

**PROPOSAL OF REVISIONS TO**

**SUBCHAPTER A. GENERAL PROVISIONS**

**43 TAC §221.1**

**SUBCHAPTER B. LICENSING**

**43 TAC §§221.11 – 221.15, 221.19, AND 221.20**

**SUBCHAPTER C. LICENSED OPERATIONS**

**43 TAC §221.44 AND §221.49**

**SUBCHAPTER D. RECORDS**

**43 TAC §§221.71 - 221.73**

**SUBCHAPTER E. ADMINISTRATIVE SANCTIONS**

**43 TAC §221.111 - 221.112**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes to repeal 43 Texas Administrative Code (TAC) Chapter 221, Subchapter A, General Provisions, §221.1; proposes amendments to Subchapter B, Licensing, §§221.13 – 221.15, 221.19, and 221.20, and to repeal §221.11; proposes amendments to Subchapter C, Licensed Operations, §221.44 and to repeal §221.49; proposes amendments to Subchapter D, Records, §§221.71 - 221.73; and proposes amendments to Subchapter E, Administrative Sanctions, §221.111 and §221.112. The amendments are necessary to enhance the enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; to remove language that the department identified as unenforceable or redundant of statute through its review by the Texas Regulatory Efficiency Office (TREO); to bring consistency with other chapters of Texas Administrative Code Title 43 and department practice; to correct cross-references; and to make signage requirements less burdensome on licensees. Redundant or unnecessary rules identified through the department's work with the TREO are proposed for repeal, including §§221.1, 221.11, and 221.49.

1 **EXPLANATION.** The department is conducting a review of Chapter 221 rules in compliance with  
2 Government Code, §2001.039. Notice of the department's plan to review is also published in this issue of  
3 the *Texas Register*. As a part of the review, the department is proposing necessary amendments and  
4 repeals as detailed in the following paragraphs.

5  
6 Subchapter A, General Provisions

7 §221.1

8 The department proposes the repeal of §221.1 because the section is unnecessary and redundant  
9 of provisions in Transportation Code, §1001.002 and Occupations Code, Chapter 2302. The department  
10 identified the need for this change as part of its review by TREO.

11  
12 Subchapter B, Licensing

13 §221.11

14 The department proposes the repeal of §221.11 because the rule is unnecessary and redundant  
15 of statute in Occupations Code, Chapter 2302. The department identified the need for this change as part  
16 of its review by TREO.

17 §221.13

18 Proposed amendments to §221.13 would streamline language by removing unnecessary statutory  
19 citations and by simplifying wording. The department identified the need for these changes as part of its  
20 review by TREO.

21 The department proposes to remove a citation to Occupations Code, Chapter 2302 from  
22 §221.13(b) to clarify the language because a salvage vehicle dealer does not hold more than one license  
23 issued under Occupations Code, Chapter 2302 for the same location, so there should not be a need to

1 align multiple expiration dates for that license type. However, the dealer may hold multiple licenses issued  
2 under Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, for which alignment of  
3 expiration dates may provide significant efficiency.

4 §221.14

5       The proposed amendments to §221.14(b) would delete §221.14(b)(1) to remove language that is  
6 redundant of statute, specifically Occupations Code, §2302.103. The department identified the need for  
7 this change as part of its review by TREO. The remaining subparagraphs of §221.14(b) are proposed to be  
8 renumbered to accommodate the deletion of §221.14(b)(1). A new subsection (c) is proposed to specify  
9 that an authorized representative of an applicant or license holder may be required to provide written  
10 proof of authority to act on behalf of the applicant or license holder, and the remaining subsections are  
11 relettered accordingly. This amendment would assist the department in verifying that a person submitting  
12 information or acting on behalf of an applicant or license holder has authority to do so, help prevent  
13 unauthorized filings or communications, and improve the integrity and efficiency of the licensing process.  
14 Proposed amendments to §221.14(f) and (g), as relettered by the proposed changes, would correct cross-  
15 references and a rule title to align with changes the department has recently adopted in 43 TAC Chapter  
16 211, relating to Criminal History Offense and Action on License, and with the proposed renumbering of  
17 the subparagraphs in §221.14(b).

18 §221.15

19       Proposed amendments to §221.15(a) would make the rule more resilient to changes in the  
20 formatting of the department's website by stating that a salvage vehicle dealer can access the  
21 department's licensing system through the department's website, rather than specifying the page and  
22 icon to click. Additional proposed amendments to §221.15(b)(10) would align cross-references with  
23 changes the department has recently adopted in 43 TAC Chapter 211.

§221.19

Proposed amendments to §221.19(b)(2) would align cross-references with changes the department has recently adopted in 43 TAC Chapter 211.

§221.20

Proposed amendments to §221.20 would delete §221.20(i) because it is redundant with statute, specifically Government Code, §2001.054. The department identified the need for this change as part of its review by TREO. The proposed amendments would reletter the remaining paragraph of §221.20 to accommodate the deletion.

Subchapter C, Licensed Operations

§221.44

Proposed amendments to §221.44 would align business sign requirements for salvage vehicle dealer license holders with recently amended requirements for dealers with general distinguishing numbers under 43 TAC §215.140, relating to Established and Permanent Place of Business Premises Requirements. Proposed amendments to §221.44(a) would add the term “legible” to clarify the requirements for letters on a business sign. Proposed amendments to §221.44(b) would allow a business sign to be permanently affixed or etched on an exterior window, wall, or door as an alternative to a sign permanently installed in the ground.

