



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



TxDMV Board Meeting

9:00 a.m.

Thursday, September 18, 2025

AGENDA
BOARD MEETING
TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR CONFERENCE ROOM
AUSTIN, TEXAS 78731
PARKING IS AVAILABLE IN THE PARKING LOT ADJACENT TO BUILDING 1
THURSDAY, SEPTEMBER 18, 2025
9:00 A.M.

The presiding officer of the Board of the Texas Department of Motor Vehicles (Board) will be physically present at 4000 Jackson Avenue, Austin, Texas 78731. Some Board members may attend via videoconferencing.

Link to September 18, 2025, Board 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 Board. Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Board. Presentations may be made by the identified staff, Board member, or other personnel as needed. The Board reserves the right to discuss any items in closed session where authorized by the Open Meetings Act.

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1. **Roll Call and Establishment of Quorum**
2. **Pledges of Allegiance - U.S. and Texas**
3. **Recognition of Former Board Member John M. Prewitt**
4. **Chair's Reports** - Chairman Bacarisse (BRIEFING ONLY)
Appointment to the Projects and Operations Committee
5. **Executive Director's Reports** - Daniel Avitia (BRIEFING ONLY)
 - 8 A. [American Association of Motor Vehicle Administrators \(AAMVA\) Annual International Conference Update](#)
 - 9 B. [Recognition of Years of Service](#)
- 10 6. [Motor Vehicle Crime Prevention Authority \(MVCPA\) Update](#) - Chief Miguel "Mike" Rodriguez, MVCPA Board Chair and William Diggs (BRIEFING ONLY)

RULE ADOPTIONS

- 12 7. **Rule Review**
[Rule Review Proposal under Government Code, §2001.039: Chapter 206, Management; Chapter 211, Criminal History Offense and Action on License; and Chapter](#)
-

[217, Vehicle Titles and Registration, §217.27](#) - Laura Moriaty (ACTION ITEM)
(Published 7/25/25 - 50 TexReg 4977)

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- 8. Chapter 211, Criminal History Offense and Action on License** - Monique Johnston (ACTION ITEM)
Amendments: §211.1 and §211.2
New: Subchapter B
Repeals: §§211.3, 211.4, 211.5, and 211.6
([Relating to Implementation of Senate Bill \(SB\) 2587 and SB 1080, 89th Legislative Session; and Cleanup](#))
(Published 7/25/25 - 50 TexReg 4349)

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- 9. Chapter 215, Motor Vehicle Distribution** - Annette Quintero and Monique Johnston (ACTION ITEM)
Amendments: Subchapters B and D
New: §215.91 and §215.163
([Relating to Implementation of House Bill \(HB\) 718, 88th Legislative Session; SB 1902, SB 1818, and HB 5629, 89th Legislative Session; and Cleanup](#))
(Published 7/25/25 - 50 TexReg 4356)

157

- 10. Chapter 221, Salvage Vehicle Dealers** - Monique Johnston (ACTION ITEM)
Amendments: §221.17
([Relating to Implementation of SB 1818 and HB 5629, 89th Legislative Session](#))
(Published 7/25/25 - 50 TexReg 4389)

165

- 11. Chapter 217, Vehicle Titles and Registration** - Annette Quintero (ACTION ITEM)
Amendments: Subchapters B and I
([Relating to Implementation of SB 1902 and SB 1729, 89th Legislative Session; Online Registration Renewals; and Cleanup](#))
(Published 7/25/25 - 50 TexReg 4378)

195

- 12. New Chapter 220, Automated Motor Vehicles** - Clint Thompson (ACTION ITEM)
New: Subchapters A, B, and C
([Relating to Implementation of SB 2807, 89th Legislative Session](#))
(Published 7/25/25 - 50 TexReg 4386)

237

- 13. Chapter 224, Adjudicative Practice and Procedure** - Corrie Thompson (ACTION ITEM)
Amendments: Subchapters A, D, E, and F
New: Subchapters H and I
([Relating to Implementation of SB 2807, 89th Legislative Session, and Cleanup](#))
-

