[general issue]~~ license plates or buyer's ~~[buyer]~~ temporary license plates in a year.

18 (n) To request ~~[receive]~~ more buyer's license plates or buyer's temporary license plates or to
19 request a decrease in a quarterly or annual allocation, a dealer must submit a request in the
20 department's designated license plate system.

1 (o) A dealer requesting an increase or decrease in the maximum annual allotment of buyer's
2 license plates or buyer's temporary license plates must provide information demonstrating the need for
3 additional license plates results from business operations, including anticipated needs, as required by
4 Transportation Code, §503.0633(c). Information may include documentation of sales and tax reports
5 filed as required by law, information of anticipated need, or other information of the factors listed in
6 Transportation Code, §503.0633(b).

7 (1) The department shall consider the information presented and may consider
8 information not presented that may weigh for or against granting the request that the department in its
9 sole discretion determines to be relevant in making its determination. Other relevant information may
10 include information of the factors listed in Transportation Code, §503.0633(b), the timing of the request,
11 and the dealer's [~~requestor's~~] license plate activity.

12 (2) The department may allocate a lesser or greater number of license plates than the
13 amount requested. Allocation of a lesser or greater number of license plates is not a denial of the
14 request. Allocation of license plates under this paragraph does not limit the dealer's ability to submit
15 additional requests.

16 (3) If a request is denied, the denial will be sent to the dealer by email to the requestor's
17 email address.

18 (A) A dealer may appeal the denial to the designated director in the Vehicle
19 Titles and Registration Division.

20 (B) The appeal must be requested through the designated license plate system
21 within 15 days of the date the department emailed the denial to the dealer.

1 (C) The appeal may discuss information provided in the request but may not
2 include additional information.

3 (D) The designated director in the Vehicle Titles and Registration Division will
4 review the appeal and any additional statements concerning the information submitted in the original
5 request and render an opinion within 15 days of receiving the appeal. The designated director in the
6 Vehicle Titles and Registration Division may decide to deny the appeal or award an amount of license
7 plates that is lesser, equal to, or greater than the request.

8 (E) The requesting dealer will be notified as follows:

9 (i) If the designated director in the Vehicle Titles and Registration
10 Division decides to deny the appeal, the department will contact the requesting dealer by email
11 regarding the decision and options to submit a new request with additional relevant credible supporting
12 documentation or to pursue a claim in district court; or

13 (ii) If the designated director in the Vehicle Titles and Registration
14 Division awards an amount of license plates that is lesser, equal to, or greater than the request, the
15 dealer's allocation will be adjusted and the dealer will be contacted by email regarding the decision,
16 informed that the request has not been denied, and informed about options to submit a new request.

17 (4) The designated director in the Vehicle Titles and Registration Division's decision on
18 appeal is final.

19 (5) Once a denial is final, a dealer may only submit a subsequent request during that
20 calendar year if the dealer is able to provide additional information not considered in a prior request.

1 (p) A change in the allotment under subsection (l) ~~(i)~~ of this section does not create a dealer
2 base for subsequent year calculations.

3 (q) The department may at any time initiate an enforcement action against a dealer if license
4 plate system activity suggests that misuse or fraud has occurred as described in Transportation Code
5 §503.0633(f) or §503.0671.

6

7 §215.153. Dealer's Use of Buyer's Provisional License Plates.

8 (a) In the license plate system designated by the department, a dealer may order buyer's
9 provisional license plates for the class of vehicle for which the dealer holds a GDN, and must manage
10 buyer's provisional license plate inventory within the buyer's license plate allocation provided by
11 §215.152 of this title (relating to Obtaining Dealer-Issued Buyer's License Plates). A dealer may be
12 required to submit information supporting a request for buyer's provisional license plates, such as
13 anticipated fleet vehicle sales based on sales history or orders in process.

14 (b) When a purchased vehicle is eligible for a general issue license plate and a general issue
15 license plate for that vehicle type is not in a dealer's license plate inventory and the purchaser does not
16 have an existing license plate eligible to be reassigned, a dealer must assign a buyer's provisional license
17 plate to the vehicle by securing the provisional license plate to the vehicle and entering the license plate
18 information into the license plate system designated by the department consistent with the
19 requirements of §215.151 of this title (relating to License Plate General Use Requirements) and §215.155
20 of this title (relating to Buyer's License Plates).

21 (c) When a purchased vehicle is eligible for an exempt license plate, a dealer may issue a buyer's
22 provisional license plate for use on the vehicle until the department processes the exempt license plate

1 application. If the department does not approve the exempt license plate application, a dealer must
2 issue a general issue license plate, and the retail buyer must pay the related registration fee.

3 (d) When a purchased vehicle is eligible for a commercial fleet license plate, such as an
4 apportioned, forestry, token, combination, extended trailer, or multi-year license plate, a dealer may
5 issue a buyer's provisional license plate for use on the vehicle. The retail purchaser is responsible for
6 requesting the appropriate commercial fleet license plate in the department's designated system.

7 (e) Unless the sale is of a commercial fleet vehicle, the selling dealer is responsible for promptly:

8 (1) submitting the title and registration application to the county tax assessor-collector;

9 (2) removing the buyer's provisional license plate if secured to the vehicle; and

10 (3) securing the assigned license plate to the vehicle if that license plate is provided to
11 the dealer by either the county tax assessor-collector or the retail buyer.

12 (f) A buyer's provisional license plate is for temporary use only and expires 14 days after a
13 general issue, exempt, commercial fleet, or other eligible license plate is assigned to the vehicle.

14 (g) A dealer must mark and destroy an expired buyer's provisional license plate in the dealer's
15 possession as provided in §215.158 of this title (relating to General Requirements for Buyer's License
16 Plates).

17

1 §215.154. Dealer's Temporary License Plate Allocation.

2 (a) The number of dealer's temporary license plates a dealer may order for business use is based
3 on the type of license for which the dealer applied and the number of vehicles the dealer sold during the
4 previous year.

