

1 the department at the email address designated in the application form, would delete a requirement to
2 submit a more comprehensive online application as specified in 43 Texas Administrative Code §221.15
3 and §221.16, would reletter the required attachments that must be submitted with the provisional license
4 application, and would clarify the circumstances in which a certain attachment is required.

5 Proposed amendments to §221.17(b)(2) would add the phrase “provisional license” to describe
6 the application type, would add in §221.17(b)(2)(A) military veteran to the list of those eligible and amend
7 related prepositions, and would change a verb in §221.17(b)(2)(B) to align with the language used in
8 §221.17(b)(2)(A) and (C) and in Occupations Code, §55.0041. Proposed amendments in new
9 §221.17(b)(2)(C) would add that if the department confirms that the applicant is licensed in good standing
10 in a state with licensing requirements that are similar in scope and practice, the department will promptly
11 issue the provisional license and notify the applicant to submit a sufficient application as described in
12 §221.15 and §221.16.

13 Proposed amendments to §221.17(b)(3) would align the rule with Occupations Code,
14 §55.0041(b-1) and §55.005(a), both as amended by House Bill 5629, 89th Legislature, Regular Session,
15 which require that all licensing agencies issue a license within to a military service member, veteran, or
16 military spouse within 10 business days of an application or explain why the agency is unable to issue the
17 license. The proposed amendments to §221.17(b)(3) would clarify that the department will issue a license
18 within 10 days of receiving a complete application as described in §221.15 and §221.16 or notify the
19 applicant why a license cannot currently be issued – if an applicant holds a provisional license, is currently
20 licensed in good standing in another state with similar licensing requirements, or was licensed in good
21 standing in Texas in the last five years. These proposed amendments would streamline and standardize
22 the salvage dealer licensing process for military members, military spouses, and military veterans
23 consistent with the requirements of Occupations Code, Chapter 55, without requiring substantial licensing

1 system changes that would delay implementation. The remaining text of current §221.17(b)(3) is
2 proposed to be re-lettered as §221.17(c), and current §221.17(c) is proposed to be re-lettered as
3 §221.17(d).

4 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
5 has determined that for each year of the first five years the amendments will be in effect, there will be no
6 significant fiscal impact to state or local governments as a result of the enforcement or administration of
7 the proposal. Monique Johnston, Director of the Motor Vehicle Division (MVD), has determined that there
8 will be no measurable effect on local employment or the local economy as a result of the proposal.

9 **PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston has also determined that, for each year of the first five
10 years the amended section is in effect, the public may benefit because these amendments may encourage
11 military service members or military spouses to apply for a license and build a business serving Texas
12 citizens.

13 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include
14 economic benefits resulting from increasing the number of licensed businesses that serve Texas citizens.

15 Anticipated Costs to Comply With The Proposal. Ms. Johnston anticipates that there will be no
16 costs to comply with these rules.

17 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by the
18 Government Code, §2006.002, the department has determined that the proposed amendments will not
19 have an adverse economic effect on small businesses, micro-businesses, and rural communities because
20 rural communities are not subject to licensing requirements and the proposal does not require any
21 additional costs for license holders. The department has an electronic licensing system available to all
22 applicants that allows an applicant to apply online for a license and upload any required documents. This

1 rule proposal does not impact small businesses or micro-businesses. Therefore, the department is not
2 required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

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

7 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
8 first five years the proposed amendments are in effect, no government program would be created or
9 eliminated. Implementation of the proposed amendments would not require the creation of new
10 employee positions or elimination of existing employee positions. Implementation would not require an
11 increase or decrease in future legislative appropriations to the department or an increase or decrease in
12 fees paid to the department. The proposed amendments do not create a new regulation, or expand, limit,
13 or repeal an existing regulation. Lastly, the proposed amendments do not affect the number of individuals
14 subject to the rule's applicability and will not affect this state's economy.

15 **REQUEST FOR PUBLIC COMMENT.**

16 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on May 26,
17 2026. The department requests information related to the cost, benefit, or effect of the proposed rule,
18 including any applicable data, research, or analysis, from any person required to comply with the
19 proposed rule or any other interested person. A request for a public hearing must be sent separately from
20 your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by
21 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,
22 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
23 presented at the hearing.

1

2 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 221 under Occupations
3 Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code,
4 Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set reasonable and
5 necessary application fees, license fees, renewal fees, and other fees as required to implement Chapter
6 2302; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on a
7 form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which
8 prescribes content that must be included in an application; Occupations Code, §2302.105, which requires
9 the department to complete an investigation of the applicant’s qualifications before issuing a license;
10 Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a
11 license issued under Chapter 2302 consistent with the requirements of Government Code, Chapter 2001;
12 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
13 appropriate to implement the powers and the duties of the department.

14 The department also proposes amendments under the authority of Transportation Code,
15 §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054, in
16 addition to the statutory authority referenced throughout this preamble.

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

21 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
22 and requirements of all available formal and informal procedures. Government Code, §2001.039 requires
23 state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

1 Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation,
2 suspension, annulment, or withdrawal of a license.

3 **CROSS REFERENCE TO STATUTE.** These rule revisions would implement Government Code, Chapter 2001;
4 Occupations Code, Chapters 53, 55, and 2302; and Transportation Code, Chapters 501–503, and 1002.

5

6 TEXT.

7

8 §221.17. License Processing for Military Service Members, Spouses, and Veterans

9 (a) The department will process a license, amendment, or renewal application submitted for
10 licensing of a military service member, military spouse, or military veteran in accordance with Occupations
11 Code, Chapter 55. A license holder who fails to timely file a sufficient renewal application because the
12 license holder was on active duty is exempt from any increased fee or penalty imposed by the department.

13 (b) A military service member, ~~or~~ military spouse, or military veteran may engage in a business
14 or occupation for which a department-issued ~~department-issued~~ license is required if the person
15 ~~[military service member or military spouse]~~ meets the requirements of Occupations Code, §55.004 or
16 §55.0041 and this section.

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

22 ~~[(A) a complete application;]~~

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

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

6 (C) if the applicant is a military veteran, a copy of the applicant's discharge
7 certificate or other official document verifying military service and an identification document listed in
8 §221.16 of this title (relating to Required Attachments to the License Application); and

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

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

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

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

19 (C) if both (A) and (B) are confirmed, promptly issue a provisional license and
20 notify the applicant to submit a complete application as described in §221.15 of this title (relating to
21 Required License Application Information) and §221.16 of this title.

1 (3) The department shall issue a license, or notify the applicant why the department
2 cannot or is currently unable to issue a license, within 10 days of receiving a complete application as
3 described in §221.15 of this title and §221.16 of this title if the applicant:

4 (A) has been issued a provisional license;

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

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

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

14 (c) The license is subject to the requirements of this chapter and Occupations Code, Chapter
15 2302 in the same manner as a license issued under the standard application process, unless exempted
16 or modified under Occupations Code, Chapter 55.

17 (d) ~~[(e)]~~ This section establishes requirements and procedures authorized or required by
18 Occupations Code, Chapter 55, and does not modify or alter rights that may be provided under federal
19 law.