(Published 7/25/25 - 50 TexReg 4391)

- 309 **14. Chapter 224, Adjudicative Practice and Procedure** - Corrie Thompson
(ACTION ITEM)
Amendments: §224.116 and §224.124
New: §224.121
Withdrawal of Emergency Version of Amendments to §224.116 and §224.124, and
New §224.121
[\(Relating to Implementation of HB 1672, 89th Legislative Session, and](#)
[Cleanup\)](#)
(Published 7/25/25 - 50 TexReg 4406 and 50 TexReg 4139)
- 324 **15. Chapter 224, Adjudicative Practice and Procedure** - Corrie Thompson
(ACTION ITEM)
Amendment: §224.58
[\(Relating to Implementation of SB 1902, 89th Legislative Session\)](#)
(Published 7/25/25 - 50 TexReg 4404)

RULE PROPOSAL

- 330 **16. Chapter 217, Vehicle Titles and Registration** - Annette Quintero (ACTION
ITEM)
Amendments: §217.41
New: §217.10 and §217.87
Repeal: §217.10
[\(Relating to Implementation of SB 2001 and HB 5436, 89th Legislative](#)
[Session; and Cleanup\)](#)
-

BRIEFING AND ACTION ITEMS**17. Projects and Operations**

- A. [Camp Hubbard Renewal Project Update](#) - Dorothy Spearman (BRIEFING ONLY)
- B. [Accounts Receivable Project Update](#) - Eric Horn (BRIEFING ONLY)

18. Legislative and Public Affairs

- [Legislative Activity Briefing and Bill Implementation Update](#) - Keith Yawn (BRIEFING ONLY)

19. Finance and Audit

- A. [FY 2025 Financial Report](#) - John Ralston (BRIEFING ONLY)
- B. [Internal Audit Division Status Update](#) - Jason Gonzalez
 - i. Internal Engagements (BRIEFINGS ONLY)
 - a. TxDMV Peer Review
 - b. Information Technology Services Division (ITSD) Governance Audit
 - ii. External Engagements (BRIEFINGS ONLY)
 - a. Texas Comptroller of Public Accounts Statewide Desk Audit - Controls Over Expenditure Processing
 - b. Texas Comptroller of Public Accounts Statewide Desk Audit - Commercial Charge Card Rebate Program
- C. [FY 2026 Internal Audit Plan](#) (ACTION ITEM)

CLOSED SESSION**20. The Board may enter into closed session under one or more provisions of the Texas Open Meetings Act, Government Code, Chapter 551, including but not limited to:****Section 551.071** - Consultation with Attorney.

Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer;
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code, Chapter 551;
- any item on this agenda; or
- *Lucid Group USA, Inc. vs. Monique Johnston, in her official capacity as Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles, et al.* Court of Appeals Docket No. 25-50319; in the U.S. Court of Appeals for the Fifth Circuit

Section 551.074 - Personnel Matters.

- Deliberation relating to the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of personnel.

- Hearing a complaint or charge against an officer or employee.
- Performance evaluation of Executive Director, including any modifications to compensation

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

Deliberation regarding:

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

Section 551.0761 - Deliberation Regarding Critical Infrastructure Facility.

Deliberation regarding a cybersecurity measure, policy, or contract solely intended to protect a critical infrastructure facility located in Texas.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

Deliberation regarding:

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code, §2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

21. Action Items from Closed Session

Performance evaluation of Executive Director, including any modifications to compensation

22. Public Comment

23. Adjournment

The Board will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Board. No action will be taken on matters that are not part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Board members may respond in accordance with Government Code, §551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you would like 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 Board 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 Board:

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. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker

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.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 5.A
Subject: Executive Director's Report - American Association of Motor Vehicle Administrators (AAMVA) Annual International Conference Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Executive Director Daniel Avitia and Deputy Executive Director Shelly Mellott attended the American Association of Motor Vehicle Administrators (AAMVA) Annual International Conference in Phoenix, Arizona, September 8-12, 2025. The AAMVA Annual International Conference is the premier annual conference hosted by the chair of the Board of Directors. Staff from the Consumer Relations, Enforcement, and Vehicle Titles and Registration (VTR) divisions also attended.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Department representatives participated in sessions focused on title and registration issues, fraud prevention, and leadership. They also engaged in peer-to-peer discussions with jurisdictional counterparts on common challenges and emerging trends. The conference served as a valuable forum for networking with other jurisdictions and related entities, facilitating the exchange of best practices and strategies for addressing issues of national significance.

Staff identified the most impactful sessions to be the peer-to-peer roundtables, Auto Theft and Title Fraud at Auto Dealerships, Shaping the Future of Electronic Titling, Retaining Talent Through Successful Onboarding Programs, Artificial Intelligence, Empowering Teams: Engaging Employees Through Innovative Training, and Interacting with Vehicle Technology and Vehicle Automation.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 5.B
Subject: Executive Director's Report – Recognition of Years of Service

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The executive director acknowledges employees who have achieved significant state service milestones of 20 years or more and those who have retired from the agency. TxDMV recognizes the following individuals:

State Service Milestones:**20 years:**

- Howard Dixon, Jr. – Enforcement Division

25 years:

- Aline Aucoin – Office of General Counsel

Retirements:

- Gerri Ries – Consumer Relations Division, 21 years of state service
- Karen Poff – Vehicle Titles and Registration Division, 22 years of state service
- Georgina Zentner – Finance and Operations Division, 23 years of state service
- Randi Quintero – Vehicle Titles and Registration Division, 24 years of state service
- Claudette Otie-Watkins – Motor Carrier Division, 27 years of state service
- John Castillo – Vehicle Titles and Registration Division, 29 years of state service
- Henry Holguin – Information Technology Services Division, 30 years of state service
- Tammy King – Vehicle Titles and Registration Division, 33 years of state service
- Margaret Barker – Human Resources Division, 34 years of state service
- Monica Hernandez – Finance and Operations Division, 34 years of state service
- Melissa Bennett – Motor Carrier Division, 35 years of state service
- Thomas O'Connor – Finance and Operations Division, 35 years of state service
- Jimmy Archer – Motor Carrier Division, 38 years of state service



To: Texas Department of Motor Vehicles Board
From: Chief Miguel “Mike” Rodriguez, Presiding Officer, MVCPA
Agenda Item: 6
Subject: Motor Vehicle Crime Prevention Authority (MVCPA) Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an overview of the activities of the Motor Vehicle Crime Prevention Authority (MVCPA).

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

With more than 25 years in law enforcement, Chief Miguel “Mike” Rodriguez’s career spans service from patrol officer to police chief with the Laredo Police Department. Rising through the ranks since 1997, his roles have included investigator, sergeant, lieutenant, and deputy chief overseeing criminal investigations and support divisions before being appointed chief in 2023.

In 2021, Chief Rodriguez was appointed the presiding officer of MVCPA by Governor Abbott. MVCPA is governed by a seven-member board, supported by 15 full-time staff. Today, MVCPA operates fully staffed with a skilled team across training, grants, auditing, and program support functions.

Catalytic Converter Crime Prevention Strategy Update

MVCPA was provided additional funding by the 88th Texas Legislature with the passage of Senate Bill (SB) 224. A total of \$24.6 million in FY 2024, \$30.3 million in FY 2025, and \$28.4 million in FY 2026 was appropriated for MVCPA. The additional funding is being used to support efforts in deterring catalytic converter crimes throughout Texas. As of July 18, the following is a high-level overview of how the funding has been distributed:

- Law Enforcement Grants (122 Grantees) – \$21,341,036
- Texas Department of Public Safety (Regulatory Services Division) – \$1,746,686
- Texas Department of Public Safety (Criminal Investigations Division) – \$5,171,200
- Texas Department of Licensing and Regulation – \$622,358.93
- Texas Department of Motor Vehicles – \$1.5 million

An advisory committee was formed by the MVCPA Board, which meets quarterly. The advisory committee is made up of industry stakeholders, law enforcement officers, and state partner agencies. The committee is chaired by MVCPA Board

Member, DPS Major Sharon Jones. These advisory committee meetings have been facilitated in Austin, El Paso, Houston, San Marcos, and Fort Worth.

