



Texas Department *of* Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

Motor Vehicle Industry Regulation Advisory Committee

1:00 P.M.
Monday, June 23, 2025

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AGENDA
MOTOR VEHICLE INDUSTRY REGULATION ADVISORY COMMITTEE MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR CONFERENCE ROOM
AUSTIN, TEXAS 78731
OPEN MEETING VIA
TELECONFERENCE CALL
PURSUANT TO GOVERNMENT CODE §551.125
MONDAY, JUNE 23, 2025
1:00 P.M.

THIS MEETING WILL BE HELD REMOTELY VIA TELECONFERENCE CALL

The physical location of the meeting will be the Lone Star Conference Room of Building 1, 4000 Jackson Avenue, Austin, Texas 78731, where the teleconference call will be audible to the public.

Teleconference Instructions:

Attendee Join Link (Copy and Paste Entire Link in Browser):

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDc1MzdjM2QtZDdlZC00YTg2LWJiYmItZGM3MjI3OTA4OWQz%40thread.v2/0?context=%7b%22Tid%22%3a%2272719f70-3533-46b3-9456-ec1235143768%22%2c%22Oid%22%3a%222a4b4fd8-2faa-4d9b-be2d-c9bd0421169d%22%7d

Dial in by phone for *Everyone*

1 737-787-8456,,89250666# United States, Austin

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Link to June 23, 2025, TxDMV Motor Vehicle Industry Regulation Advisory Committee Meeting Documents: <https://www.txdmv.gov/about-us/txdmv-board-meetings>

All agenda items are subject to possible discussion, questions, consideration, and action by the Motor Vehicle Industry Regulation Advisory Committee of the Texas Department of Motor Vehicles (Advisory Committee). Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of consideration by the Advisory Committee. A quorum of the Board of the Texas Department of Motor Vehicles (board) may be present at this meeting for information-gathering purposes and discussion. However, board members will not vote on any Advisory Committee agenda items, nor will any board action be taken.

1. CALL TO ORDER

Roll Call and Establishment of Quorum

2. DISCUSSION, BRIEFING, AND ACTION ITEMS

- A. Potential Proposed Amendments to Chapter 215, Motor Vehicle Distribution, to Implement Senate Bill (SB) 1902 and House Bill (HB) 718 - Annette Quintero (BRIEFING AND DISCUSSION ONLY)
 - i. Amendments to implement HB 718: §215.152
 - ii. Amendments to implement SB 1902: §§215.140, 215.141, 215.150, 215.155 and 215.158
 - iii. Amendments to implement HB 718 and SB 1902: §215.151 and §215.163

- B. Potential Proposed Amendments to Chapter 217, Vehicle Titles and Registration, §217.53, to Implement SB 1902 - Annette Quintero (BRIEFING AND DISCUSSION ONLY)

- C. Recommendations of Advisory Committee for Presentation to the Board on Potential Proposed Amendments to Chapter 215, Motor Vehicle Distribution, and Chapter 217, Vehicle Titles and Registration, to Implement Senate Bill (SB) 1902 and House Bill (HB) 718 - Presiding Officer (DISCUSSION AND ACTION ITEM)

- D. Potential Proposed Amendments to Advertising Rules, Chapter 215, Motor Vehicle Distribution, §215.244 and §215.270 - Corrie Thompson (BRIEFING AND DISCUSSION ONLY)

- E. Recommendations of Advisory Committee for Presentation to the Board on Potential Proposed Amendments to Advertising Rules, Chapter 215, Motor Vehicle Distribution, §215.244 and §215.270 - Presiding Officer (DISCUSSION AND ACTION ITEM)

3. PUBLIC COMMENT**4. ADJOURNMENT**

The Advisory Committee will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Advisory Committee. No action will be taken on matters that are not otherwise part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Advisory Committee members may respond in accordance with Government Code

Section 551.042 and consider referring the matter to the board.

If you want to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Advisory Committee or send an email to GCO_General@txdmv.gov to register by providing the required information prior to the agenda item being taken up by the Advisory Committee:

1. a completed [Public Comment Registration Form](#); or
2. the following information:
 - a. the agenda item you wish to comment on;
 - b. your name;
 - c. your address (optional), including your city, state, and zip code; and
 - d. who you are representing.

Public comment will only be accepted in person. You must wait for the presiding officer to call on you before you verbally make your comment. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker.

Agenda items may be presented by the named presenters or other Advisory Committee members.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact Carrie Fortner by telephone at (512) 465-3044.

I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements.

CERTIFYING OFFICIAL: Laura Moriaty, General Counsel, (512) 465-5665.