5 (b) Unless otherwise qualified under this section, the maximum number of dealer's temporary
6 license plates the department will issue to a new license applicant during the applicant's first license
7 term is indicated in the following table.

8 [Attached Graphic](#)

9 ~~[(c) A person holding a dealer license on July 1, 2025, is eligible to receive the following~~
10 ~~maximum number of dealer's temporary plates:]~~

11 ~~[(1) the number designated for that license type in subsection (b) of this section; and]~~

12 ~~[(2) the number designated in subsection (c) of this section based on vehicle sales in the~~
13 ~~last 12-month period.]~~

14 (c) ~~[(d)]~~ A dealer that applies for a license is not subject to the initial allotment limits described in
15 this section and may rely on that dealer's existing allocation of dealer's temporary license plates if that
16 dealer is:

17 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the
18 entity of ownership;

19 (2) any type of dealer that is relocating and has been licensed by the department for a
20 period of one year or longer; or

1 (3) any type of dealer that is changing its business entity type and has been licensed by
2 the department for a period of one year or longer.

3 (d) ~~[(e)]~~ A dealer may obtain more than the maximum number of dealer's temporary license
4 plates provided by this section by submitting to the department proof of sales for the previous 12-month
5 period that justifies additional license plates.

6 (1) The number of additional dealer's temporary license plates the department will issue
7 to a dealer that demonstrates need through proof of sales is indicated in the following table.

8 [Attached Graphic](#)

9 (2) For purposes of this section, proof of sales for the previous 12-month period may
10 consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with
11 the taxing authority in the county of the dealer's licensed location. Each copy must be stamped as
12 received by the taxing authority.

13 (e) ~~[(f)]~~ A wholesale motor vehicle dealer may obtain more than the maximum number of
14 dealer's temporary license plates provided by this section by submitting to the department proof of the
15 number of vehicles the dealer has purchased in the previous 12-month period that justifies additional
16 license plates.

17 (1) Evidence of the wholesale motor vehicle dealer's vehicle purchases for the previous
18 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling
19 dealer's name, and any other information the department in its discretion deems necessary to
20 determine the need for additional dealer's temporary license plates for the wholesale motor vehicle
21 dealer.

1 (2) Upon review and approval of a wholesale motor vehicle dealer's proof of vehicle
2 purchases documentation, the department shall issue up to 5 additional dealer's temporary license
3 plates to the dealer.

4 (f) ~~[(g)]~~ The Director of the Motor Vehicle Division may waive the dealer's temporary license
5 plate issuance restrictions if the waiver is essential for the continuation of the business. The director will
6 determine the number of dealer's temporary license plates the department will issue based on the
7 dealer's past sales, dealer's inventory, and any other factor the Director determines pertinent.

8 (1) A request for a waiver must be submitted to the director in writing and specifically
9 state why the additional dealer's temporary license plates are necessary for the continuation of the
10 dealer's business.

11 (2) A request for a waiver must be accompanied by proof of the dealer's sales and the
12 number of vehicles transported for the previous 12-month period, if applicable.

13
14 §215.155. Buyer's License Plates.

15 (a) A dealer may issue and secure a buyer's license plate or a buyer's temporary license plate
16 only on a vehicle:

17 (1) from the selling dealer's inventory;

18 (2) that can be legally operated on the public streets and highways;

19 (3) for which a sale or lease has been consummated; and

20 (4) that has a valid inspection in accordance with Transportation Code Chapter 548,

21 unless:

1 (A) an inspection is not required under Transportation Code §503.063(i) or (j); or

2 (B) the vehicle is exempt from inspection under Chapter 548.

3 (b) A dealer may not issue a buyer's license plate or a buyer's ~~[general issue or]~~ temporary
4 license plate to the buyer of a vehicle that is to be titled but not registered.

5 (c) For a wholesale transaction, a dealer may not issue a buyer's license plate; rather the
6 purchasing dealer places on the motor vehicle its own:

7 (1) dealer's temporary license plate; or

8 (2) dealer's standard or personalized prestige license plate.

9 (d) A buyer's temporary license plate is valid until the earlier of:

10 (1) the date on which the vehicle is registered; or

11 (2) the 60th day after the date of purchase.

12 (e) A dealer shall charge a buyer a fee of \$10, unless the vehicle is exempt from payment of
13 registration fees under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the
14 county ~~[with the title transfer application]~~ for deposit to the credit of the Texas Department of Motor
15 Vehicles fund. If the vehicle is sold by a dealer to an out-of-state resident:

16 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
17 Texas Department of Motor Vehicles fund if payment is made through the department's designated
18 electronic system; or

19 (2) the dealer shall remit the fee to the county for deposit to the credit of the Texas
20 Department of Motor Vehicles fund.

1 (f) A governmental agency may charge a buyer a fee of \$10 unless the vehicle is exempt from
2 payment of registration fees under Transportation Code, §502.453 or §502.456. If collected by a
3 governmental agency, the fee must be sent to the county for deposit to the credit of the Texas
4 Department of Motor Vehicles fund.

5

6 §215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available.

7 If [~~In accordance with Transportation Code, §503.0631(d), if~~] a dealer or governmental agency is
8 unable to access the internet at the time of a sale, the dealer or governmental agency must comply with
9 Transportation Code, §503.0631(d) [~~document the issuance of a buyer's license plate or a buyer's~~
10 ~~temporary license plate on a receipt form prescribed by the department and enter the required~~
11 ~~information regarding the sale in the license plate system not later than the close of the next business~~
12 ~~day. The buyer's receipt must include a statement that the dealer or governmental agency, has internet~~
13 ~~access but, at the time of the sale, the dealer or governmental agency, was unable to access the internet~~
14 ~~or the license plate system]~~ and [~~meet~~] the requirements in §215.156 of this title (relating to Buyer's
15 License Plate Receipt).