Virtual meetings are held quarterly with senior staff from the partner state agencies in DPS, TxDMV, and TDLR. These meetings focus on development of risk-based factors, intelligence sharing, and ensuring there are no unmet needs in support of SB 224 activities.

Motor Vehicle Crime Prevention Strategy Update

MVCPA provides financial support to law enforcement agencies to combat motor vehicle theft and burglary through the creation of single and multi-jurisdictional taskforces. Funding is provided for investigators, analysts, equipment, vehicles, technology, prosecutor support, and educational activities.

The 88th Texas Legislature provided \$24.2 million in FY 2024 and \$24.9 million in FY 2025 for the Motor Vehicle Crime Prevention Strategy. The 89th Texas Legislature provided \$22.6 in FY 2026 for the Motor Vehicle Crime Prevention Strategy. As of July 18, the following is a high-level overview of how the funding has been distributed:

- Law Enforcement Grants (31 Grantees) - \$29,968,107

Board Meeting Date: 9/18/2025
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 7
Subject: Rule Review Adoptions under Government Code, §2001.039: Chapter 206, Management; Chapter 211, Criminal History Offense and Action on License; and Chapter 217, Vehicle Titles and Registration, §217.27

RECOMMENDATION

Action Item. Approval to publish in the *Texas Register* the notice of readoption of 43 Texas Administrative Code (TAC) Chapter 206, Management; Chapter 211, Criminal History Offense and Action on License; and Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.27, relating to Vehicle Registration Insignia. The department has determined that the reasons for initially adopting these rules continue to exist.

PURPOSE AND EXECUTIVE SUMMARY

The department conducted a review of 43 TAC Chapters 206, 211, and §217.27 in compliance with Government Code §2001.039.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the readoption of these rules.

BACKGROUND AND DISCUSSION

Texas Government Code, §2001.039 requires the department to review and consider for readoption each of its rules every four years.

The notice of the department's intention to review was published in the *Texas Register* on July 25, 2025 (50 TexReg 4977). The comment period closed on August 25, 2025. No comments were received on the rule reviews.

As a result of the review, the department identified necessary amendments, new sections, and repeals in Chapter 211 and amendments in §217.27. No changes were proposed for Chapter 206. Those amendments, new sections, and repeals are also presented to the board at this meeting for consideration to adopt under different agenda items.

TITLE 43. TRANSPORTATION

Adopted Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 206 – Management

Chapter 211 – Criminal History Offense and Action on License

Chapter 217 – Vehicle Titles and Registration

Notice of Readoption

The Texas Department of Motor Vehicles (department) files this notice of readoption of Title 43 Texas Administrative Code (TAC), Chapter 206, Management; Chapter 211, Criminal History Offense and Action on License; and Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.27, relating to Vehicle Registration Insignia, that were published in the *Texas Register*. The reviews were conducted pursuant to Government Code, §2001.039.

Notice of the department's intention to review was published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4977). The department did not receive any comments on the rule reviews.

As a result of the reviews, the department readopts Chapters 206 and 211, and §217.27 in accordance with the requirements of Government Code, §2001.039, with amendments, new sections, and repeals to Chapter 211, and amendments to §217.27. The department readopts Chapter 206 without amendment. The department has determined that the reasons for initially adopting the readopted rules continue to exist.

This concludes the review of Chapter 206, Management; Chapter 211, Criminal History Offense and Action on License; and Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.27, relating to Vehicle Registration Insignia.