Date: 6/13/2025

To: Motor Vehicle Industry Regulation Advisory Committee (MVIRAC)

From: Laura Moriaty, General Counsel

Subject: Potential Rulemaking to Implement Legislation and Update Advertising Rules

The Texas Department of Motor Vehicles (TxDMV or department) is requesting advice from the MVIRAC regarding rulemaking to implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), and Senate Bill (SB) 1902, 89th Legislature (2025) and potential updates to the advertising rules in 43 Tex. Admin. Code, Subchapter F.

To help facilitate this discussion, the department has put together the questions below. I wanted to make them available to you in advance to allow you time to consider them fully. Department staff will walk through these questions with you to get your feedback during the discussion and briefing section of the upcoming MVIRAC meeting. MVIRAC will also have an opportunity at the meeting to vote on whether to make formal recommendations to the board regarding the petition.

Discussion Items and Related Questions:

A. Potential Proposed Amendments to Chapter 215, Motor Vehicle Distribution, to Implement SB 1902 and HB 718

i. Amendments to implement HB 718: §215.152

Questions:

- Do you agree that it would be beneficial to allow a dealer to request a smaller allocation of license plates? If so, is the threshold in the rule appropriate? If not, what level would you recommend?
- Do you have any other recommendations for changes regarding license plate allocation or distribution?

ii. Amendments to implement SB 1902: §§215.140, 215.141, 215.150, 215.155 and 215.158

Questions:

- Do you have any additional suggestions for changes to these rules that would be helpful in implementing SB 1902?

iii. Amendments to implement HB 718 and SB 1902: §215.151 and §215.163

Questions:

- Does §215.151(e) address all circumstances in which it would be helpful for a buyer to authorize a dealer to mail or deliver a license plate to another person to attach to a vehicle?
- Are all forms of consignment covered in §215.163 or are there any changes you would recommend?



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- In §215.163(b)(1), would it be more efficient to have the dealer simply return the plate to the consigner, rather than providing for the possibilities of reassignment or destruction?
- B. Potential proposed amendments to Chapter 217, Vehicle Titles and Registration, §217.53, to Implement Senate Bill 1902
- Questions:
- Are there any changes you would recommend?
- C. Potential proposed amendments to advertising rules, Chapter 215, Motor Vehicle Distribution, §215.244 and §215.270
- Questions:
- Occupations Code, §2301.203(c) requires a license holder to be notified of an alleged advertising violation and be given an opportunity to cure the violation without further proceedings or liability.
 - With that provision in mind, what feedback would you have on the definitions of “cure” and “subsequent violation” in §215.244 and the enforcement provisions in §215.270?

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1 **2A(i) – Amendments to Implement HB 718**

2 Text.

3 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

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

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

11 (1) the vehicle;

12 (2) the buyer; and

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

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

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

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

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

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

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

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

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

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

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

20 (A) changes in the market;

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

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

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

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

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

15 (f) An existing dealer that is:

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

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

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

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

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

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

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

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

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

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

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

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- 1 (1) the dealer’s license has been closed, canceled, or revoked in a final order;
- 2 (2) the department has issued a notice of department decision under §224.56 of this
3 title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of
4 this title (relating to Established and Permanent Place of Business Premises Requirements) and appears
5 to have abandoned the licensed location;
- 6 (3) the department has denied the dealer access to the temporary tag system or the
7 license plate system in accordance with §224.58 of this title (relating to Denial of Dealer Access to
8 License Plate System) and Transportation Code, §503.0633(f);
- 9 (4) a dealer fails a compliance review performed by the department under
10 Transportation Code, §503.063(d);
- 11 (5) the dealer license expires during that quarter and the dealer has not submitted a
12 license renewal application to the department;
- 13 (6) a dealer does not have an owner or bona fide employee at the licensed location
14 during posted business hours to accept a license plate delivery; or
- 15 (7) a dealer fails to keep license plates or the license plate system secure.
- 16 (j) A dealer with an active license and access to the license plate database who is ineligible to
17 receive a quarterly allocation under subsection (i) of this section may request the department conduct a
18 compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to
19 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov.

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

4 (l) [(i)] A dealer may request more buyer's license plates or buyer's temporary license plates:

5 (1) after using 50 percent of the quarterly allocation of general issue plates or buyer
6 temporary plates, a dealer may request an advance on the next quarter's allotment; or

7 (2) after using 50 percent of the allotted annual maximum number of general issue
8 plates or buyer temporary plates a dealer may request an increase in the annual allotted number of
9 license plates.

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

11 (1) after using less than 50 percent of the quarterly allocation of general issue plates or
12 buyer temporary plates in a quarter; or

13 (2) after using less than 50 percent of the allotted annual maximum number of general
14 issue plates or buyer temporary plates in a year.

15 (n) [(j)] To receive more buyer's license plates or buyer's temporary license plates or to request a
16 decrease in a quarterly or annual allocation [under subsection (i)], a dealer must submit a request in the
17 department's designated license plate system.