16

17 §215.158. General Requirements for Buyer's License Plates

18 (a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the
19 dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title
20 (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report
21 any loss, theft, or destruction of a [~~buyer's license plate or buyer's temporary~~] license plate to the

1 department in the system designated by the department within 24 hours of discovering the loss, theft,
2 or destruction.

3 (b) When a dealer is required to void a previously assigned buyer's license plate or other type of
4 license plate from a vehicle, the dealer shall render a void plate unusable by permanently marking the
5 front of the plate with the word "VOID" or a large "X"; and within 10 days:

6 (1) destroy the license plate;

7 (2) recycle the license plate using a metal recycler registered under Occupations Code,
8 Chapter 1956; or

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

10 (c) A dealer or governmental agency must return all license plates in the dealer's possession to
11 the department within 10 days of closing the associated license or within 10 days of the associated
12 license being revoked, canceled, or closed by the department.

13

14 §215.159. License Plate Storage Away from the Licensed Location.

15 (a) Application Requirements. A dealer with two or more licensed locations may store and
16 manage license plate inventory at one of the licensed locations or from another location if, in a license
17 application, the dealer:

18 (1) discloses the physical address of the license plate storage location; and

19 (2) certifies that the license plate storage location satisfies all requirements in subsection

20 (b) of this section.

1 (b) Location Requirements.

2 (1) If the license plate storage location is at a licensed location, the location must comply
3 with the requirements of §215.140 of this title (related to Established and Permanent Place of Business
4 Premises Requirements).

5 (2) If the license plate storage location is not at a licensed location, the location must:

6 (A) be located in Texas at an address recognized by the U.S. Postal Service and
7 which is capable of receiving U.S. mail, and has an assigned emergency services property address;

8 (B) be located in a building with a permanent roof and connecting exterior walls
9 on all sides;

10 (C) be equipped with:

11 (i) a computer;

12 (ii) internet access;

13 (iii) a working telephone number listed in the business name or assumed
14 name under which the dealer conducts business;

15 (iv) a locked and secured room or closet or at least one securely locked,
16 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
17 safe or steel cabinet cannot be readily removed and of sufficient size to store all license plates in a dealer's
18 possession;

19 (D) be organized so the license plate inventory for each licensed location is
20 separate and easily identifiable and is properly assigned to a location in the license plate management
21 system;

22 (E) have the address clearly visible from the street;

1 (F) have business hours posted at the main entrance in a manner and place
2 accessible to delivery services and department staff;

3 (G) be open at least four days per week for at least four consecutive hours per
4 day and may not be open solely by appointment, with the owner or a bona fide employee at the license
5 plate storage location during the posted business hours for purposes of processing license plates,
6 including acceptance of license plate deliveries;

7 (H) have a telephone that is answered from 8:00 a.m. to 5:00 p.m. weekdays by
8 a bona fide employee, owner, answering service, voicemail service, or answering machine, so that a caller
9 is able to speak to a natural person or leave a message during these hours;

10 (I) not be in a residence, apartment, hotel, motel, rooming house, provided by a
11 subscription for office or storage space, or in a rented storage unit, but it may be in a portable-type office
12 building if the building meets the requirements of this subsection and is not a readily moveable trailer or
13 other vehicle; and

14 (J) not be in a restaurant, gas station, or convenience store, unless the location
15 has a separate entrance door that does not require a person to pass through the other business.

16 (c) Site Visit. The department may visit the location prior to approving a dealer’s application to
17 add a license plate storage location and during the term of the license to monitor compliance with
18 department rules as authorized under Occupations Code, §2301.256 and Transportation Code,
19 §503.063(d).

20
21 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
22 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
23 and the authority to take any action that is necessary or convenient to exercise that authority;

1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
14 (2025), which authorizes the department to obtain criminal history record information from DPS and the
15 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
16 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
17 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
18 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
19 issuance of a license to military service members, military veterans, or military spouses that allow
20 licensure if the applicant holds a current license issued by another state that is similar in scope to the
21 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
22 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
23 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which

1 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
2 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
3 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
4 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
5 dealer complete web-based education and training developed or approved by the department;
6 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
7 of a surety bond and the procedure by which a claimant may recover against the surety bond;
8 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
9 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632, which require the
10 board to adopt rules necessary to implement and manage the department's temporary tag databases;
11 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
12 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
13 throughout this preamble.

14 The department also proposes a repeal under the authority Government Code, §2001.039, in
15 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
16 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
17 the rule.

18 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
19 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
20 and 1002.

21

22 [~~§215.131. Purpose and Scope.~~]

1 representatives whose act or omission would be cause for denying, revoking, or suspending a general
2 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
3 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
4 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
5 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
6 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
7 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
8 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
9 board to adopt rules necessary to implement and manage the department's temporary tag databases;
10 Transportation Code, §730.014 which authorizes state agencies to adopt rules to implement and
11 administer the Motor Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which
12 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
13 duties of the department, as well as the statutes referenced throughout this preamble.

14 The department also proposes amendments under the authority of Transportation Code,
15 §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to
16 the statutory authority referenced throughout this preamble.

17 **CROSS REFERENCE TO STATUTE.** These proposed amendments would implement Government Code,
18 Chapters 411 and 2001; Occupations Code, Chapters Occupations Code, Chapters 53, 55, 2301, and 2302;
19 and Transportation Code, Chapters 501–503, 730, 1001–1003, and 1005.

20

21 Text.

22

23 §215.175. Sanctions.