§221.49

The department proposes to repeal §221.49 because it is duplicative of statutory requirements in Occupations Code, §2302.255. The department identified the need for this change as part of its review by TREO.

1 Subchapter D, Records

2 §221.71

3 The department proposes to delete §221.71(f) because it is redundant to Occupations Code, §2302.254.

4 §221.72

5 Proposed amendments to §221.72(c) would align cross-references in the rule with current titles  
6 and references in 43 TAC Chapter 217, relating to Vehicle Titles and Registration.

7 §221.73

8 A proposed amendment to §221.73(a)(11) would add the phrase “unless prohibited by federal  
9 law” to clarify that a salvage vehicle dealer is not required to copy a purchaser’s photo identification  
10 document if doing so would violate federal law. This proposed amendment aligns with amendments the  
11 department has proposed recently to 43 TAC §215.144(e)(8)(L), relating to Vehicle Records.

12

13 Subchapter E, Administrative Sanctions

14 §221.111

15 Proposed amendments to §221.111(a) would clarify the persons whose actions, omissions, or  
16 background may form the basis for denial of an application or renewal. Proposed amendments to  
17 §221.111(a)(1) and (2) would align the rule with Occupations Code, §2302.106 and comparable provisions  
18 in 43 TAC Chapter 215. Proposed amendments to §221.111(a)(3) would revise language to align with the  
19 amended structure of the section. Current §221.111(a)(4) is proposed for repeal because its provisions  
20 are addressed in proposed renumbered §221.111(a)(4) and (5). Proposed amendments to renumbered  
21 §221.111(a)(4) would clarify that an application may be denied when a person who is ineligible for  
22 licensure or whose current or previous license, permit, or other authorization has been subject to  
23 disciplinary action, has the ability to direct or control the management, policies, or activities of an

1 applicant or license holder through an ownership, organizational, managerial, or other business  
2 arrangement. Proposed amendments to proposed renumbered §221.111(a)(5) would remove language  
3 that is redundant to the language proposed to be added to §221.111(a) specifying the individuals whose  
4 actions are relevant to the department's determination of an applicant's eligibility for licensure. Proposed  
5 new §221.111(a)(6) would allow the department to deny a license application for a violation of  
6 Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, including a violation by an  
7 employee or other agent. This amendment would allow the department to consider Chapter 730  
8 violations in evaluating an applicant's fitness for licensure and would align the rule for salvage dealer  
9 licensees with the department's treatment of Chapter 730 violations under 43 TAC §215.121. Proposed  
10 new §221.111(a)(7) and (8) would allow the department to deny a license application because of prior  
11 disciplinary actions and findings contained in final orders issued following contested case hearings, to  
12 align the rule for salvage dealer licensees with 43 TAC §215.89, relating to Fitness, which applies to GDN-  
13 holder licensees, and to allow the department to consider an applicant's prior regulatory compliance  
14 history when evaluating fitness for licensure. The amendments would also align cross-references with  
15 recent changes adopted in 43 TAC Chapters 211 and 224. Proposed amendments would delete  
16 §221.111(c) because it is redundant of Occupations Code, §2302.108. The department identified the need  
17 for this change as part of its review by TREO.

18 §221.112

19 Proposed amendments to §221.112(16) would align cross-references with changes the  
20 department has recently adopted in 43 TAC Chapter 211. Proposed new §221.112(22) would add a  
21 violation of Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, as a basis for  
22 administrative sanctions against a salvage vehicle dealer, including violations committed by an employee  
23 or agent. This proposed amendment would align the sanction provisions applicable to salvage vehicle

dealers with recently amended sanction provisions applicable to other department license holders under 43 TAC §215.121, relating to Sanctions.

**FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Chris Hayden, Chief Financial Officer, has determined that for each year of the first five years the amendments and repeals will be in effect, there will be no 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, has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

**PUBLIC BENEFIT AND COST NOTE.** Monique Johnston, Director of the Motor Vehicle Division, has also determined that, for each year of the first five years the amendments and repeals are in effect, several public benefits are anticipated because the proposed amendments would improve enforcement of the Motor Vehicle Records Disclosure Act, remove redundant and unnecessary rule provisions, improve consistency with other department rules and department practices, correct cross-references, and reduce unnecessary burdens on license holders.

Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include improved protection of motor vehicle record information, increased clarity and consistency in the department's rules, more efficient administration and enforcement of the salvage vehicle dealer licensing program, and reduced regulatory burden through the repeal of unnecessary or redundant rules.

Anticipated Costs To Comply With The Proposal. Ms. Johnston anticipates that there will be no costs to comply with these rules. The proposed amendments primarily clarify existing requirements, remove redundant provisions, update cross-references, and align the rules with current department practices. The proposal does not impose new fees, equipment requirements, reporting requirements, training requirements, or operational requirements on license holders.