18 (o) [(k)] A dealer requesting an increase or decrease in the maximum annual allotment of buyer's
19 license plates or buyer's temporary license plates must provide information demonstrating the need for
20 additional license plates results from business operations, including anticipated needs, as required by
21 Transportation Code, §503.0633(c). Information may include documentation of sales and tax reports

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1 filed as required by law, information of anticipated need, or other information of the factors listed in
2 Transportation Code, §503.0633(b).

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

8 (2) The department may allocate a lesser or greater number of ~~additional~~ license plates
9 than the amount requested. Allocation of a lesser or greater number of ~~additional~~ license plates is not
10 a denial of the request. Allocation of ~~additional~~ license plates under this paragraph does not limit the
11 dealer's ability to submit additional requests ~~[for more license plates]~~.

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

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

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

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

20 (D) The designated director in the Vehicle Titles and Registration Division will
21 review the appeal and any additional statements concerning the information submitted in the original

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1 request and render an opinion within 15 days of receiving the appeal. The designated director in the
2 Vehicle Titles and Registration Division may decide to deny the appeal [~~and issue no additional license~~
3 ~~plates~~] or award an amount of [~~additional~~] license plates that is lesser, equal to, or greater than the
4 request.

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

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

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

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

17 (5) Once a denial is final, a dealer may only submit a subsequent request [~~for additional~~
18 ~~license plates~~] during that calendar year if the dealer is able to provide additional information not
19 considered in a prior request.

20 (p) [(+) A change in the allotment under subsection (i) of this section does not create a dealer
21 base for subsequent year calculations.

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

4

5

2A(ii) – Amendments to Implement SB 1902

6 Text.

7 §215.140. Established and Permanent Place of Business Premises Requirements.

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

11 (1) Business hours for retail dealers.

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

14 (B) The retail dealer's business hours for each day of the week must be posted at
15 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.
16 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location
17 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
18 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
19 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
20 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business
21 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona

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1 bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
2 to speak to a natural person or leave a message during these hours.

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

13 (3) Business sign requirements for retail dealers.

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

20 (B) The sign must be permanently mounted at the physical address listed on the
21 application for the retail dealer's GDN. A business sign is considered permanently mounted if bolted to

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1 an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently
2 installed in the ground.

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

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

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

10 (A) Exterior Sign

11 (i) A wholesale motor vehicle dealer must display a conspicuous,
12 permanent sign with letters at least six inches in height showing the wholesale motor vehicle dealer's
13 business name or assumed name substantially similar to the name reflected on the wholesale motor
14 vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective
15 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
16 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to
17 the public within 100 feet of the main entrance of the business office. A business sign is considered
18 permanent only if it is made of durable, weather-resistant material.

19 (ii) The sign must be permanently mounted on the business property at
20 the physical address listed on the application. A business sign is considered permanently mounted if
21 bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support
22 permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior

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1 sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the
2 requirements of this paragraph has been ordered and provides a written statement that the sign will be
3 promptly and permanently mounted upon delivery.

4 (B) Interior Sign

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

11 (ii) An interior business sign is considered conspicuous if it is easily
12 visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office.
13 An interior sign is considered permanent if made from durable material and has lettering that cannot be
14 changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed
15 to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or
16 banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of
17 this paragraph has been ordered and provides a written statement that the sign will be promptly and
18 permanently mounted upon delivery.

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

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

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

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

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

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

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

16 (F) The physical address of the dealer's office must be in Texas and recognized by
17 the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services
18 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state
19 address and will only mail or deliver a license plate to a dealer's physical location.

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

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- 1 (H) The dealer's office space must:
- 2 (i) include at least 100 square feet of interior floor space, exclusive of
- 3 hallways, closets, or restrooms;
- 4 (ii) have a minimum seven-foot-high ceiling;
- 5 (iii) accommodate required office equipment; and
- 6 (iv) allow a dealer and customer to safely access the office and conduct
- 7 business in private while seated.

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

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

- 10 (A) a desk;
- 11 (B) two chairs;
- 12 (C) internet access;
- 13 (D) a working telephone number listed in the business name or assumed name
- 14 under which the dealer conducts business; and
- 15 (E) a locked and secured room or closet or at least one securely locked,
- 16 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
- 17 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's
- 18 license plates in a dealer's possession including [~~both assigned plates for vehicles in inventory and~~
- 19 unassigned and unissued buyer's license plates.

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

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

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

10 (10) Dealer housed with other business.

11 (A) If a person conducts business as a dealer in conjunction with another
12 business owned by the same person and under the same name as the other business, the same
13 telephone number may be used for both businesses. If the name of the dealer differs from the name of
14 the other business, a separate telephone listing and a separate sign for each business are required.

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

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

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1 (11) Display area and storage lot requirements.

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

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

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

10 (ii) The display area must be of sufficient size to display at least five
11 vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the
12 retail dealer's inventory and may not be used for customer parking, employee parking, general storage,
13 or shared or intermingled with another business or a public parking area, a driveway to the office, or
14 another dealer's display area.