1 ~~[(a) The board or department may:]~~
2 ~~[(1) deny a vehicle lessor or vehicle lease facilitator application;]~~
3 ~~[(2) revoke or suspend a vehicle lessor or vehicle lease facilitator license; or]~~
4 ~~[(3) assess a civil penalty or take other action on a vehicle lessor or vehicle lease~~
5 ~~facilitator applicant or license holder, or a person engaged in business for which a vehicle lessor or~~
6 ~~vehicle lease facilitator license is required.]~~

7 (a) ~~[(b)]~~ The board or department may sanction ~~[take action described in subsection (a) of this~~
8 ~~section if]~~ a vehicle lessor or vehicle lease facilitator applicant or license holder, or a person engaged in
9 business for which a vehicle lessor or vehicle lease facilitator license is required, if the person:

10 (1) fails to maintain an established and permanent place of business required by
11 §215.177 of this title (relating to Established and Permanent Place of Business);

12 (2) fails to maintain records required under this subchapter;

13 (3) refuses or fails to comply with a request by a representative of the department to
14 examine during the vehicle lessor's or vehicle lease facilitator's posted business hours at the vehicle
15 lessor's or vehicle lease facilitator's licensed location:

16 (A) a vehicle leasing record required to be maintained by §215.178 of this title
17 (relating to Records Required for Vehicle Lessors and Vehicle Lease Facilitators);

18 (B) ownership papers for a vehicle owned, leased, or under that vehicle lessor's
19 or vehicle lease facilitator's control; or

20 (C) evidence of ownership or a current premises lease agreement for the
21 property upon which the business is located;

22 (4) refuses or fails to timely comply with a request for records made by a representative
23 of the department;

1 (5) fails to notify the department in writing by electronically submitting a license
2 amendment in the licensing system designated by the department within 10 days of a change of the
3 vehicle lessor or vehicle lease facilitator license holder's:

- 4 (A) mailing address;
- 5 (B) physical address;
- 6 (C) telephone number; or
- 7 (D) email address;

8 (6) fails to notify the department in writing by electronically submitting a license
9 amendment in the licensing system designated by the department within 10 days of a change of the
10 vehicle lessor or vehicle lease facilitator license holder's name, assumed name, management, or
11 ownership;

12 (7) fails to comply with the fee restrictions or other requirements under Occupations
13 Code, §2301.357 or Chapter 2301, Subchapter L. Vehicle Lessors and Vehicle Lease Facilitators;

14 (8) fails to maintain advertisement records or otherwise fails to comply with the
15 advertising requirements of:

- 16 (A) §215.178; or
- 17 (B) Subchapter F of this chapter (relating to Advertising);

18 (9) violates any law relating to the sale, lease, distribution, financing, or insuring of
19 motor vehicles;

20 (10) is convicted of an offense that, in accordance with Occupations Code, Chapter 53
21 and with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines), directly relates to the
22 duties or responsibilities of the licensed occupation;

1 (11) is determined by the board or department, in accordance with §215.89 of this title
2 (relating to Fitness), to be unfit to hold a vehicle lessor or vehicle lease facilitator license;

3 (12) uses or allows use of a vehicle lessor or vehicle lease facilitator license in violation
4 of any law or for the purpose of avoiding any provision of Occupations Code, Chapter 2301; ~~or~~

5 (13) omits material information or makes a material misrepresentation in any
6 application or other documentation filed with the department including providing a false or forged
7 identity document or a false or forged photograph, electronic image, or other document; or [-]

8 (14) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
9 Disclosure Act, including a violation by an employee or other agent.

10 (b) ~~(c)~~ The board or department may take action on a vehicle lessor's license or assess civil
11 penalties for the vehicle lessor's failure to notify the department in writing by electronically submitting a
12 license amendment in the licensing system designated by the department within 10 days of any change,
13 addition, or deletion to the list of vehicle lease facilitators with whom the vehicle lessor conducts
14 business, including any change to a vehicle lease facilitator's mailing address, physical address,
15 telephone number, or email address.

16 (c) ~~(d)~~ The board or department may take action on a vehicle lease facilitator's license or
17 assess civil penalties for the failure to notify the department in writing within 10 days by electronically
18 submitting a license amendment in the licensing system designated by the department of any change,
19 addition, or deletion to the list of vehicle lessors for whom the vehicle lease facilitator conducts
20 business, including any change to a vehicle lessor's mailing address, physical address, telephone
21 number, or email address.

1 (d) ~~[(e)]~~ The board or department may take action on a vehicle lessor's or vehicle lease
2 facilitator's license if the vehicle lessor or vehicle lease facilitator accepts a fee from a dealer, directly or
3 indirectly, for referring a customer who purchases or considers purchasing a motor vehicle.

4

5 §215.177. Established and Permanent Place of Business Premises Requirements.

6 (a) A vehicle lessor or vehicle lease facilitator operating within Texas must meet the following
7 requirements at each location where vehicles are leased or offered for lease.

8 (1) Physical location requirements.

9 (A) A vehicle lessor or vehicle lease facilitator operating within Texas must be
10 open to the public. The vehicle lessor's or vehicle lease facilitator's business hours for each day of the
11 week must be posted at the main entrance of the office. The business telephone must be answered
12 from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail
13 service, or answering machine. A caller must be able to speak to a natural person or leave a message
14 during these hours. The owner or an employee of the vehicle lessor or vehicle lease facilitator must be
15 at the location during the posted business hours for the purpose of leasing vehicles. In the event the
16 owner or an employee is not available to conduct business during the posted business hours, a separate
17 sign must be posted indicating the date and time such owner or employee will resume vehicle leasing
18 operations.

19 (B) A vehicle lessor's or vehicle leasing facilitator's office structure must be of
20 sufficient size to accommodate the following required equipment:

21 (i) a desk and two chairs from which the vehicle lessor or vehicle lease
22 facilitator transacts business;

1 (ii) a working telephone number listed in the business name or assumed
2 name under which the vehicle lessor or vehicle lease facilitator conducts business; and

3 (iii) internet access.

4 (C) A vehicle lessor or vehicle lease facilitator that files an application for a new
5 license or a vehicle lessor that files an application for a satellite location must comply with the following
6 requirements:

7 (i) The office must be located in a building with a permanent roof and
8 connecting exterior walls on all sides.

9 (ii) The office must comply with all applicable local zoning ordinances
10 and deed restrictions.

11 (iii) The office may not be located within a residence, apartment, hotel,
12 motel, or rooming house or building not open to the public.

13 (iv) The physical address of the office must be recognized by the U.S.
14 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property
15 address.

