

PROPOSAL OF REVISIONS TO

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.27, 217.52, AND 217.53

SUBCHAPTER I. PROCESSING AND HANDLING FEES

43 TAC §217.185

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

The proposed amendments are necessary to implement legislation, to clarify rule language, and to remove a fee discount that is no longer necessary to incentivize online registration transactions.

EXPLANATION.

Proposed amendments to §217.27(c)(2)(B) would delete references to Transportation Code, §548.102, the language pertaining to an outstanding inspection period, and the language regarding an application for registration in the name of the purchaser. Proposed amendments would also insert reference to Transportation Code, §502.044(a-1) for the authority to register certain motor vehicles for a period of 24 consecutive months. These proposed amendments are necessary to implement Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which amended Transportation Code, §502.044 to designate a motor vehicle registration period of 24 consecutive months for new passenger cars and light trucks sold in Texas or purchased by a commercial fleet buyer described by Transportation Code, §501.0234(b)(4) for use in Texas. The proposed amendments to §217.27(c)(2)(B) are also necessary to delete references to Transportation Code, §548.102 because House Bill (HB) 3297, 88th

1 Legislature, Regular Session (2023) repealed Transportation Code, §548.102, pertaining to the initial two-
2 year inspection period for passenger cars and light trucks.

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

12 Proposed amendments to §217.53 are necessary to implement SB 1902, 89th Legislature,
13 Regular Session (2025), which amended Transportation Code, §504.901 to require a motor vehicle
14 dealer who has purchased a vehicle to remove the assigned general-issue license plates from the vehicle
15 and either transfer the license plates within 10 days to another motor vehicle purchased from their
16 inventory, or destroy the plates. Proposed amendments to §217.53(a) would modify the language to
17 require a dealer, upon receiving a motor vehicle in their inventory by sale or transfer, to remove the
18 plates and remove and dispose of the registration insignia from the vehicle. A proposed amendment to
19 §217.53(a) would also clarify that the dealer must either transfer or dispose of the general-issue license
20 plates removed from the motor vehicle in accordance with 43 TAC §215.151(d), relating to License Plate
21 General Use Requirements. In addition, a proposed amendment would add standard language to state
22 that §215.151(d) is contained in Title 43.

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

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

19 The language in Transportation Code, §504.901(b), as amended by SB 1902, that requires the
20 seller of a motor vehicle, in a transaction where neither party is a dealer, to remove the license plates
21 from the vehicle, is very similar to the language that existed in that statute prior to the amendments of
22 HB 718, 88th Legislative Session (2023). Proposed amendments to §217.53(d) would implement SB 1902
23 by reverting back to a portion of the language that existed in §217.53(c) prior to the amendments that

1 the department adopted in December 2024 to implement HB 718. The proposed amendments to
2 §217.53(d) would inform a purchaser of a motor vehicle, where neither party is a dealer and the seller
3 has removed the license plates, of the option to secure a vehicle transit permit under Transportation
4 Code, §502.492. This permit would allow the purchaser to operate the motor vehicle legally on the
5 public roadways from the location where they purchased it to their home or to get it titled and
6 registered.

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

1 the same, and this proposal only seeks to eliminate the online registration discount in the amount of \$1
2 per registered vehicle per year.

3 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Annette Quintero, Director of the Vehicle
4 Titles and Registration Division, has determined that there will be no measurable effect on local
5 employment or the local economy as a result of the proposal.

6 Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years
7 that the proposed amendments to §217.27 and §217.53 will be in effect, there will be no fiscal impact to
8 state or local governments as a result of the enforcement or administration. There will be no foreseeable
9 impact on costs or revenue.

10 Ms. Bowman has determined that for each year of the first five years that the proposed
11 amendments to §217.52 are in effect, there will be no significant fiscal impact on state or local
12 governments. The proposed amendments to §217.52 clarify that the fee for restyling an embossed
13 specialty plate to another embossed specialty plate is \$75 rather than \$50, which is the fee to restyle non-
14 embossed plates. This \$25 difference in the applicable fee will not result in significant revenue for state
15 government because the embossed plate program is new and the numbers of embossed plates in
16 circulation are small: the state has not yet collected any fees for restyling an embossed specialty plate to
17 another embossed specialty plate so the clarification of the fee cannot create a change in revenue, and
18 only 9,262 vehicles statewide currently have embossed specialty plates. Even if every owner of a vehicle
19 with an embossed specialty plate decided to restyle it to another embossed specialty plate in the same
20 year, the proposed amendments to §217.52 would result in a statewide total revenue increase of only
21 \$231,550 per year. The proposed amendments to §217.52 will have no impact on costs to state or local
22 government.