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

19 (iv) If a retail dealer shares a display or parking area with another
20 business, including another dealer, the dealer's vehicle inventory must be separated from the other
21 business's display or parking area by a material object or barrier that cannot be readily removed. A
22 barrier that cannot be readily removed is one that cannot be easily moved by one person and typically

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1 weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the
2 space necessary to allow for entry and exit of vehicle inventory.

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

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

9 (vii) The display area may be located inside a building; however, if
10 multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by
11 a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is
12 one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material
13 object or barrier must be in place on all sides except for the space necessary to allow for entry and exit
14 of vehicle inventory.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (B) The sign must be permanently mounted at the physical address listed on the
9 application for the wholesale motor vehicle auction GDN. A business sign is considered permanently
10 mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign
11 support permanently installed in the ground.

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

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

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

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

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

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

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

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

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

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

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

21 (A) a desk;

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- 1 (B) a chair;
- 2 (C) internet access; and
- 3 (D) a working telephone number listed in the business name or assumed name
- 4 under which business is conducted.

5 (6) A wholesale motor vehicle auction must meet the following display area and storage

6 lot requirements:

7 (A) The area designated as display space for inventory must be located at the

8 physical business address or contiguous to the physical address. The display area may not be in a storage

9 lot.

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

11 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,

12 employee parking, general storage, or shared or intermingled with another business or a public parking

13 area, or a driveway to the office.

14 (C) The display area may not be on a public easement, right-of-way, or driveway

15 unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly

16 consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the

17 state highway system, use as a display area may only be authorized by a lease agreement.

18 (D) If the business location includes gasoline pumps or a charging station or

19 includes another business that sells gasoline or has a charging station, the display area may not be part

20 of the parking area for fuel or charging station customers and may not interfere with access to or from

21 the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

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

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

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

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

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

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

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

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

19 (iii) the street address or legal description of the property, provided that
20 if only a legal description of the property is included, a wholesale motor vehicle auction must attach a
21 statement verifying that the property description in the lease agreement is the physical street address

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1 identified on the application as the physical address for the established and permanent place of
2 business;

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

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

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

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

13
14 §215.141. Sanctions.

15 (a) The board or department may take the following actions against a license applicant, a license
16 holder, or a person engaged in business for which a license is required:

17 (1) deny an application;

18 (2) revoke a license;

19 (3) suspend a license;

20 (4) assess a civil penalty;

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1 (5) issue a cease and desist order; or

2 (6) or take other authorized action.

3 (b) The board or department may take action described in subsection (a) of this section if a
4 license applicant, a license holder, or a person engaged in business for which a license is required:

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (10) issues more than one buyer's license plate or buyer's temporary license plate for a
16 vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1,
17 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

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

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

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

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

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

8 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
9 Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the
10 sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F
11 of this chapter (relating to Advertising);

12 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
13 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

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

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

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

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

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

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1 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
2 provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or
3 other laws;

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

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

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

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

13 (26) on or after July 1, 2025, fails to securely store a license plate or fails to destroy an
14 unassigned license plate within the time prescribed by statute;

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

17 (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;

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

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

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

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

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

9 (34) on or after July 1, 2025, fails to remove a license plate from a vehicle as required by
10 statute or rule ~~[sold to an out-of-state buyer or from a vehicle sold for export];~~ or

11 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,
12 Subchapter D or to allow an inspection of these records by the department.

13
14 §215.150. Dealer Authorization to Issue License Plates.

15 (a) A dealer that holds a GDN must issue a buyer's license plate for a vehicle type the dealer is
16 authorized to sell to:

17 (1) a buyer of a new vehicle to be titled and registered in Texas, unless the buyer has a
18 general issue license plate or a specialty, personalized, or other qualifying license plate eligible to be
19 assigned to the vehicle with approval of the department; or

20 (2) a buyer of a used vehicle to be titled and registered in Texas if ~~[a buyer's license plate~~
21 ~~did not come with the vehicle and]~~ the buyer does not have a general issue license plate or a specialty,

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1 personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the
2 department.

3 (b) Notwithstanding subsection (a), a dealer that holds a GDN is not required to issue a buyer's
4 license plate to a vehicle sold to a commercial fleet buyer authorized as a Dealer Deputy under §217.166
5 of the title (relating to Dealer Deputies).

6 (c) A dealer that holds a GDN must issue a buyer's temporary license plate to an out-of-state
7 buyer for a vehicle that is to be registered in accordance with the laws of the buyer's state of residence.

8 (d) A dealer may issue a license plate under Transportation Code §503.063 until:

9 (1) the department denies access to the license plate system under Transportation Code
10 §503.0633(f) and §224.58 of this title (relating to Denial of Dealer Access to License Plate System);

11 (2) the dealer issues the maximum number of license plates authorized under
12 Transportation Code, §503.0633(a) - (d); or

13 (3) the GDN is closed, canceled, revoked, or suspended.