**Texas Department of Motor Vehicles**

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Board Meeting Date: 9/18/2025
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 8
Subject: Chapter 211, Criminal History Offense and Action on License
Amendments: §211.1 and §211.2
New: Subchapter B
Repeals: §§211.3, 211.4, 211.5, and 211.6
(Relating to Implementation of Senate Bill (SB) 2587 and SB 1080, 89th Legislative Session, and Cleanup)

RECOMMENDATION

Action Item. Approval to adopt rule amendments, repeals, and new sections in 43 Texas Administrative Code (TAC) Chapter 211, with an effective date of November 1, 2025.

PURPOSE AND EXECUTIVE SUMMARY

The department conducted a review of its rules under 43 TAC Chapter 211 in compliance with Government Code, §2001.039. The amendments, new sections, and repeals implement Senate Bill (SB) 1080, 89th Regular Session (2025) effective May 27, 2025, and SB 2587, 89th Regular Session (2025) effective September 1, 2025; remove unnecessary language; add context or authority for certain rules; clarify the rules; and make the rules consistent with current processes, procedures, and terminology.

FINANCIAL IMPACT

No significant impact.

BACKGROUND AND DISCUSSION

The department conducted a review of its rules under Chapter 211, Criminal History and Offense and Action on License, in compliance with Government Code, §2001.039. As a part of the review, the department proposed necessary amendments, repeals, and new sections and published those revisions in the Texas Register for public comment.

Rule amendments clarify that the department will deny a pending application if an applicant or an applicant's representative is imprisoned. These amendments implement SB 1080, 89th Regular Session (2025), effective May 27, 2025, which added additional circumstances in which the department is required to revoke a license upon the imprisonment of a license holder.

New language also implements SB 2587, 89th Regular Session (2025), effective September 1, 2025. SB 2587 clarified which individuals the department may require to submit fingerprints for the purposes of obtaining criminal history. Amendments in §211.13 clarify that an individual will not have to be re-fingerprinted if an active license is maintained and the individual continues to be fully enrolled in the DPS criminal history clearinghouse and validly subscribed in the FBI criminal history database.

New language clarifies listed offenses under new Subchapter B. Criminal History Evaluation Guidelines and Procedures to inform the applicants which offenses the department considers to be directly related to the licensed occupation and therefore potentially disqualifying. Amendments also conform with Senate Bill (SB) 224, 88th Legislature, Regular Session (2023), which amended the Penal Code to add felony offenses involving damage to motor vehicles during the removal or attempted removal of a catalytic converter.

Additionally, this rule item organizes the rules into two subchapters for consistency with other chapters in TAC Title 43, clarifies the types of licenses to which the chapter applies, deletes duplicative language found in statute, and modernizes language to improve readability.

The department received no public comments during the comment period which ended August 25, 2025. If the board adopts the revisions during its September 18, 2025, open meeting, staff anticipates:

- publication in the October 3, 2025, issue of the Texas Register; and
- an effective date of November 1, 2025.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 211 – Criminal History Offense and Action on License

ADOPTION OF REVISIONS TO**SUBCHAPTER A. CRIMINAL OFFENSE AND ACTION ON LICENSE****43 TAC §211.1 AND §211.2****REPEAL OF****SUBCHAPTER A. CRIMINAL OFFENSE AND ACTION ON LICENSE****43 TAC §§211.3-211.6****NEW****SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES****43 TAC §§211.10-211.13**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code, (TAC) §211.1 and §211.2; repeal of §§211.3, 211.4, 211.5, and 211.6; and new sections §§211.10, 211.11, 211.12, and 211.13. The amendments, repeals, and new sections are necessary to organize the rules into two subchapters for consistency with other chapters in TAC Title 43, to clarify the types of licenses to which the chapter applies, to clarify which crimes relate to the duties and responsibilities of these license holders, to delete duplicative language found in statute, to conform rule language with statutory changes; to clarify existing requirements, and to modernize language and improve readability. Adopted language implements Senate Bill (SB) 2587, 89th Legislature, Regular Session (2025), which clarified the persons from whom the department could require a fingerprint-based criminal history background check; and SB 1080, 89th Legislature, Regular Session (2025), which added circumstances in which a state agency is required to revoke a license upon imprisonment of the license holder. Adopted language also conforms with SB 224, 88th Legislature, Regular Session (2023), which amended the Penal Code to add felony offenses involving damage to motor vehicles during the removal or attempted removal of a catalytic converter.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 211 – Criminal History Offense and Action on License