1 Ms. Bowman has determined that for each year of the first five years the proposed amendments
2 to §217.185 will be in effect, there will be a fiscal impact to state or local governments as a result of the
3 enforcement or administration of the proposal. Elimination of the \$1.00 online discount will result in
4 additional revenue to the state in the amount of approximately \$6,000,000 per year. The proposed
5 amendments to §217.185 will have no impact to costs to state or local government.

6 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero and Ms. Bowman have also determined that, for each
7 year of the first five years proposed amendments are in effect, there are several public benefits
8 anticipated and no significant economic costs for persons required to comply with the rules.

9 Anticipated Public Benefits. The proposed amendments to §217.27 would clarify and prevent
10 confusion about the board's rules regarding two-year registration for new vehicles. The proposed
11 amendments to §217.52 would clarify the fees for restyling a vendor specialty license plate to an
12 embossed plate to prevent confusion for the public. The proposed amendments to §217.53 would clarify
13 and provide easy reference for the public on what to do with the license plates on their vehicle when they
14 sell it, and how to get a temporary permit when they buy a vehicle without plates. The proposed
15 amendments to §217.185 would ensure sufficient funding for the department to continue to provide
16 efficient and accessible vehicle registration services, online, by mail and in-person.

17 Anticipated Costs to Comply with the Proposal. Ms. Quintero anticipates that only the proposed
18 amendments to §217.185 will create a cost to comply, and that cost would not be significant. The cost to
19 comply with the proposed amendments to §217.185 would only be \$1 per year for persons who register
20 their vehicles online, due to the loss of the \$1 online discount. The proposed amendments to §217.27 and
21 §217.53 do not create any costs. Compliance is not required for the cost to restyle a vendor specialty plate
22 to an embossed plate style under the proposed amendments to §217.52 because a person can avoid the
23 cost by choosing not to restyle their vendor specialty plate.

1 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** The department does not
2 anticipate an adverse economic impact to small business, micro-businesses or rural communities as a
3 result of the proposed amendments to §§217.27, 217.52 and 217.53. Regarding the proposed
4 amendments in §217.185, the department anticipates an adverse economic effect on small businesses
5 and micro-businesses that own vehicles and renew the registration for those vehicles online. There will
6 be no adverse impact on rural communities from the proposed amendments since rural governments are
7 exempt from vehicle registration fees under Transportation Code, Chapter 502, Subchapter J.

8 Of the 3.3 million estimated small and micro-businesses in Texas identified in the 2024 U.S. Small
9 Business Administration Report, it is unknown precisely how many own and register vehicles. However,
10 based on the industries represented in the data, it is reasonable to assume that approximately 64% (or
11 2.1 million) would have dedicated vehicles registered by the business. Online registration transactions
12 make up approximately 30% of total registrations, suggesting that even if every small and micro-business
13 of that estimated 2.1 million with a dedicated vehicle renewed their registrations online, the total would
14 be approximately 739,000, with an expected adverse economic impact of only \$1 per vehicle registered
15 online, per year.

16 Under Government Code, §2006.002, the department must perform a regulatory flexibility
17 analysis for the proposed amendments to §217.185. The department considered alternatives of not
18 adopting the amendments to §217.185, exempting small and micro-businesses from these amendments,
19 and adopting an online discount of less than \$1 for small and micro-business applicants. The department
20 rejected all three options. Foregoing or reducing the revenue created by removing the \$1 online discount
21 for 739,000 small and micro-businesses would leave the vehicle registration system underfunded and
22 unable to cover costs, which would in turn make vehicle registration less efficient and less reliable, causing
23 negative repercussions for law enforcement's ability to identify and track vehicles and for vehicle safety.

1 The department, after considering the purpose of the authorizing statutes that require it to “set the fee
2 in an amount that...is sufficient to cover expenses associated with collecting registration fees,” does not
3 believe it is feasible to waive or limit the requirements of the proposed amendments for small or micro-
4 business GDN dealers.