14 (e) A governmental agency that is exempt under Transportation Code, §503.024 from the
15 requirement to obtain a dealer general distinguishing number may issue a buyer's license plate or a
16 buyer's temporary license plate to the buyer of a vehicle owned by the governmental agency unless the
17 buyer has a general issue license plate or a specialty, personalized, or other qualifying license plate that
18 is eligible to be assigned to the vehicle with approval of the department. A governmental agency that
19 issues a buyer's license plate or buyer's temporary license plate under this subsection:

20 (1) is subject to the provisions of Transportation Code §503.0631 and §503.0671
21 applicable to a dealer; and

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1 (2) is not required to charge the registration fee authorized under Transportation Code
2 §503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

3 (f) A dealer is responsible for all use of and access to all license plates in the dealer's possession
4 and the license plate system under the dealer's account, including access by any user or unauthorized
5 person. Dealer duties include monitoring license plate storage and issuance, managing account access,
6 and taking timely and appropriate actions to maintain license plate and system security, including:

7 (1) establishing and following reasonable password policies, including preventing the
8 sharing of passwords;

9 (2) limiting authorized users to owners and bona fide employees with a business need to
10 access license plates and the license plate system;

11 (3) removing users who no longer have a legitimate business need to access the system;

12 (4) securing all license plates, including ~~[license plates assigned to vehicles in~~
13 ~~inventory]~~dealer's license plates[, and unassigned or unissued buyer's license plates, by storing license
14 plates in a locked and secured room or closet or one or more securely locked, substantially constructed
15 safes or steel cabinets bolted or affixed to the floor or wall of sufficient size to store all dealer and
16 buyer's license plates in a dealer's possession, and by promptly marking and destroying, recycling, or
17 returning void license plates as required under §215.158 of this title (relating to General Requirements
18 for Buyer's License Plates; and

19 (5) securing equipment used to access the license plate system.

20

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1 §215.155. Buyer's License Plates.

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

4 (1) from the selling dealer's inventory; and

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

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

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

8 unless:

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

10 (B) the vehicle is exempt from inspection under Chapter 548.

11 (b) A dealer may not issue a buyer's general issue or temporary license plate to the buyer of a
12 vehicle that is to be titled but not registered.

13 (c) For a wholesale transaction, [:]

14 [(1)] a dealer may not issue a buyer's license plate; rather the purchasing dealer places
15 on the motor vehicle its own:

16 (A) dealer's temporary license plate; or

17 (B) dealer's standard or personalized prestige license plate.

18 [(2) if a general issue plate is assigned to a vehicle, the selling dealer must provide the
19 license plate to the purchasing dealer for placement on the vehicle at time of retail sale.]

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1 (d) A buyer's temporary license plate is valid until the earlier of:

2 (1) the date on which the vehicle is registered; or

3 (2) the 60th day after the date of purchase.

4 (e) A dealer shall charge a buyer a fee of \$10, unless the vehicle is exempt from payment of
5 registration fees under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the
6 county with the title transfer application for deposit to the credit of the Texas Department of Motor
7 Vehicles fund. If the vehicle is sold by a dealer to an out-of-state resident:

8 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
9 Texas Department of Motor Vehicles fund if payment is made through the department's designated
10 electronic system; or

11 (2) the dealer shall remit the fee to the county for deposit to the credit of the Texas
12 Department of Motor Vehicles fund.

13 (f) A governmental agency may charge a buyer a fee of \$10 unless the vehicle is exempt from
14 payment of registration fees under Transportation Code, §502.453 or §502.456. If collected by a
15 governmental agency, the fee must be sent to the county for deposit to the credit of the Texas
16 Department of Motor Vehicles fund.

17

18 §215.158. General Requirements for Buyer's License Plates.

19 (a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the
20 dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title
21 (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report

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1 any loss, theft, or destruction of a buyer's license plate or buyer's temporary license plate to the
2 department in the system designated by the department within 24 hours of discovering the loss, theft,
3 or destruction.

4 (b) When a dealer is required to ~~remove and~~ void a previously assigned buyer's license plate or
5 other type of license plate from a vehicle ~~[sold to an out-of-state buyer or for another reason allowed by~~
6 ~~rule]~~, the dealer shall render a void plate unusable by permanently marking the front of the plate with
7 the word "VOID" or a large "X"; and within 10 days:

8 (1) destroy the license plate; or

9 (2) recycle the license plate using a metal recycler registered under Occupations Code,
10 Chapter 1956; or

11 (3) return the license plate to the department or county tax assessor-collector.

12 (c) A dealer or governmental agency must return all license plates in the dealer's possession to
13 the department within 10 days of closing the associated license or within 10 days of the associated
14 license being revoked, canceled, or closed by the department.