1 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the  
2 Government Code, §2006.002, the department has determined that the proposed amendments and  
3 repeals will not have an adverse economic effect on small businesses, micro-businesses, and rural  
4 communities because the proposal primarily clarifies existing requirements, removes redundant  
5 provisions, updates cross-references, and aligns the rules with current department practices. The  
6 proposed amendments and repeals do not require small businesses, micro-businesses, or rural  
7 communities to incur additional expenses or comply with new substantive regulatory requirements.  
8 Therefore, the department is not required to prepare a regulatory flexibility analysis under Government  
9 Code, §2006.002.

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

14 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
15 first five years the proposed amendments and repeals are in effect, no government program would be  
16 created or eliminated. Implementation of the proposed amendments and repeals would not require the  
17 creation of new employee positions or elimination of existing employee positions. Implementation would  
18 not require an increase or decrease in future legislative appropriations to the department or an increase  
19 or decrease in fees paid to the department. The proposed amendments and repeals do create new  
20 regulations and expand existing regulations to provide more flexibility to license holders, protect  
21 consumers, and facilitate the department's obligation to monitor compliance with existing statutes. The  
22 proposed amendments and repeals do not limit existing regulations. The proposed rule revisions would  
23 repeal portions of existing regulations that are redundant of statute or otherwise unnecessary and update

1 certain existing regulations to improve clarity, consistency, and enforcement. Lastly, the proposed  
2 amendments and repeals do not affect the number of individuals subject to the rules' applicability and  
3 will not affect this state's economy.

4 **REQUEST FOR PUBLIC COMMENT.**

5 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on September  
6 28, 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,  
7 including any applicable data, research, or analysis, from any person required to comply with the  
8 proposed rule or any other interested person. A request for a public hearing must be sent separately from  
9 your written comments. Send written comments or hearing requests by email to [rules@txdmv.gov](mailto:rules@txdmv.gov) or by  
10 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,  
11 Texas 78731. If a hearing is held, the department will consider written comments and public testimony  
12 presented at the hearing.

13  
14 **STATUTORY AUTHORITY.** The department proposes amendments to and repeals in Chapter 221 under  
15 Government Code, §411.122(d), which authorizes department access to criminal history record  
16 information maintained by DPS; Government Code, §411.12511, which authorizes the department to  
17 obtain criminal history record information from DPS and the FBI for license applicants, license holders,  
18 certain affiliates of applicants and license holders, and representatives whose act or omission would be  
19 cause for denying, revoking, or suspending a license issued under Occupations Code, Chapter 2302;  
20 Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer  
21 Occupations Code, Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set  
22 reasonable and necessary application fees, license fees, renewal fees, and other fees as required to  
23 implement Chapter 2302; Occupations Code, §2302.101, which requires a salvage vehicle dealer license

1 or general distinguishing number for a person to engage in certain activities related to the salvage vehicle  
2 business; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on  
3 a form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which  
4 prescribes content that must be included in an application; Occupations Code, §2302.105, which requires  
5 the department to complete an investigation of the applicant's qualifications before issuing a license;  
6 Occupations Code, §2302.106, which governs issuance of licenses and use of fictitious names;  
7 Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a  
8 license issued under Chapter 2302 based on grounds establish by the board and consistent with the  
9 requirements of Government Code, Chapter 2001; Transportation Code, Chapter 730, relating to the  
10 Motor Vehicle Records Disclosure Act; Transportation Code §1001.002, which provides that the  
11 department shall administer and enforce Occupations Code, Chapter 2302; and Transportation Code,  
12 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement  
13 the powers and duties of the department. The department also proposes amendments and repeals under  
14 the authority of Occupations Code, §2301.151, which gives the board authority to regulate the  
15 distribution, sale, and lease of motor vehicles and to take any action that is necessary or convenient to  
16 exercise that authority; Transportation Code, §§501.0041, 502.0021, and 503.002; and Government Code,  
17 §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this  
18 preamble.

19       Transportation Code, §501.0041 authorizes the department to adopt rules to administer  
20 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt  
21 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the  
22 department to adopt rules to administer Transportation Code, Chapter 503.

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

**CROSS REFERENCE TO STATUTE.** The proposed amendments and repeals would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301, and 2302; and Transportation Code, Chapters 501-503, 730, 1001, and 1005.

~~§221.1. Purpose and Scope.]~~

~~[Transportation Code, §1001.002, provides that the department shall administer and enforce Occupations Code, Chapter 2302. Chapter 2302 provides that a person may not act as a salvage vehicle dealer, unless the department issues that person a salvage vehicle dealer license, or an independent motor vehicle dealer's general distinguishing number issued under Chapter 503, Transportation Code, or a person is exempt from licensure under Occupations Code, Chapter 2302. This chapter describes the procedures by which a person obtains a salvage vehicle dealer license and the rules governing how a license holder or an independent motor vehicle dealer with authority to operate as a salvage vehicle dealer, must operate, and the procedures by which the department will administer and enforce Occupations Code, Chapter 2302, and this chapter.]~~