16 (v) The office may not be virtual or provided by a subscription for office
17 space or office services. Access to office space or office services is not considered an established and
18 permanent location.

19 (D) A portable-type office structure may qualify as an office only if the structure
20 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

21 (E) One or more licensed vehicle lessors or vehicle lease facilitators, or a
22 combination of one or more licensed vehicle lessors and vehicle lease facilitators may occupy the same
23 business structure and conduct vehicle leasing operations in accordance with the license held by the

1 vehicle lessor or licensed vehicle lease facilitator. Each vehicle lessor or vehicle lease facilitator must
2 have:

3 (i) a separate desk from which that vehicle lessor or vehicle lease
4 facilitator transacts business;

5 (ii) a separate working telephone number listed in the vehicle lessor or
6 vehicle lease facilitator's business name or assumed name;

7 (iii) a separate right of occupancy that meets the requirements of this
8 section; and

9 (iv) a vehicle lessor or vehicle lease facilitator license issued by the
10 department in the name of the vehicle lessor or vehicle lease facilitator.

11 (F) A vehicle lease facilitator's established and permanent place of business
12 must be physically located within Texas.

13 (2) Business Sign requirements. A vehicle lessor or vehicle lease facilitator shall display a
14 conspicuous and permanent business sign at the licensed location showing the name under which the
15 vehicle lessor or vehicle lease facilitator conducts business. Outdoor business signs must contain legible
16 letters that are at least six inches in height. The business name or assumed name on the sign must be
17 substantially similar to the name reflected on the license issued by the department. A business sign is
18 considered conspicuous if it is easily visible to the public within 100 feet of the main entrance of the
19 business office. A business sign is considered permanent only if it is made of durable, weather-resistant
20 material.

21 (3) Premises lease requirements. If the premises from which a licensed vehicle lessor or
22 vehicle lease facilitator conducts business is not owned by the license holder, the license holder must
23 maintain for the licensed location a valid premises lease that is continuous during the period of time for

1 which the vehicle lessor's or vehicle lease facilitator's license will be issued. The premises lease
2 agreement must be on a properly executed form containing at a minimum:

3 (A) the name of the property owner of the premises and the name of the vehicle
4 lease facilitator as the tenant or lessee of the premises;

5 (B) the street address or legal description of the property, provided that if only a
6 legal description of the property is included, the applicant must attach a statement that the property
7 description in the lease agreement is the street address identified on the application as the physical
8 address for the established and permanent place of business;

9 (C) the signature of the property owner as the lessor and the signature of the
10 applicant or holder as the tenant or lessee;

11 (D) the period of time for which the premises lease is valid; and

12 (E) if the lease agreement is a sublease in which the property owner is not the
13 lessor, the applicant or holder must also obtain a signed and notarized statement from the property
14 owner including the following information:

15 (i) property owner's full name, email address, mailing address, and
16 phone number; and

17 (ii) property owner's statement confirming that the license holder is
18 authorized to sublease the location and may operate a motor vehicle leasing business from the location.

19 (b) A vehicle lessor or vehicle lease facilitator shall be independent of financial institutions and
20 dealerships in location and in business activities, unless that vehicle lessor or vehicle lease facilitator is
21 an:

22 (1) employee or legal subsidiary of the financial institution or dealership; or

23 (2) entity wholly owned by the financial institution or dealership.

1 (c) For purposes of this section, an employee is a person who meets the requirements of
2 §215.173(b) of this title (relating to License).

3
4 §215.181. General Distinguishing Number Exception

5 A licensed vehicle lessor is not required to hold a GDN in order to sell a motor vehicle that the
6 vehicle lessor owns to the lessee or to a duly licensed dealer, either directly or through a licensed
7 wholesale motor vehicle auction. A licensed vehicle lessor may not purchase a motor vehicle at a
8 wholesale motor vehicle auction. The department shall cancel a vehicle lessor's GDN if the vehicle lessor
9 is not qualified to hold the GDN. [Any existing GDN held by a vehicle lessor that does not otherwise
10 qualify for a GDN shall be canceled.] A vehicle lessor whose GDN has been canceled under this section
11 may reapply for a GDN once all the qualifications for a GDN are met.

12
13 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
14 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
15 and the authority to take any action that is necessary or convenient to exercise that authority;
16 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
17 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
18 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
19 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
20 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
21 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
22 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
23 the board authority to deny an application for a license, revoke or suspend a license, place on probation,

1 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
2 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
3 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
4 Code, §411.122(d), which authorizes department access to criminal history record information
5 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
6 (2025), which authorizes the department to obtain criminal history record information from DPS and the
7 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
8 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
9 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
10 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
11 issuance of a license to military service members, military veterans, or military spouses that allow
12 licensure if the applicant holds a current license issued by another state that is similar in scope to the
13 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
14 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
15 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
16 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
17 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
18 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
19 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
20 dealer complete web-based education and training developed or approved by the department;
21 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
22 of a surety bond and the procedure by which a claimant may recover against the surety bond;
23 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of

1 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632, which require the
2 board to adopt rules necessary to implement and manage the department's temporary tag databases;
3 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
4 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
5 throughout this preamble.

6 The department also proposes a repeal under the authority of Government Code, §2001.039, in
7 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
8 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
9 the rule.

10 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
11 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
12 and 1002.

13
14 [~~§215.171. Purpose and Scope.~~]

15 [~~This subchapter implements Occupations Code, Chapter 2301 specifically, §§2301.251,~~
16 ~~2301.253, 2301.254, 2301.261, 2301.262, 2301.357, and Subchapter L. Vehicle Lessors and Vehicle Lease~~
17 ~~Facilitators, and Transportation Code Chapters 1001–1005.~~]

18

19

20

SUBCHAPTER F. ADVERTISING.