15

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1 (c) If ~~[a vehicle has an assigned license plate and]~~ the buyer provides a general issue, specialty,
2 personalized, or other qualifying license plate to transfer to the vehicle, a dealer must update the license
3 plate status in the license plate system, remove any previously assigned general issue ~~[mark the]~~ license
4 plate and reassign that license plate to a vehicle of the same class within ten days, or mark as void and
5 destroy, recycle, or return the license plate as required in §215.158 of the title (relating to General
6 Requirements for Buyer's License Plates).

7 (d) A dealer, including a wholesale dealer, must remove a buyer's license plate from a purchased
8 vehicle and store the license plate in a secure location in accordance with §215.150(f) of this title
9 (relating to Dealer Authorization to Issue License Plates). ~~[Upon vehicle sale,]~~ The ~~[the]~~ dealer must
10 update the license plate database and may:

11 (1) reassign the ~~[provide the assigned]~~ license plate to a vehicle of the same class within
12 10 days if purchased by a Texas retail buyer ~~[that purchases the vehicle];~~ or

13 (2) ~~[if the vehicle is sold to a Texas dealer, securely transfer the assigned license plate to~~
14 ~~the purchasing dealer; or]~~

15 ~~[(3) if the vehicle is sold to an out-of-state buyer, or for export,]~~ mark the license plate as
16 void and destroy, recycle, or return the license plate as required in §215.158 of this title (relating to
17 General Requirements for Buyer's License Plates).

18 (e) Notwithstanding subsection (a) or subsection (b), a dealer is not required to secure an
19 assigned buyer's license plate to a lawfully purchased vehicle in the following circumstances:

20 (1) when a retail buyer purchases a vehicle for direct delivery to the buyer and the buyer
21 authorizes the dealer in writing to mail or securely deliver the assigned license plate to the buyer; or

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1 (2) when a retail buyer purchases a vehicle to be converted and authorizes the dealer in
2 writing to mail or securely deliver the assigned license plate to a licensed converter who will affix the
3 license plate to the completed vehicle prior to delivery to the buyer.

4

5 §215.163. License Plate Disposition for Motor Vehicles Sold at Auction or on Consignment.

6 (a) Wholesale Motor Vehicle Auctions. A wholesale motor vehicle auction GDN holder who
7 receives a consignment and delivery of a motor vehicle from a person who is not a GDN holder for the
8 purpose of sale at auction shall:

9 (A) remove and mark any license plate as void; and

10 (B) destroy, recycle, or return any license plate as required in §215.158 of this
11 title (relating to General Requirements for Buyer's License Plates).

12 (b) Public Auctions.

13 (1) Before offering a consigned vehicle for sale at a public auction, a dealer must remove
14 any license plate and return the license plate to the vehicle's owner; transfer the license plate to another
15 vehicle of the same class within 10 days; or destroy, recycle, or return the license plate in accordance with
16 §215.158 of this title (relating to General Requirements for Buyer's License Plates).

17 (2) If the purchaser at a public auction is a Texas retail buyer, the dealer shall issue a
18 buyer's license plate to the purchaser, unless the buyer has a general issue, specialty, personalized, or
19 other qualifying license plate to transfer, and update the license plate database in accordance with
20 §215.151 of this title (relating to License Plate General Use Requirements).

21 (3) If the purchaser at the public auction is a dealer, export buyer, or out-of-state buyer,
22 the selling dealer shall not issue a buyer's license plate.

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1 (4) Notwithstanding §215.150(c) of this title, if the purchaser at a public auction is an out-
2 of-state buyer, the dealer shall issue a buyer's temporary license plate only if the buyer requires this
3 license plate to transport the vehicle to another state in which the vehicle will be titled and registered in
4 accordance with the laws of that state.

5 (c) Other Consignment Sales.

6 (1) Before offering for sale a consigned motor vehicle with a license plate owned by a
7 person who is not a GDN holder, a dealer shall remove and return the license plate to the vehicle's owner.
8 The dealer to whom the vehicle is consigned may use its dealer's temporary license plate to demonstrate
9 the consigned motor vehicle to a potential purchaser.

10 (2) Upon the sale of a consigned motor vehicle owned by a person who is not a GDN
11 holder:

12 (A) a dealer shall issue a buyer's license plate to a Texas retail buyer who
13 purchases the consigned vehicle, unless the buyer has a general issue, specialty, personalized, or other
14 qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of
15 this title;

16 (B) a dealer shall not issue a buyer's license plate if the purchaser of the consigned
17 vehicle is a dealer, export buyer, or out-of-state buyer; and

18 (C) notwithstanding §215.150(c) of this title, if the purchaser of a consigned
19 vehicle is an out-of-state buyer, the dealer shall issue a buyer's temporary license plate only if the
20 purchaser requires this license plate to transport the vehicle to another state in which the vehicle will be
21 titled and registered in accordance with the laws of that state.