#### **SUBCHAPTER B. LICENSING**

**43 TAC §§221.11, 221.13 – 221.15, 221.19, AND 221.20**

1   **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 221 under Government  
2   Code, §411.122(d), which authorizes department access to criminal history record information  
3   maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal  
4   history record information from DPS and the FBI for license applicants, license holders, and  
5   representatives whose act or omission would be cause for denying, revoking, or suspending a license  
6   issued under Occupations Code, Chapter 2302; Occupations Code, §2302.051, which authorizes the board  
7   to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.052,  
8   which assigns the board a duty to set reasonable and necessary application fees, license fees, renewal  
9   fees, and other fees as required to implement Chapter 2302; Occupations Code, §2302.103, which  
10   requires a salvage vehicle dealer to apply for a license on a form prescribed by the department and pay  
11   an application fee; Occupations Code, §2302.104, which prescribes content that must be included in an  
12   application; Occupations Code, §2302.105, which requires the department to complete an investigation  
13   of the applicant's qualifications before issuing a license; Occupations Code, §2302.106, which governs  
14   issuance of licenses and use of fictitious names; Occupations Code, §2302.108, which authorizes the  
15   department to deny, suspend, revoke, or reinstate a license issued under Chapter 2302 consistent with  
16   the requirements of Government Code, Chapter 2001; and Transportation Code, §1002.001, which  
17   authorizes the board to adopt rules that are necessary and appropriate to implement the powers and  
18   duties of the department.

19       The department also proposes amendments and repeals under the authority of Transportation  
20   Code, §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054,  
21   in addition to the statutory authority referenced throughout this preamble.

22       Transportation Code, §501.0041 authorizes the department to adopt rules to administer  
23   Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt

rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code, Chapter 503.

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

**CROSS REFERENCE TO STATUTE.** The proposed amendments and repeals would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301, and 2302; and Transportation Code, Chapters 501–503, 730, 1001–1003, and 1005.

Text.

~~§221.11. License Required.~~

~~[(a) A person must hold a salvage vehicle dealer license, or an independent motor vehicle dealer's general distinguishing number issued under Chapter 503; Transportation Code to:]~~

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

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

~~[(b) A person may not engage in the business of buying, selling or exchanging motor vehicles that can be titled or registered to operate on public highways, including selling a salvage motor vehicle that has been rebuilt, repaired or reconstructed, unless the person holds a general distinguishing number issued by the department under Transportation Code, Chapter 503.]~~

1           ~~[(c) The provisions of this subchapter do not apply to a person exempt from licensure under~~  
2           ~~Occupations Code, Chapter 2302.]~~

3  
4           §221.13. License Term and Fees.

5           (a) The term of a salvage vehicle dealer license ~~[issued by the department under Occupations~~  
6           ~~Code, Chapter 2302, and this chapter,]~~ is two years. The fee for a salvage vehicle dealer license is \$190.  
7           The entire amount of the fee is due at the time of application for the license.

8           (b) The department may prorate ~~[the fee for]~~ a salvage vehicle dealer license fee to allow the  
9           salvage vehicle dealer license to expire on the same day as another license issued by the department  
10          under Occupations Code, Chapter 2301, ~~[; Chapter 2302,]~~ or Transportation Code, Chapter 503.

11          (c) The ~~[fee for a]~~ license amendment fee is \$25 and applies to a license amendment changing a  
12          license holder's name, changing ownership or management, or when adding a new business address and  
13          assumed name.

14  
15          §221.14. License Applications Generally.

16          (a) A salvage vehicle dealer license may be issued for multiple locations within a single county. A  
17          separate license and fee is required for a business location in another county.

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

20                 ~~[(1) on a form prescribed by the department;]~~

21                 (1) ~~[(2)]~~ completed by the applicant, license holder, or authorized representative who is  
22          an employee, a licensed attorney, or a certified public accountant; and

1                   (2) [(3)] accompanied by the required fee from an account held by the applicant or  
2 license holder, or from a trust account of the applicant's or license holder's attorney or certified public  
3 accountant.

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

7                   (d) [(e)] License applications and fees must be submitted to the department electronically in a  
8 system designated by the department for licensing. Fees may be paid by credit card or electronic funds  
9 transfer.

10                  (e) [(d)] In evaluating a new or renewal salvage vehicle dealer license application or an  
11 application for a new location, the department may require a site visit to determine if the business  
12 location meets the requirements in this chapter.

13                  (f) [(e)] An applicant for a salvage vehicle dealer license must also comply with fingerprint  
14 requirements in §211.13 [~~§211.6~~] of this title (relating to Fingerprint Requirements for Designated  
15 License Types [~~Applicants and License Holders~~]).

16                  (g) [(f)] The department will not provide information regarding the status of an application,  
17 application deficiencies, or pending new license numbers to a person other than a person listed in  
18 subsection (b)(1) [(b)(2)] of this section unless the person files a written request under Government  
19 Code, Chapter 552.

20  
21 §221.15. Required License Application Information.

22                  (a) An applicant for a new salvage dealer license must register for an account in the department-  
23 designated licensing system by accessing the licensing system through [~~selecting the licensing system~~

1 ~~icon on the dealer page of~~ the department's ~~[department]~~ website. An applicant must designate the  
2 account administrator and provide the name and email address for that person, and provide the  
3 business telephone number, name, business type, and social security number or employer identification  
4 number, as applicable. The applicant's licensing account administrator must be an owner, officer,  
5 manager, or bona fide employee.