1 The department adopts amendments to §211.1 and §211.2 and new §§211.10 - 221.13 without
2 changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg
3 4349). In conjunction with this adoption, the department is adopting the repeal of §§211.3 - 2.11.6
4 without changes, as published in the July 25, 2025, issue of the *Texas Register*. The rules will not be
5 republished.

6 **REASONED JUSTIFICATION.** The department is conducting a review of its rules under Chapter 211
7 in compliance with Government Code, §2001.039. As a part of the review, the department is adopting
8 necessary amendments, repeals, and new sections as detailed in the following paragraphs.

9 Occupations Code, Chapter 53 and §§2301.651, 2302.104, 2302.105, and 2302.108, and
10 Transportation Code, §503.034 and §503.038 authorize the department and its board to investigate and
11 act on a license application, or on a license, when a person has committed a criminal offense. Chapter 211
12 allows the department to maintain fitness standards for license holders with prior criminal convictions
13 while implementing the legislature's stated statutory intent in Occupations Code, §53.003 to enhance
14 opportunities for a person to obtain gainful employment after the person has been convicted of an offense
15 and discharged the sentence for that offense.

16 The department must follow the requirements of Occupations Code, Chapter 53 to determine
17 whether a person's past criminal history can be considered in evaluating the person's fitness for licensing.
18 Occupations Code, §53.021 gives a licensing authority the power to suspend or revoke a license, to
19 disqualify a person from receiving a license, or to deny a person the opportunity to take a licensing
20 examination on the grounds that the person has been convicted of: (1) an offense that directly relates to
21 the duties and responsibilities of the licensed occupation; (2) an offense listed in Article 42A.054, Code of
22 Criminal Procedure; or (3) a sexually violent offense, as defined by Article 62.001, Code of Criminal
23 Procedure. The department's evaluation of past criminal history applies to all license applications. Under

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 211 – Criminal History Offense and Action on License

Occupations Code, §53.021(a)(1), the department is responsible for determining which offenses directly relate to the duties and responsibilities of a particular licensed occupation.

Occupations Code, §53.022 sets out criteria for consideration in determining whether an offense directly relates to the duties and responsibilities of the licensed occupation. Based on those criteria, the department has determined that certain offenses directly relate to the duties and responsibilities of an occupation licensed by the department. However, conviction of an offense that directly relates to the duties and responsibilities of the licensed occupation or is listed in Occupations Code, §53.021(a)(2) and (3) is not an automatic bar to licensing; the department must also consider the factors listed under Occupations Code, §53.023 in making its fitness determination. The factors include, among other things, the person's age when the crime was committed, rehabilitative efforts, and overall criminal history. The department is required to publish guidelines relating to its practice under this chapter in accordance with Occupations Code, §53.025.

Adopted New Subchapter A, General Provisions

Prior to the adoption of these revisions, Chapter 211 contained only one subchapter. The adopted amendments divide Chapter 211 into two subchapters. An adopted amendment retitles Subchapter A "General Provisions," consistent with the organization and naming conventions found in Chapters 215 and 221 of this title. This adopted amendment provides consistency and improves readability because Chapter 211 applies to the same applicants and license holders as Chapters 215 and 221. Sections 211.1 and 211.2 are adopted for inclusion in retitled Subchapter A for consistency and ease of reference.