21 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 215 under Occupations
22 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor
23 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;

1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
14 history record information from DPS and the FBI for license applicants, license holders, and
15 representatives whose act or omission would be cause for denying, revoking, or suspending a general
16 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
17 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
18 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
19 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
20 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
21 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
22 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
23 dealer complete web-based education and training developed or approved by the department;

1 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
2 of a surety bond and the procedure by which a claimant may recover against the surety bond;
3 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
4 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
5 board to adopt rules necessary to implement and manage the department's temporary tag databases;
6 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
7 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
8 throughout this preamble.

9 The department also proposes amendments under the authority of Transportation Code,
10 §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to
11 the statutory authority referenced throughout this preamble.

12 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
13 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
14 rules to administer Transportation Code, Chapter 502.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
16 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
17 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.
18 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
19 suspension, annulment, or withdrawal of a license.

20 **CROSS REFERENCE TO STATUTE.** These proposed amendments would implement Government Code,
21 Chapters 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters
22 501–503, 1001–1003, and 1005.

23

1 Text.

2

3 §215.242. General Prohibition.

4 ~~[A person advertising motor vehicles shall not use false, deceptive, unfair, or misleading~~
5 ~~advertising.]~~ In addition to a violation of a specific advertising rule, any other advertising or advertising
6 practices found by the department to be false, deceptive, or misleading, ~~[whether herein described,]~~
7 shall be deemed a violation of Occupations Code, Chapter 2301 and ~~[shall also be deemed a violation of]~~
8 this rule.

9

10 §215.244. Definitions.

11 The following words and terms, when used in this subchapter, shall have the following
12 meanings, unless the context clearly indicates otherwise.

13 (1) Advertisement--

14 (A) An oral, written, graphic, or pictorial statement or representation made in
15 the course of soliciting business, including, but not limited to a statement or representation:

16 (i) made in a newspaper, magazine, or other publication;

17 (ii) contained in a notice, sign, poster, display, circular, pamphlet,

18 business card, or letter;

19 (iii) aired on the radio;

20 (iv) broadcast on the internet or television; ~~[or]~~

21 (v) streamed via an online service; ~~[-]~~

22 (vi) displayed on an internet website, social media platform, or other

23 digital application or platform; or

1 (vii) transmitted electronically.

2 (B) Advertisement does not include direct communication between a person or
3 person's representative and a prospective purchaser.

4 (2) Advertising provision--

5 (A) A provision of Occupations Code, Chapter 2301, relating to the regulation of
6 advertising; or

7 (B) A rule relating to the regulation of advertising, adopted pursuant to the
8 authority of Occupations Code, Chapter 2301.

9 (3) Bait advertisement--An alluring but insincere offer to sell or lease a product of which
10 the primary purpose is to obtain a lead to a person interested in buying or leasing merchandise of the
11 type advertised and to switch a consumer from buying or leasing the advertised product in order to sell
12 or lease some other product at a higher price or on a basis more advantageous to the dealer.

13 (4) Balloon payment--Any scheduled payment made as required by a consumer credit
14 transaction that is more than twice as large as the average of all prior scheduled payments except the
15 down payment.

16 (5) Clear and conspicuous--The statement, representation, or term being disclosed is of
17 such size, color, contrast, and audibility and is presented so as to be readily noticed and understood. All
18 language and terms, including abbreviations, shall be used in accordance with their common or ordinary
19 usage and meaning.

20 (6) Cure--A license holder's agreement to not violate for a two-year period an
21 advertising rule cited in a department opportunity-to-cure notice, and if applicable, any action necessary
22 to correct a consumer harm caused by the alleged advertising violation, such as issuing a consumer
23 refund.

1 (7) ~~[(6)]~~ Dealership addendum--A form that is displayed on a window of a motor vehicle
2 when a dealership installs special features, equipment, parts, or accessories, or charges for services not
3 already compensated by the manufacturer or distributor for work required to prepare a motor vehicle
4 for delivery to a buyer.

5 (A) The purpose of the addendum is to disclose:

6 (i) that it is supplemental;

7 (ii) any added feature, service, equipment, part, or accessory, including
8 the retail price, charged and added by the dealership;

9 (iii) any additional charge to the selling price such as additional
10 dealership markup; and

11 (iv) the total dealer selling price.

12 (B) The dealership addendum form shall not be deceptively similar in
13 appearance to the Monroney label, as defined by paragraph (14) ~~[(13)]~~ of this section.

14 (8) ~~[(7)]~~ Demonstrator--A new motor vehicle that is currently in the inventory of the
15 automobile dealership and used primarily for test drives by customers and for other purposes
16 designated by the dealership.

17 (9) ~~[(8)]~~ Disclosure--Required information that is clear, conspicuous, and accurate.

18 (10) ~~[(9)]~~ Distributor Suggested Retail Price (DSRP)--means the total price shown on the
19 Monroney Label as specified by subparagraph (D) of paragraph (14) ~~[(13)]~~ of this section.

20 (11) ~~[(10)]~~ Factory executive/official motor vehicle--A new motor vehicle that has been
21 used exclusively by an executive or official of the dealer's franchising manufacturer, distributor, or their
22 subsidiaries.

1 (12) [(11)] Limited rebate--A rebate that is not available to every consumer purchasing
2 or leasing a motor vehicle because qualification for receipt of the rebate is conditioned or restricted in
3 some manner. A rebate conditioned or restricted to purchasers who are residents of the contiguous
4 United States is not a limited rebate.

5 (13) [(12)] Manufacturer's Suggested Retail Price (MSRP)--Means [means] the total price
6 shown on the Monroney Label as specified by subparagraph (D) of paragraph (14) [(13)] of this section.

7 (14) [(13)] Monroney Label--The label required by the Automobile Information
8 Disclosure Act, 15 U.S.C. §§1231 - 1233, to be affixed to the windshield or side window of certain new
9 motor vehicles delivered to the dealer and that contains information about the motor vehicle, including,
10 but not limited to:

11 (A) the retail price of the motor vehicle suggested by the manufacturer or
12 distributor, as applicable;

13 (B) the retail delivered price suggested by the manufacturer or distributor, as
14 applicable, for each accessory or item of optional equipment, physically attached to the motor vehicle at
15 the time of its delivery to a dealer, which is not included within the price of the motor vehicle as stated
16 in subparagraph (A) of this paragraph;

17 (C) the amount charged, if any, to a dealer for the transportation of the motor
18 vehicle to the location at which it is delivered to the dealer; and

19 (D) the total of the amounts specified pursuant to subparagraphs (A), (B), and
20 (C) of this paragraph.