6 (b) Once registered, an applicant for a new salvage dealer license may apply for a license and  
7 must provide the following:

8 (1) the application reason;

9 (2) business information including:

10 (A) the name, provided that the applicant may not use a name or assumed  
11 name under which the applicant is authorized to do business that may be confused with or is similar to  
12 that of a governmental entity or that is otherwise deceptive or misleading to the public;

13 (B) mailing address;

14 (C) the full business physical address, including number, street, municipality,  
15 county, and zip code for each location where the applicant will conduct business in the same county;

16 (D) business email;

17 (E) telephone number;

18 (F) Texas Sales Tax Identification Number;

19 (G) National Motor Vehicle Title Information System (NMVTIS) Identification  
20 Number;

21 (H) Secretary of State file number, if applicable; and

22 (I) website address, if applicable.

23 (3) application contact name, email address, and telephone number;

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

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

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

9 (7) the name, social security number, date of birth, and identity document information  
10 of at least one manager or other bona fide employee who will be present at the business location if the  
11 license holder is out of state or will not be present during business hours at the business location in  
12 Texas;

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

16 (9) military service status;

17 (10) licensing history required to evaluate business reputation, character, and fitness for  
18 licensure including a statement indicating whether the applicant or any person described in §211.9  
19 ~~§211.2~~ of this title (relating to Application of Subchapter B) has previously applied for a license under  
20 this chapter or the salvage vehicle dealer licensing laws of another jurisdiction, the result of the previous  
21 application, and whether the applicant, including a person described in §211.9 ~~§211.2~~ of this title, has  
22 ever been the holder of a license issued by the department or another jurisdiction that was revoked,

suspended, or subject of an order issued by the board or by another jurisdiction to pay an administrative penalty that remains unpaid;

(11) information about each business location and business premises to demonstrate compliance with related rules in this chapter;

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

and

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

(c) A salvage vehicle dealer renewing or amending its license must verify current license information and provide related information for any new requirements or changes to the license.

§221.19. Notice of Change in License Holder Information.

(a) A license holder shall notify the department by electronically submitting a license amendment application in the department-designated licensing system to amend its license within 30 days of a change in the license holder's business name or assumed name. Upon submission of an amendment to change the business name or assumed name, the department shall reflect the new business name in the department's records. The dealer shall retain the same salvage vehicle dealer license number except if the business name change is the result of a change in the type of entity being licensed, such as a sole proprietorship becoming a corporation, or if the ownership of the business changes as discussed in subsection (b) of this section.

(b) A salvage vehicle dealer shall notify the department by electronically submitting a license amendment application in the department-designated licensing system within 30 days of a change to:

(1) the entity type of the applicant or license holder;

(2) the departure or addition of any person reported to the department in the original license application or most recent renewal application, including any person described in §211.9 ~~§211.2~~ of this title (relating to Application of Subchapter B);

(3) an ownership, organizational, managerial, or other business arrangement that would allow the power to direct or cause the direction of the management and policies and activities of an applicant or license holder, whether directly or indirectly, to be established in or with a person not described in paragraph (1) or (2) of this subsection; or

(4) a business email address, telephone number, mailing address, or change in license contact.

(c) The license holder must submit to the department all information required by the department to evaluate the license amendment application under current law and rules.

§221.20. License Renewal.

(a) A salvage vehicle dealer license expires on the second anniversary of the date the license was issued.

(b) A salvage vehicle dealer license may be renewed for an additional period of two years upon timely submission of a renewal application on a form prescribed by the department with all required information, attachments, and fees. A renewal application is considered "timely" submitted if the renewal application with all required information, attachments, and required fees is received by the department on or before the expiration date of the existing license.

(c) The department will send a written notice of expiration to a license holder's email address at least 31 days before expiration of a license.

(d) Failure by the department to send written notice of expiration under this section does not relieve a license holder from timely renewing a license.

(e) The renewal fee for a salvage vehicle dealer license is \$170.

(f) A license holder may renew an expired license by submitting a renewal application and paying a late renewal fee of \$85 in addition to the renewal fee, if 90 or fewer days have elapsed since the license expired.

(g) A license holder may renew an expired license by submitting a renewal application and paying a late renewal fee of \$170 in addition to the renewal fee, if more than 90 days but less than one year has elapsed since the license expired.

(h) If a license has been expired for one year or longer and the department has not received a renewal application, the department will close the license, and the license holder must apply for a new license.

~~[(i) In accordance with Government Code, §2001.054, a license holder that timely submits a renewal application under subsection (b) of this section may continue to operate under the expired license until the status of the renewal application is determined by the department.]~~

(i) [(j)] If the department does not receive a timely renewal application with all required information and attachments and the applicable renewal fee on or before the license expiration date, a salvage vehicle dealer may not engage in the activities that require the license until the license has been renewed by the department.

**SUBCHAPTER C. LICENSED OPERATIONS**

**43 TAC §§221.44 AND 221.49**

**STATUTORY AUTHORITY.** The department proposes amendments to and repeals of §221.44 and §221.49 under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.255, which establishes requirements relating to the assignment of unique inventory numbers to component parts; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and to take any action that is necessary or convenient to exercise that authority; Transportation Code, §501.0041, which authorizes the department to adopt rules to administer Transportation Code, Chapter 501; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §503.002, which authorizes the department to adopt rules to administer Transportation Code, Chapter 503; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and Government Code, §2001.004, and §2001.039. Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

**CROSS REFERENCE TO STATUTE.** The proposed amendments and repeal would implement Occupations Code, Chapters 2301 and 2302, and Transportation Code, Chapters 501 - 503, and 1001 - 1003.