An adopted amendment to the title of §211.1 adds "Purpose and" to the section title to indicate that adopted amendments to this section include the purpose for the chapter in addition to definitions. This adopted change places the chapter purpose description in the same subchapter and in the same

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 211 – Criminal History Offense and Action on License

order as similar language in Chapters 215 and 221 of this title for improved understanding and readability.

Adopted new §211.1(a) describes the purpose of Chapter 211 by incorporating existing language from repealed §211.3(a). The adopted amendments add, at the end of the paragraph, the obligation for the department to review criminal history of license applicants before issuing a new or renewal license and the option for the department to act on the license of an existing license holder who commits an offense during the license period, consistent with Occupations Code, Chapter 53 and §§2301.651, 2302.104, 2302.105, and 2302.108, Transportation Code, §503.034 and §503.038, and existing department procedures.

An adopted amendment to §211.1 reorganizes the definitions into a subsection (b). Adopted amendments to §211.1(2) delete references to “registration or authorization,” including any related punctuation. Other adopted amendments add an “or” to §211.1(2)(B), delete an “or” and add sentence punctuation in §211.1(2)(C), and delete §211.1(2)(D). These adopted amendments clarify that Chapter 211 only applies to licenses issued by the department under Transportation Code, Chapter 503 and Occupations Code, Chapters 2301 and 2302, and does not apply to registrations the department may issue under the authority of another Transportation Code chapter. Registrations or permits that the department issues under other Transportation Code chapters do not currently require a review of an applicant’s criminal history. Adopted amendments to §211.1(3) delete the list of specific retail license types and define the term “retail” by listing only those license types that are not considered to be retail. This adopted amendment shortens the sentence to improve readability without changing the meaning or scope of the definition. Additionally, this adopted amendment eliminates the need to update the rule if a future statutory change creates a new type of vehicle, changes the name of an existing vehicle type, or creates a new retail license type.

TITLE 43. TRANSPORTATION

Adopted Sections

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Chapter 211 – Criminal History Offense and Action on License

1 An adopted amendment to the title of §211.2 substitutes “Chapter” for “Subchapter” for
2 consistency with the rule text. An adopted amendment in §211.2(b) adds a comma after Occupations
3 Code for consistency in punctuation.

4 The remaining sections in Subchapter A are adopted for repeal as each of these sections are
5 adopted for inclusion in new Subchapter B.

6
7 **Adopted New Subchapter B, Criminal History Evaluation**

8 An adopted amendment adds a new subchapter, Subchapter B. Criminal History Evaluation
9 Guidelines and Procedures. Adopted for inclusion in new Subchapter B are new sections §§211.10- 211.13.
10 These adopted new sections contain the rule language previously found in repealed §§211.3 - 211.6, with
11 the addition of the adopted changes described below.

12 Adopted new §211.10 includes the rule text of repealed §211.3 with changes as follows. The
13 repealed text of §211.3(a) is not incorporated into adopted new §211.10 because that language has been
14 incorporated into adopted new §211.1(a), which describes the purpose of Chapter 211. Adopted new
15 §211.10(a) incorporates the language of repealed §211.3(b), except for the two paragraphs at the end of
16 that subsection which duplicate a statutory requirement in Occupations Code, §53.022 and do not need
17 to be repeated in rule. Adopted new §211.10(b) recodifies language from repealed §211.3(c), except for
18 §§211.3(c)(1) and (2), which were redundant and unnecessary statutory references.

19 Adopted new §211.10(c) incorporates §211.3(d) with the following changes. Adopted new
20 §211.10(c) adds a comma to correct missing punctuation after “Occupations Code” and deletes three
21 sentences that specify which offenses apply to a license type. Adopted new §211.10(c) includes clarifying
22 paragraph numbers: paragraph (1) identifies offenses that apply to all license types, and paragraph (2)

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1 separates and identifies additional offenses that apply only to retail license types. The adopted new
2 language adds clarity and improves readability by dividing the offense categories from repealed
3 §211.3(d)(1) – (16) between the new paragraphs as relettered subparagraphs of §§211.10(c)(1) and (2).