21 (15) [(14)] Online service--A network that connects computer users.

22 (16) [(15)] Rebate or cash back--A sum of money applied to the purchase or lease of a
23 motor vehicle or refunded after full payment has been rendered for the benefit of the purchaser.

1 (17) [(16)] Savings claim or discount--An offer to sell or lease a motor vehicle at a
2 reduced price, including, but not limited to, a manufacturer's or distributor's customer rebate, a dealer
3 discount, or a limited rebate.

4 (18) [(17)] Subsequent violation—A license holder's violation of the same advertising
5 rule cited in an opportunity to cure notice within a two-year period. [~~Conduct that is the same or~~
6 ~~substantially the same as conduct the department has previously alleged in a notice of an opportunity to~~
7 ~~cure to be a violation of an advertising provision.~~]

8
9 §215.246. Accuracy.

10 Advertisements shall be accurate, clear, and conspicuous. [~~Advertisements shall not be false,~~
11 ~~deceptive, or misleading.~~] For an internet advertisement, a disclosure may be considered accurate,
12 clear, and conspicuous if:

13 (1) the viewer highlights, hovers a mouse or cursor over, or otherwise selects certain
14 text or images on a screen that results in an immediate and legible visible disclosure; or

15 (2) only one click on select text or image(s) is required to view the disclosure; and

16 (3) the internet advertisement clearly and conspicuously indicates where to hover or
17 click for the disclosure and is in close proximity to the information being disclosed.

18

19 §215.264. Payment Disclosure - Vehicle Lease

20 (a) An advertisement that promotes a consumer lease and contains the amount of any payment
21 or that contains either a statement of any capitalized cost reduction or other payment or a statement
22 that no payment is required at consummation or prior to consummation or delivery, if delivery occurs
23 after consummation, must clearly and conspicuously include the following:

1 (1) that the transaction advertised is a vehicle lease;

2 (2) the total amount due at consummation or prior to consummation or delivery, if

3 delivery occurs after consummation;

4 (3) the number, amount, and due date or period of scheduled payments under the

5 vehicle lease;

6 (4) a statement of whether a security deposit is required; and

7 (5) a statement that an extra charge may be imposed at the end of the vehicle lease

8 term where the lessee's liability, if any, is based on the difference between the residual value of the

9 leased property and its realized value at the end of the vehicle lease term.

10 (b) Except for a periodic payment, a reference to a charge described in subsection (a)(2) of this

11 section cannot be more prominently advertised than the disclosure of the total amount due at vehicle

12 lease signing or delivery.

13 (c) Except for disclosures of limitations on rate information, if a percentage rate is advertised,

14 that rate shall not be more prominently advertised than any other disclosure or deal term.

15 (d) If a vehicle lessor provides a percentage rate in an advertisement, a notice stating "this

16 percentage may not measure the overall cost of financing this lease" shall accompany the rate

17 disclosure. The vehicle lessor shall not use the terms "annual percentage rate," "annual lease rate," or

18 any equivalent terms in any advertisement containing a percentage rate.

19 (e) A multi-page advertisement that provides a table or schedule of the required disclosures is

20 considered a single advertisement, provided that for vehicle lease terms appearing without all of the

21 required disclosures, the advertisement refers to the page or pages on which the table or schedule

22 appears.

1 (f) A merchandise tag stating any item listed in subsection (a) of this section must comply with
2 subsection (a) of this section by referring to a sign or to a display prominently posted in the vehicle
3 lessor's place of business. The sign or display must contain a table or schedule of the required
4 disclosures under subsection.

5 (g) An advertisement made through television or radio stating any item listed in subsection (a)
6 of this section, must include the following statements:

7 (1) that the transaction advertised is a vehicle lease;

8 (2) the total amount due at consummation or due prior to consummation or delivery, if
9 delivery occurs after consummation; and

10 (3) the number, amount, and due date or period of scheduled payments under the
11 vehicle lease.

12 (h) In addition to the requirements of subsection (g) of this section, an advertisement made
13 through television or radio stating any item listed in subsection (a) of this section, must:

14 (1) provide a toll-free telephone number along with a statement that the telephone
15 number may be used by consumers to obtain the information in subsection (a) of this section; or

16 (2) include all information required by this section in the advertisement. ~~direct the~~
17 ~~consumer to a written advertisement in a publication of general circulation in the community served by~~
18 ~~the media station, including the name and the date of the publication, with a statement that the~~
19 ~~required disclosures in subsection (a) of this section are included in the advertisement.]~~

20 (i) The toll-free telephone number required by subsection (h)(1) of this section shall be available
21 for at least 10 days, beginning on the date of the broadcast. Upon request, the vehicle lessor shall
22 provide the information in subsection (a) of this section orally or in writing.

1 ~~[(j) The written advertisement required by subsection (h)(2) of this section shall be published~~
2 ~~beginning at least three days before the broadcast and ending at least 10 days after the broadcast.]~~

3

4 §215.270. Enforcement.