Text.

§221.44. Business Sign Requirements.

(a) The license holder must display a permanent business sign with legible letters at least six inches in height showing the license holder's business name or assumed name as reflected on the license issued by the department. A business sign is considered permanent only if it is made of durable, weather-resistant material.

(b) A business sign must be permanently mounted at each physical business address listed on the license. A business sign is considered permanently mounted if bolted to an exterior building wall, ~~[or]~~ bolted or welded to a dedicated sign pole or sign support permanently installed in the ground, or permanently affixed or etched on an exterior window, wall, or door.

(c) A license holder may use a temporary sign or banner if that license holder can show proof that a business sign that meets the requirements of this paragraph has been ordered and provides a written statement that the business sign will be promptly and permanently mounted upon delivery.

(d) A license holder is responsible for ensuring that the business sign complies with municipal ordinances, and that any lease signage requirements are consistent with the signage requirements in this section.

~~[\$221.49. Unique Inventory Number.]~~

~~[Occupations Code, §2302.255, sets out the requirements for a salvage vehicle dealer in assigning a unique inventory number when the salvage vehicle dealer purchases or takes delivery of a component part.]~~

#### **SUBCHAPTER D. RECORDS**

#### **43 TAC §§221.71 – 221.73**

1   **STATUTORY AUTHORITY.** The department proposes amendments to and repeals of §§221.71 – 221.73  
2   under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer  
3   Occupations Code, Chapter 2302; Occupations Code, §2302.254, which establishes recordkeeping  
4   requirements for salvage vehicle dealers; Transportation Code, §501.0041, which authorizes the  
5   department to adopt rules to administer Transportation Code, Chapter 501; Transportation Code,  
6   §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter  
7   502; Transportation Code, §503.002 authorizes the department to adopt rules to administer  
8   Transportation Code, Chapter 503; Occupations Code, §2301.151, which gives the board authority to  
9   regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is  
10   necessary or convenient to exercise that authority; Government Code, §2001.004, which requires state  
11   agencies to adopt rules of practice stating the nature and requirements of all available formal and informal  
12   procedures; Government Code, §2001.039, which requires state agencies to readopt, readopt with  
13   amendments, or repeal a rule as the result of reviewing the rule and Transportation Code, §1002.001,  
14   which authorizes the board to adopt rules that are necessary and appropriate to implement the powers  
15   and duties of the department.

16   **CROSS REFERENCE TO STATUTE.** The proposed amendments and repeal would implement Occupations  
17   Code, Chapters 2301 and 2302, and Transportation Code, Chapters 501 - 503 and 1001 - 10023.

18  
19   Text.

20   §221.71. Records; Generally.

21           (a) A salvage vehicle dealer shall maintain a record of each salvage motor vehicle and  
22   nonrepairable motor vehicle purchased, sold, or exchanged by the salvage vehicle dealer.

23           (b) A salvage vehicle dealer's records must be maintained at the licensed business location.

1 (c) Any records required to be maintained by a license holder may be maintained in an  
2 electronic format if the record can be reviewed and printed at the licensed business location or provided  
3 electronically upon request of the department.

4 (d) A salvage vehicle dealer must make records available for review and copying upon request  
5 by the department. The department may request records in person, by mail, or electronically from a  
6 department email or a department-designated system.

7 (e) A salvage vehicle dealer must provide copies of requested records to the department within  
8 15 days of receipt of the request.

9 ~~[(f) Occupations Code, §2302.254, establishes the requirements that a salvage vehicle dealer~~  
10 ~~maintain a record of an inventory of component parts purchased by or delivered to the salvage vehicle~~  
11 ~~dealer.]~~

12  
13 §221.72. Record Retention.

14 (a) A salvage vehicle dealer must retain at the licensed business location, or have electronic  
15 access at the licensed business location of records stored electronically, a complete record of all  
16 purchases and sales of salvage motor vehicles and nonrepairable motor vehicles for a minimum period  
17 of 36 months from the date of the transaction.

18 (b) A salvage vehicle dealer shall maintain at the licensed business location a record of each  
19 vehicle that is dismantled, scrapped or destroyed, and a photocopy of the front and back of all salvage  
20 vehicle titles and nonrepairable vehicle titles, or a photocopy or electronic copy of all salvage records of  
21 title, and nonrepairable records of title, and, if applicable, a photocopy of any out-of-state evidence of  
22 ownership surrendered to the department, until the third anniversary of the date the report was  
23 acknowledged as received by the department.

(c) A salvage vehicle dealer utilizing the department's web-based title application known as webDEALER, as defined in §217.71 of this title (relating to Definitions [~~Automated and Web-Based Vehicle Registration and Title Systems~~]), must comply with §217.74 of this title (relating to webDEALER Access, Use, and Training [~~Access to and Use of webDEALER~~]). Original hard copy titles are not required to be kept at the licensed business location but must be made available to the department upon request.

§221.73. Content of Records.