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

9 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
10 first five years the proposed amendments are in effect, no government program would be created or
11 eliminated. Implementation of the proposed amendments would not require the creation of new
12 employee positions or elimination of existing employee positions. Implementation would not require an
13 increase or decrease in future legislative appropriations to the department or a decrease of fees paid to
14 the department. The proposed amendments to §217.52 may result in an increase of fees paid to the
15 department as embossed plates becomes more prevalent and restyling from an embossed plate to
16 another embossed plate becomes more common. The proposed amendments to §217.185 will create an
17 increase of \$6,000,000 in fees paid to the department. The proposed amendments to §217.185 would not
18 result in an increase or decrease of a fee, however they would remove an optional online transaction
19 discount, resulting in the department retaining a higher percentage of the unchanged fee. The proposed
20 amendments would not create a new regulation or repeal a regulation. The proposed amendments to
21 §217.52 would expand an existing regulation by including restyling from an embossed plate to another
22 embossed plate design. The proposed amendments to §217.185 would limit an existing regulation by

removing the \$1 online discount from registration fees. Lastly, the proposed amendments do not affect the number of individuals subject to the rule's applicability and will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on August 25, 2025. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.27, 217.52, AND 217.53

STATUTORY AUTHORITY. The department proposes amendments to §§217.27, 217.52, and 217.53 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.044, as amended by Senate Bill 1729, 89th Regular Session (2025), to designate a registration period of 24 consecutive months for certain passenger cars and light trucks; Transportation Code, §504.0011, which gives the board authority to implement and administer Transportation Code, Chapter 504, License Plates; Transportation Code, §504.010, which authorizes the department to adopt rules governing the issuance and placement of license plates on motor vehicles; Transportation Code, §504.0051, which gives the department authority to issue personalized license plates and forbids the department from issuing replacement personalized license plates unless the vehicle owner pays the statutory fee required under Transportation Code, §504.007; Transportation Code, §504.007, which states that replacement license plates can only be issued if the vehicle owner pays the statutory fee; Transportation Code, §504.6011, which authorizes

1 the sponsor of a specialty license plate to reestablish its specialty license plate under Subchapter J of
2 Transportation Code, Chapter 504, and for the board to establish the fees under Transportation Code,
3 §504.851; Transportation Code, §504.851(a), which allows the department to contract with a private
4 vendor to provide specialty and personalized license plates; Transportation Code, §504.851(b)-(d), which
5 authorize the board to establish fees by rule for the issuance or renewal of personalized license plates
6 that are marketed and sold by the vendor as long as the fees are reasonable and not less than the
7 amounts necessary to allow the department to recover all reasonable costs associated with the
8 procurement, implementation and enforcement of the vendor's contract; Transportation Code,
9 §504.851(i), which requires a contract entered into by the department and a private vendor for the
10 marketing and sale of specialty license plates to allow the vendor to establish a range of premium
11 embossed specialty license plates to be sourced, marketed, and sold by the private vendor; the
12 rulemaking authority provided under Section 3 of Senate Bill 1902, 89th Legislature (2025); and
13 Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and
14 appropriate to implement the powers and the duties of the department, as well as the statutes
15 referenced throughout the this preamble.

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

17
18 TEXT.

19 §217.27. Vehicle Registration Insignia.

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

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

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

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

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

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

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

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

22 (1) must display two license plates that are clearly visible, readable, and legible,
23 one at the exterior front and one at the exterior rear of the vehicle that are securely fastened at

the exterior front and rear of the vehicle in an upright horizontal position of not less than 12 inches from the ground, measuring from the bottom; or

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

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

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

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

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

(B) vehicles may be registered for 24 consecutive months in accordance with Transportation Code, §502.044(a-1)~~§548.102~~ on payment of all fees for each year of registration~~[, regardless of the number of months remaining on the inspection at the time of registration, provided:]~~

~~[(i) the vehicle receives a two-year inspection under Transportation Code, §548.102; and]~~

~~[(ii) the application for registration is made in the name of the purchaser under Transportation Code, §501.0234.]~~

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

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

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

(A) indecent (defined as including a direct reference or connotation to a sexual act, sexual body parts, excreta, or sexual bodily fluids or functions. Additionally, the license plate number "69" is prohibited unless used with the full year (1969) or in combination with a reference to a vehicle;

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

(C) derogatory, directly or indirectly (defined as an expression that is demeaning to, belittles, or disparages any person, group, race, ethnicity, nationality, gender, or

1 sexual orientation. "Derogatory" may also include a reference to an organization that advocates
2 the expressions described in this subparagraph);

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

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

8 (F) a direct or indirect reference to controlled substances or the
9 physiological state produced by such substances, intoxicated states, or a direct or indirect
10 reference that may express, describe, advertise, advocate, promote, encourage, or glorify such
11 substances or states;

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

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

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

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

19 (1) military branches, military rank, military units, military equipment, or status; or

20 (2) institutions of higher education, including military academies, whether funded
21 privately, by the state, or by the federal government.