5 (a) The department may file a Notice of Department Decision against a license holder alleging a
6 violation of an advertising provision pursuant to Occupations Code, §2301.203, provided the
7 department can show:

8 (1) that the department notified the license holder of the opportunity to cure the
9 alleged violation ~~[who allegedly violated an advertising provision has received from the department a~~
10 ~~notice of an opportunity to cure the violation]~~ by email and certified mail, return receipt requested, and
11 that the notice complied ~~[in compliance]~~ with subsection (b) of this section; and

12 (2) that the license holder:

13 (A) did not timely respond to the notice of an opportunity to cure, or

14 (B) agreed to cure the violation but violated the cure agreement by failing to
15 correct a consumer harm or by committing a subsequent violation. ~~[committed a subsequent violation~~
16 ~~of the same advertising provision.]~~

17 (b) An effective notice of an opportunity to cure issued under subsection (a)(1) of this section
18 must:

19 (1) state that the department has reason to believe that the license holder violated an
20 advertising provision and must identify the provision;

21 (2) set forth the facts upon which the department bases its allegation of a violation; and

22 (3) state that if the license holder does not timely agree to cure the violation or violates
23 a cure agreement ~~[commits a subsequent violation of the same advertising provision]~~, the department

1 will file a Notice of Department Decision under §224.56 of this title (relating to Notice of Department
2 Decision).

3 ~~[(c) As a part of the cure procedure, the department may require a license holder who allegedly~~
4 ~~violated an advertising provision to publish a retraction notice to effect an adequate cure of the alleged~~
5 ~~violation. A retraction notice must:]~~

6 ~~[(1) appear in a newspaper of general circulation in the area in which the alleged~~
7 ~~violation occurred;]~~

8 ~~[(2) appear in the portion of the newspaper devoted to motor vehicle advertising, if~~
9 ~~any;]~~

10 ~~[(3) identify the date and the medium of publication, print, electronic, or other, in which~~
11 ~~the advertising alleged to be a violation appeared; and]~~

12 ~~[(4) identify the alleged violation of the advertising provision and contain a statement of~~
13 ~~correction.]~~

14 (c) ~~[(d)]~~ A cure is made solely for the purpose of settling an allegation and is not an admission of
15 a violation of these rules; Occupations Code, Chapter 2301; or other law.

16
17 **STATUTORY AUTHORITY.** The department proposes repeals to Chapter 215 under Occupations Code,
18 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
19 and the authority to take any action that is necessary or convenient to exercise that authority;
20 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
21 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
22 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
23 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations

1 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
2 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
3 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
4 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
5 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
6 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
7 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
8 Code, §411.122(d), which authorizes department access to criminal history record information
9 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
10 history record information from DPS and the FBI for license applicants, license holders, and
11 representatives whose act or omission would be cause for denying, revoking, or suspending a general
12 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
13 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
14 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
15 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
16 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
17 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
18 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
19 dealer complete web-based education and training developed or approved by the department;
20 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
21 of a surety bond and the procedure by which a claimant may recover against the surety bond;
22 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
23 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the

1 board to adopt rules necessary to implement and manage the department's temporary tag databases;
2 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
3 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
4 throughout this preamble.

5 The department also proposes repeals under the authority of Transportation Code, §501.0041
6 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory
7 authority referenced throughout this preamble.

8 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
9 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
10 rules to administer Transportation Code, Chapter 502.

11 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
12 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
13 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.
14 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
15 suspension, annulment, or withdrawal of a license.

16 **CROSS REFERENCE TO STATUTE.** These proposed repeals would implement Government Code, Chapters
17 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503,
18 1001–1003, and 1005.

19
20 Text.

21 [~~§215.241. Purpose and Scope.~~]

1 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
2 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
3 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
4 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
5 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
6 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
7 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
8 Code, §411.122(d), which authorizes department access to criminal history record information
9 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
10 history record information from DPS and the FBI for license applicants, license holders, and
11 representatives whose act or omission would be cause for denying, revoking, or suspending a general
12 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
13 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
14 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
15 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
16 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
17 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
18 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
19 dealer complete web-based education and training developed or approved by the department;
20 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
21 of a surety bond and the procedure by which a claimant may recover against the surety bond;
22 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
23 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the

1 board to adopt rules necessary to implement and manage the department's temporary tag databases;
2 Transportation Code, §730.014 which authorizes state agencies to adopt rules to implement and
3 administer the Motor Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which
4 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
5 duties of the department, as well as the statutes referenced throughout this preamble.

6 The department also proposes amendments under the authority of Transportation Code,
7 §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to
8 the statutory authority referenced throughout this preamble.

9 **CROSS REFERENCE TO STATUTE.** These amendments would implement Government Code, Chapters 411
10 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503, 730,
11 1001–1003, and 1005.

12

13 Text.

14 §215.500. Administrative Sanctions.

15 An administrative sanction may include one or more penalties authorized by Occupations Code,
16 Chapter 2301 or Transportation Code, Chapter 503, including a refund under §215.504 of this title
17 (relating to Buyer or Lessee Refund).[:]

18 [~~(1) denial of an application for a license;~~]

19 [~~(2) suspension of a license;~~]

20 [~~(3) revocation of a license;~~]

21 [~~(4) the imposition of civil penalties; or~~]

22 [~~(5) a refund under §215.504 of this title (relating to Buyer or Lessee Refund).]~~]

Figure: 43 TAC §215.154(b)

If a new license applicant is:	Maximum number of dealer's temporary license plates issued during the first license term is:
1. a franchised motor vehicle dealer	200
2. a franchised motorcycle dealer	50
3. an independent motor vehicle dealer	25
4. an independent motorcycle dealer	10
5. a franchised or independent travel trailer dealer	10
6. a trailer or semitrailer dealer	<u>15</u> [5]
7. an independent mobility motor vehicle dealer	5
8. a wholesale motor vehicle dealer	10
<u>9. a wholesale motor vehicle dealer who also holds a wholesale motor vehicle auction GDN</u>	<u>40</u>

Figure: 43 TAC §215.154(d)(1)[(e)(1)]

If a vehicle dealer is:	Maximum number of additional dealer's temporary license plates issued with a demonstrated need through proof of sales is:
1. A dealer selling 26 to 50 during the previous 12-month period	5
2. A dealer selling 51 to 100 during the previous 12-month period	10
3. A dealer selling 101 to 150 during the previous 12-month period	15
4. A dealer selling 151 to 199 during the previous 12-month period	20
5. A dealer selling 200-299 during the previous 12-month period	25
6. A dealer selling more than 300 vehicles during the previous 12-month period	30