(a) The records of a salvage vehicle dealer for purchases and sales shall include:

(1) the date the license holder purchased the salvage motor vehicle, or nonrepairable motor vehicle;

(2) the name and address of the person who sold the salvage motor vehicle or nonrepairable motor vehicle to the salvage vehicle dealer;

(3) if the person is not an insurance company or a license holder, a photocopy of the photo identification document of the person who purchased the salvage motor vehicle or nonrepairable motor vehicle from the salvage vehicle dealer or sold the salvage motor vehicle or nonrepairable motor vehicle to the salvage vehicle dealer;

(4) a description of the salvage motor vehicle or nonrepairable motor vehicle, including the model, year, make, and vehicle identification number, if applicable;

(5) the ownership document number and state of issuance of the salvage motor vehicle or nonrepairable motor vehicle ownership document, if applicable;

(6) a copy of the salvage record of title or nonrepairable record of title, if applicable, or a copy of the front and back of the ownership document for the salvage motor vehicle or nonrepairable motor vehicle;

(7) a copy of the form if the ownership document has been surrendered to the department;

(8) any evidence indicating that the motor vehicle was dismantled, scrapped, or destroyed;

(9) the sales contract or buyer's order;

(10) the salvage disclosure notice required under §221.51 of this title (relating to Duty to Identify a Motor Vehicle Offered for Sale);

(11) a copy of the photo identification document required for export sales under §221.52 (relating to Export-Only Sales), unless prohibited by federal law;

(12) records for a casual sale as required under §221.53 (relating to Casual Sales); and

(13) any other records required under current rules in this title.

(b) If the salvage motor vehicle has been rebuilt, repaired, or reconstructed by the salvage vehicle dealer the salvage vehicle dealer's records must also include a form prescribed by the department in accordance with §217.89 of this title (relating to Rebuilt Salvage Motor Vehicles).

#### **SUBCHAPTER E. ADMINISTRATIVE SANCTIONS**

##### **43 TAC §§221.111, AND 221.112**

**STATUTORY AUTHORITY.** The department proposes amendments to §§221.111 and 221.112 under Government Code, §411.122(d), which authorizes department access to criminal history record

1 information maintained by DPS; Government Code, §411.12511, which authorizes the department to  
2 obtain criminal history record information from DPS and the FBI for license applicants, license holders,  
3 and representatives whose act or omission would be cause for denying, revoking, or suspending a license  
4 issued under Occupations Code, Chapter 2302; Occupations Code, §2302.051, which authorizes the board  
5 to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.108,  
6 which authorizes the department to deny, suspend, revoke, or reinstate a license issued under Chapter  
7 2302 consistent with the requirements of Government Code, Chapter 2001; Occupations Code,  
8 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles  
9 and the authority to take any action that is necessary or convenient to exercise that authority;  
10 Transportation Code, Chapter 730, relating to the Motor Vehicle Records Disclosure Act; Transportation  
11 Code, §501.0041, which authorizes the department to adopt rules to administer Transportation Code,  
12 Chapter 501; Transportation Code, §502.0021, which authorizes the department to adopt rules to  
13 administer Transportation Code, Chapter 502; Transportation Code, §503.002, which authorizes the  
14 department to adopt rules to administer Transportation Code, Chapter 503; Government Code,  
15 §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements  
16 of all available formal and informal procedures; Government Code, §2001.039, which requires state  
17 agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.;  
18 Government Code, §2001.054, which specifies the requirements regarding the grant, denial, renewal,  
19 revocation, suspension, annulment, or withdrawal of a license; and Transportation Code, §1002.001,  
20 which authorizes the board to adopt rules that are necessary and appropriate to implement the powers  
21 and duties of the department.

**CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, 2301 and 2302; and Transportation Code, Chapters 501 – 503, 730 and 1001 - 1003.

Text.

§221.111. Denial of License.

(a) The department may deny an application for a new license or an application for a license renewal under Occupations Code Chapter 53 or Chapter 2302, and §211.10 ~~§211.3~~ of this title (relating to Criminal Offense Guidelines) or this chapter, if the applicant, license holder, or any person who is acting at the time of application, or will later act, in a representative capacity for an applicant or holder, including the applicant's or holder's officers, directors, members, managers, trustees, partners, principals, or managers of business affairs:

(1) fails to meet or maintain the qualifications and requirements of licensure ~~[all the information required on the application is not complete];~~

(2) omits or provides false, misleading, or incomplete information on an initial application, renewal application, amendment application or application attachment, for a license or other authorization issued by the department or by any local, state, or federal regulatory authority ~~[the applicant or any owner, officer, director, or other person described in §211.2 of this title (relating to Application of Subchapter) made a false statement, material misrepresentation, or a material omission, on the application to issue, renew, or amend a license];~~

(3) is, [the applicant,] or any owner, officer, director, or other person described in §211.9 ~~§211.2~~ of this title (relating to Application of Subchapter B), has been convicted, or considered convicted under Occupations Code §53.021(d), by any local, state, federal, or foreign authority, of an

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

~~[(4) the applicant's or any owner's, officer's, director's, or other person described in §211.2 of this title, previous license was revoked;]~~

(4) [(5)] [the applicant] has an ownership, organizational, managerial, or other business arrangement that would allow a person the power to direct, management, policies, or activities, of the applicant or license holder, whether directly or indirectly, when the person is ineligible for licensure, or the person's current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority [who] has been subject to disciplinary action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment for a current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority; ~~[or]~~