22 (f) A decision to cancel or not to issue a license plate with a personalized license plate
23 number under subsection (d) of this section may be appealed to the executive director of the

1 department or the executive director's designee within 20 days of notification of the cancellation
2 or non-issuance. All appeals must be in writing, and the requesting party may include any written
3 arguments, but shall not be entitled to a contested case hearing. The executive director or the
4 executive director's designee will issue a decision no later than 30 days after the department
5 receives the appeal, unless additional information is sought from the requestor, in which case the
6 time for decision is tolled until the additional information is provided. The decision of the
7 executive director or the executive director's designee is final and may not be appealed to the
8 board. An appeal to the executive director or the executive director's designee is denied by
9 operation of law 31 days from the receipt of the appeal, or if the requestor does not provide
10 additional requested information within ten days of the request.

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

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

18
19 §217.52. Marketing of Specialty License Plates through a Private Vendor.

20 (a) Purpose and scope. The department will enter into a contract with a private vendor
21 to market department-approved specialty license plates in accordance with Transportation Code,
22 Chapter 504, Subchapter J. This section sets out the procedure for approval of the design, purchase, and

1 replacement of vendor specialty license plates. In this section, the license plates marketed by the vendor
2 are referred to as vendor specialty license plates.

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

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

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

10 (A) a draft design of the specialty license plate;

11 (B) projected sales of the license plate, including an explanation of how
12 the projected figure was determined;

13 (C) a marketing plan for the license plate including a description of the
14 target market;

15 (D) a licensing agreement from the appropriate third party for any
16 design or design element that is intellectual property; and

17 (E) other information necessary for the board to reach a decision
18 regarding approval of the requested vendor specialty license plate.

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

21 (1) will not consider incomplete applications; and

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

23 (d) Board decision.

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

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

(B) the proposed license plate design, including:

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

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

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

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

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

(vi) other information provided during the application process.

(2) Public comment on proposed design. All proposed license plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed license plate designs will be posted in accordance with Office of the Secretary of State meeting notice requirements. Notice of each license plate design will be posted on the department's Internet web site to receive public comment at least 25 days in advance of the meeting at which it will be considered. The department will notify all specialty license plate organizations and the sponsoring agencies who administer specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted

1 in writing through the mechanism provided on the department's Internet web site for submission of
2 comments. Written comments are welcome and must be received by the department at least 10 days in
3 advance of the meeting. Public comment will be received at the board's meeting.

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

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

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

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

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

12 (3) Issuance of approved specialty license plates.

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

16 (B) Approval of the specialty license plate does not guarantee that the
17 submitted draft specialty license plate design will be used. The board has final approval of all specialty
18 license plate designs and will provide guidance on the submitted draft design to ensure compliance with
19 the format and specialty license plate specifications.

20 (f) Redesign of vendor specialty license plates.

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

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

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

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

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

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

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

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up

1 to seven alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year,
2 \$445 for three years, and \$495 for five years.

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

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

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

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

14 (7) Auction. The vendor may auction department-approved license plate
15 numbers for one, three, or five year terms with options to renew indefinitely at the current
16 price established for a one, three, or five year luxury category license plate. The purchaser of
17 the auction license plate number may select from the vendor background designs, including any
18 embossed license plate designs, at no additional charge at the time of initial issuance. The
19 auction license plate number may be moved from one vendor design plate to another vendor
20 design license plate as provided in subsection (n)(1) of this section. The auction license plate
21 number may be transferred from owner to owner as provided in subsection (l)(2) of this
22 section.

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

(9) Personalization and specialty license plate fees.

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

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

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

(i) Payment of fees.

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

1 (2) Payment of statutory registration fees. To be valid for use on a motor
2 vehicle, the license plate owner is required to pay, in addition to the vendor specialty license plate fees,
3 any statutorily required registration fees in the amount as provided by Transportation Code, Chapter
4 502, and this subchapter.