22 (3) An independent motor vehicle dealer who receives consignment and delivery of a
23 salvage vehicle or total loss vehicle (as defined by the applicable insurance contract) for sale from a person

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- 1 who is not a GDN holder shall remove any license plate and destroy, recycle, or return the license plate as
- 2 required in §215.158 of this title (relating to General Requirements for Buyer’s License Plates).
- 3

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1 **2B – Amendments to Implement SB 1902**

2 Text.

3

4 §217.53. Disposition of License Plates and Registration Insignia upon Sale or Transfer of Motor Vehicle.

5 (a) Upon the sale or transfer of a motor vehicle to a dealer, the dealer shall remove the license
6 plates from the motor vehicle, remove and dispose of the registration insignia, and return any non-
7 general issue license plates to the seller or transferor. The dealer shall transfer or dispose of the
8 removed [and retain the assigned] general issue license plates [for disposition at the time of a
9 subsequent purchase] in accordance with §215.151(d) (relating to License Plate General Use
10 Requirements)[, and the dealer shall remove and dispose of the registration insignia as provided in
11 Transportation Code, §502.491].

12 (b) Upon the sale or transfer of a motor vehicle in which neither party is a dealer, the ~~[general~~
13 ~~issue] license plates shall be removed from [remain with] the motor vehicle by the seller or transferor~~
14 ~~[as provided in Transportation Code, §504.901].~~ The removed license plates may be transferred to
15 another motor vehicle:

16 (1) that is titled in the seller's or transferor's name as the motor vehicle from which the
17 license plates were removed;

18 (2) that is of the same vehicle classification as the motor vehicle from which the license
19 plates were removed; and

20 (3) upon acceptance of a request to transfer the license plates by the county tax
21 assessor-collector in which the application is filed as provided by Transportation Code, §501.023 or
22 §502.040, whichever applies.

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1 (c) License plates that are not transferred to another motor vehicle as described in subsection
2 (b) of this section within 10 days [~~A license plate other than a general issue license plate shall be~~
3 ~~removed by the owner of a motor vehicle that is sold or transferred. Removed license plates may be~~
4 ~~transferred if eligible; otherwise,]~~ must be disposed of in accordance with §215.158 of this title (relating
5 to General Requirements for Buyer’s License Plates). [~~a manner that renders the license plates unusable~~
6 ~~or that ensures the license plates will not be available for fraudulent use on a motor vehicle].~~

7 (d) Vehicle transit permit.

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

14

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1 (B) A rule relating to the regulation of advertising, adopted pursuant to the
2 authority of Occupations Code, Chapter 2301.

3 (3) Bait advertisement--An alluring but insincere offer to sell or lease a product of which
4 the primary purpose is to obtain a lead to a person interested in buying or leasing merchandise of the
5 type advertised and to switch a consumer from buying or leasing the advertised product in order to sell
6 or lease some other product at a higher price or on a basis more advantageous to the dealer.

7 (4) Balloon payment--Any scheduled payment made as required by a consumer credit
8 transaction that is more than twice as large as the average of all prior scheduled payments except the
9 down payment.

10 (5) Clear and conspicuous--The statement, representation, or term being disclosed is of
11 such size, color, contrast, and audibility and is presented so as to be readily noticed and understood. All
12 language and terms, including abbreviations, shall be used in accordance with their common or ordinary
13 usage and meaning.

14 (6) Cure--after receiving a notice of an opportunity to cure letter, a license holder's
15 agreement to not violate the advertising rule cited in the opportunity to cure letter for a two-year
16 period, and if applicable, any action necessary to correct a consumer harm caused by the alleged
17 advertising violation such as issuing a consumer refund.

18 (7) [(6)] Dealership addendum--A form that is displayed on a window of a motor vehicle
19 when a dealership installs special features, equipment, parts, or accessories, or charges for services not
20 already compensated by the manufacturer or distributor for work required to prepare a motor vehicle
21 for delivery to a buyer.

22 (A) The purpose of the addendum is to disclose:

23 (i) that it is supplemental;

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1 (ii) any added feature, service, equipment, part, or accessory, including
2 the retail price, charged and added by the dealership;

3 (iii) any additional charge to the selling price such as additional
4 dealership markup; and

5 (iv) the total dealer selling price.

6 (B) The dealership addendum form shall not be deceptively similar in
7 appearance to the Monroney label, as defined by paragraph (13) of this section.

8 (8) ~~[(7)]~~ Demonstrator--A new motor vehicle that is currently in the inventory of the
9 automobile dealership and used primarily for test drives by customers and for other purposes
10 designated by the dealership.

11 (9) ~~[(8)]~~ Disclosure--Required information that is clear, conspicuous, and accurate.