(5) [(6)] [the applicant, or any owner, officer, or director, or other person described in §211.2 of this title] whose current or previous license, permit, or other authorization issued by any local, state, or federal regulatory authority has been subject to disciplinary action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment of a civil penalty, administrative fine, fee, or similar assessment; ~~[-]~~

(6) has violated a provision of Transportation Code, Chapter 730, Motor Vehicle Records Disclosure Act, including a violation by an employee or other agent;

(7) is assessed a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or a local, state, or federal regulatory authority, for violation of a requirement governing or impacting the acquisition, sale, repair, rebuild, reconstruction, or other dealing of a salvage

1 motor vehicle or nonrepairable motor vehicle, and fails to comply with the terms of a final order or fails  
2 to pay the penalty pursuant to the terms of a final order; or  
3 (8) is found in a final order issued after a contested case hearing to be acting in a  
4 manner detrimental to the system of distribution or sale of salvage or nonrepairable motor vehicles in  
5 Texas, the economy of the state, the public interest, or the welfare of Texas residents.

6 (b) If the department denies an application for a license to be issued under the authority of  
7 Occupations Code Chapter 2302, the applicant may request an administrative hearing in the manner  
8 specified in §224.56 [~~§224.54~~] of this title (relating to Notice of Department Decision).

9 [~~(c) In accordance with Occupations Code §2302.108, the department shall reject any~~  
10 ~~application for issuance of a new license under Occupations Code Chapter 2302 filed by a person whose~~  
11 ~~license is revoked before the first anniversary of the date of revocation.]~~

12  
13 §221.112. Suspension, Revocation and Administrative Penalties.

14 The department may suspend or revoke a license or impose an administrative penalty if the  
15 license holder, or any person who is acting, or will later act, in a representative capacity for a holder of a  
16 license, including the holder's officers, directors, members, managers, trustees, partners, principals, or  
17 managers of business affairs:

- 18 (1) fails to meet or maintain the qualifications and requirements for a license;  
19 (2) violates any law relating to the purchase, sale, exchange, storage, or distribution of  
20 motor vehicles, including salvage motor vehicles and nonrepairable motor vehicles;  
21 (3) willfully defrauds a purchaser;

(4) fails to maintain purchase, sales, and inventory records as required by Occupations Code, Chapter 2302, Transportation Code, Chapter 501, Chapter 217, Subchapter D of this title, or this chapter;

(5) refuses or fails to comply with a request by the department to examine, during normal business hours, the license holder's records as required by Occupations Code, Chapter 2302, or this chapter;

(6) engages in motor vehicle or salvage business without the required license;

(7) engages in business as a salvage vehicle dealer at a location for which a license has not been issued by the department;

(8) fails to notify the department of a change of the salvage vehicle dealer's license holder information as required under §221.19 of this title (relating to Notice of Change in License Holder Information);

(9) fails to notify the department of a change in location prior to operating in a new location or closing a location in accordance with §221.18 of this title (relating to Additional, New, or Closed Location);

(10) fails to remain regularly and actively engaged in the business for which the salvage vehicle dealer license is issued;

(11) sells more than five (5) nonrepairable motor vehicles or salvage motor vehicles to the same person in a casual sale during a calendar year;

(12) violates any provision of Occupations Code Chapters 2301 or 2302, Transportation Code Chapters 501, 502, or 503, or any board rule or order promulgated under those statutes;

(13) uses or allows use of the salvage vehicle dealer's license or business location for the purpose of avoiding the requirements of Occupations Code Chapters 2301 or 2302, Transportation Code, Chapters 501, 502 or 503, or any board rule or order promulgated under those statutes;

(14) violates any law, ordinance, rule or regulation governing the purchase, sale, exchange, or storage, of salvage motor vehicles or nonrepairable motor vehicles;

(15) sells or offers for sale a nonrepairable motor vehicle or a salvage motor vehicle from any location other than the salvage vehicle dealer's licensed business location;

(16) is, or any owner, officer, director, or other person described in §211.9 ~~§211.2~~ of this title (relating to Application of Subchapter B), is convicted, or considered convicted under Occupations Code §53.021(d), by any local, state, federal, or foreign authority, of an offense that directly relates to the duties or responsibilities of the licensed occupation as described in §211.10 ~~§211.3~~ of this title (relating to Criminal Offense Guidelines) or an offense that is independently disqualifying under Occupations Code §53.021 after initial issuance or renewal of the salvage vehicle dealer license, or that has not been reported to the department as required;

(17) makes a false statement, material misrepresentation, or material omission in any application or other information filed with the department;

(18) fails to timely remit payment for administrative penalties imposed by the department;

(19) engages in business without a license required under Occupations Code Chapters 2301 or 2302, or Transportation Code Chapter 503;

(20) operates a salvage motor vehicle or a nonrepairable motor vehicle on public highways or allows another person to operate a salvage motor vehicle or a nonrepairable motor vehicle on public highways; ~~or~~

- 1 (21) deals in used automotive parts as more than an incidental part of the salvage
- 2 vehicle dealer's primary business;or [-]
- 3 (22) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
- 4 Disclosure Act, including a violation by an employee or other agent.
- 5