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

7 (k) Replacement.

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

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

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

17 (4) Interim replacement tags. If the vendor specialty license plates are lost or
18 mutilated to such an extent that they are unusable, replacement specialty license plates may be
19 remanufactured. The county tax assessor-collector will issue interim replacement tags for use until the
20 replacements are available. The owner's vendor specialty license plate number will be shown on the
21 interim replacement tags.

22 (5) Stolen vendor specialty license plates. The county tax assessor-collector will
23 not approve the issuance of replacement vendor specialty license plates with the same license plate

number if the department's records indicate that the vehicle displaying that license plate number was reported stolen or the license plates themselves were reported stolen to law enforcement.

(l) Transfer of vendor specialty license plates.

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

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

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

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

(m) Gift license plates.

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

(A) the purchaser's name and address;

(B) the name and address of the person who will receive the license plates; and

(C) the vehicle identification number of the vehicle on which the license plates will be displayed or a statement that the license plates will not be displayed on a vehicle.

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

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

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

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

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

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

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

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

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

1 (a) Upon the sale or transfer of a motor vehicle to a dealer, the dealer shall remove the license
2 plates and remove and dispose of the registration insignia from the motor vehicle. The dealer shall
3 transfer or dispose of the removed [and retain the assigned] general issue license plates [for disposition
4 at the time of a subsequent purchase] in accordance with §215.151(d) of this title (relating to License
5 Plate General Use Requirements)~~], and the dealer shall remove and dispose of the registration insignia~~
6 ~~as provided in Transportation Code, §502.491].~~

7 (b) Upon the sale or transfer of a motor vehicle in which neither party is a dealer, the ~~[general~~
8 ~~issue]~~ license plates shall be removed from [remain with] the motor vehicle by the seller or transferor
9 ~~[as provided in Transportation Code, §504.901].~~ The removed license plates may be transferred to
10 another motor vehicle if the following requirements are met:

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

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

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

17 (c) License plates that are not transferred to another motor vehicle as described in subsection
18 (b) of this section within 10 days after the date the license plate is removed from the motor vehicle [A
19 license plate other than a general issue license plate shall be removed by the owner of a motor vehicle
20 that is sold or transferred. Removed license plates may be transferred if eligible; otherwise,] must be
21 rendered unusable by permanently marking the front of the plate with the word "VOID" or a large "X"
22 and; [disposed of in a manner that renders the license plates unusable or that ensures the license plates
23 will not be available for fraudulent use on a motor vehicle].

1 (1) destroying the license plate;

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

3 Chapter 1956; or

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

5 (d) A person who obtains a motor vehicle in a transaction described by subsection (b) of this
6 section may obtain one vehicle transit permit (temporary single-trip permit), as provided by
7 Transportation Code, §502.492, through the department's website at www.txdmv.gov.~~[If the purchaser~~
8 ~~at a retail sale chooses to obtain replacement general issue license plates, the replaced license plates~~
9 ~~must be disposed of in a manner that renders the license plates unusable or that ensures the license~~
10 ~~plates will not be available for fraudulent use on a motor vehicle.]~~

11 **SUBCHAPTER I. PROCESSING AND HANDLING FEES**

12 **43 TAC§ 217.185**

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

18
19 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 502 and 1002.

20
21 TEXT.

22 §217.185. Allocation of Processing and Handling Fees.

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

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

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

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

(2) If the registration transaction was processed through the department or the TxFLEET system or is a registration processed under Transportation Code, §§502.0023, 502.091, or 502.255; or §217.46(b)(5) of this title (relating to Commercial Vehicle Registration):

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

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

(3) If the registration transaction was processed through Texas by Texas (TxT) or the department's Internet Vehicle Title and Registration Service (IVTRS), ~~[the fee established in §217.183 of this title is discounted by \$1]:~~

(A) Texas Online receives the amount set pursuant to Government Code, §2054.2591, Fees;

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

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

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

(A) the deputy may retain:

(i) the amount specified in §217.168(c) of this title (relating to Deputy Fee Amounts). The deputy must remit the remainder of the processing and handling fee to the county tax assessor-collector; and

(ii) the convenience fee established in §217.168, if the registration transaction is processed by a full service deputy;

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

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

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

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

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

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

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

(1) the entity may retain \$4.25;

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

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