12 (10) ~~[(9)]~~ Distributor Suggested Retail Price (DSRP)--means the total price shown on the
13 Monroney Label as specified by subparagraph (D) of paragraph (13) of this section.

14 (11) ~~[(10)]~~ Factory executive/official motor vehicle--A new motor vehicle that has been
15 used exclusively by an executive or official of the dealer's franchising manufacturer, distributor, or their
16 subsidiaries.

17 (12) ~~[(11)]~~ Limited rebate--A rebate that is not available to every consumer purchasing
18 or leasing a motor vehicle because qualification for receipt of the rebate is conditioned or restricted in
19 some manner. A rebate conditioned or restricted to purchasers who are residents of the contiguous
20 United States is not a limited rebate.

21 (13) ~~[(12)]~~ Manufacturer's Suggested Retail Price (MSRP)--means the total price shown
22 on the Monroney Label as specified by subparagraph (D) of paragraph (13) of this section.

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1 (14) [(13)] Monroney Label--The label required by the Automobile Information
2 Disclosure Act, 15 U.S.C. §§1231 - 1233, to be affixed to the windshield or side window of certain new
3 motor vehicles delivered to the dealer and that contains information about the motor vehicle, including,
4 but not limited to:

5 (A) the retail price of the motor vehicle suggested by the manufacturer or
6 distributor, as applicable;

7 (B) the retail delivered price suggested by the manufacturer or distributor, as
8 applicable, for each accessory or item of optional equipment, physically attached to the motor vehicle at
9 the time of its delivery to a dealer, which is not included within the price of the motor vehicle as stated
10 in subparagraph (A) of this paragraph;

11 (C) the amount charged, if any, to a dealer for the transportation of the motor
12 vehicle to the location at which it is delivered to the dealer; and

13 (D) the total of the amounts specified pursuant to subparagraphs (A), (B), and
14 (C) of this paragraph.

15 (15) [(14)] Online service--A network that connects computer users.

16 (16) [(15)] Rebate or cash back--A sum of money applied to the purchase or lease of a
17 motor vehicle or refunded after full payment has been rendered for the benefit of the purchaser.

18 (17) [(16)] Savings claim or discount--An offer to sell or lease a motor vehicle at a
19 reduced price, including, but not limited to, a manufacturer's or distributor's customer rebate, a dealer
20 discount, or a limited rebate.

21 (18) [(17)] Subsequent violation--A violation of an advertising rule identified in an
22 opportunity to cure letter during the cure period. [Conduct that is the same or substantially the same as

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1 ~~conduct the department has previously alleged in a notice of an opportunity to cure to be a violation of~~
2 ~~an advertising provision.]~~

3

4 §215.270. Enforcement.

5 (a) The department may file a Notice of Department Decision against a license holder alleging a
6 violation of an advertising provision pursuant to Occupations Code, §2301.203, provided the
7 department can show:

8 (1) that the license holder who allegedly violated an advertising provision has received
9 from the department a notice of an opportunity to cure the violation by certified mail, return receipt
10 requested, in compliance with subsection (b) of this section; and

11 (2) that the license holder:

12 (A) did not timely respond to the notice of an opportunity to cure, or

13 (B) agreed to cure the violation but violated the cure agreement by failing to

14 correct a consumer harm or by committing a subsequent advertising violation of a rule cited in the

15 opportunity to cure letter. [committed a subsequent violation of the same advertising provision.]

16 (b) An effective notice of an opportunity to cure issued under subsection (a)(1) of this section
17 must:

18 (1) state that the department has reason to believe that the license holder violated an
19 advertising provision and must identify the provision; and

20 (2) set forth the facts upon which the department bases its allegation of a violation; ;

21 and]

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1 ~~[(3) state that if the license holder commits a subsequent violation [of the same~~
2 ~~advertising provision, the department will file a Notice of Department Decision under §224.56 of this~~
3 ~~title (relating to Notice of Department Decision).]~~

4 ~~[(c) As a part of the cure procedure, the department may require a license holder who allegedly~~
5 ~~violated an advertising provision to publish a retraction notice to effect an adequate cure of the alleged~~
6 ~~violation. A retraction notice must:]~~

7 ~~[(1) appear in a newspaper of general circulation in the area in which the alleged~~
8 ~~violation occurred;]~~

9 ~~[(2) appear in the portion of the newspaper devoted to motor vehicle advertising, if~~
10 ~~any;]~~

11 ~~[(3) identify the date and the medium of publication, print, electronic, or other, in which~~
12 ~~the advertising alleged to be a violation appeared; and]~~

13 ~~[(4) identify the alleged violation of the advertising provision and contain a statement of~~
14 ~~correction.]~~

15 ~~(c) [(d)] A cure is made solely for the purpose of settling an allegation and is not an admission of~~
16 ~~a violation of these rules; Occupations Code, Chapter 2301; or other law.~~

17

18