4 Adopted new §211.10(c)(1)(B), incorporates language from repealed §211.3(d)(2) and adds
5 language to clarify that offenses involving forgery, falsification of records, or perjury include the
6 unauthorized sale, manufacturing, alteration, issuance, or distribution of a license plate or temporary tag.
7 This adopted clarifying language provides additional notice to applicants and license holders that the
8 department considers forging or falsification of license plates or temporary tags to be a serious and
9 potentially disqualifying offense.

10 Adopted new §211.10(c)(1)(E) incorporates language from repealed §211.3(d)(5) and adds
11 possession and dismantling of motor vehicles to the list of felony offenses under a state or federal statute
12 or regulation that could potentially be disqualifying. Adopted new §211.10(c)(1)(E) also includes “motor
13 vehicle parts” to clarify that disqualifying felony offenses include crimes related to motor vehicle parts as
14 well as to motor vehicles. These adopted clarifications are important due to the increasing frequency of
15 motor vehicle parts theft targeting catalytic converters, tailgates, batteries, wheel rims, and tires.

16 Adopted new §211.10(c)(1)(G) incorporates language from repealed §211.3(d)(7) and clarifies
17 that an offense committed while engaged in a licensed activity or on a licensed premises includes
18 falsification of a motor vehicle inspection required by statute. This clarification is important because
19 emissions inspections in certain counties are required by law and harm the health and safety of Texas
20 citizens if not performed.

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1 Adopted new §211.10(c)(1)(I) adds that offenses of attempting or conspiring to commit any of the
2 foregoing offenses are potentially disqualifying offenses because the person intended to commit an
3 offense. This adopted new language incorporates language from repealed §211.3(d)(16) and is necessary
4 to add because the offenses that apply to all license holders and the additional offenses that only apply
5 to retail license types are adopted to be reorganized into separate paragraphs to improve readability, so
6 the language regarding conspiracies or attempts to commit the offenses must be repeated in each
7 paragraph to provide notice of these potentially disqualifying offenses.

8 Adopted new §211.10(c)(2)(E) makes felony offenses under Penal Code, §28.03 potentially
9 disqualifying when a motor vehicle is damaged, destroyed, or tampered with during the removal or
10 attempted removal of a catalytic converter. This new amendment aligns with Senate Bill (SB) 224, 88th
11 Legislature, Regular Session (2023), which amended Penal Code, §28.03 to create new felony offenses
12 based on the damage caused by the removal or attempted removal of a catalytic converter from a motor
13 vehicle.

14 Adopted new §211.10(c)(2)(D) incorporates §211.3(d)(12) and adds two additional offenses
15 against the family: Penal Code, §25.04 and §25.08. Penal Code, §25.04 includes offenses involving the
16 enticement of a child away from the parent or other responsible person, and Penal Code, §25.08 includes
17 offenses related to the sale or purchase of a child. These offenses are relevant to the retail professions
18 licensed by the department because parents frequently bring children to a dealership when considering
19 a vehicle purchase, and a retail license holder may have unsupervised access to a child while a parent test
20 drives a vehicle or is otherwise engaged in viewing or inspecting a vehicle offered for sale. License holders
21 also have access to the parent's motor vehicle records, including the family's home address. A person with

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1 a predisposition to commit these types of crimes have the opportunity to engage in further similar
2 conduct.

3 Adopted new §211.10(c)(2)(F) incorporates the language of repealed §211.3(d)(13), and clarifies
4 that the department considers any offense against the person to potentially be disqualifying, adds a
5 reference to Penal Code, Title 5, and further clarifies that an offense in which use of a firearm resulted in
6 fear, intimidation, or harm of another person is included in the list of potentially disqualifying crimes.
7 Additionally, adopted new §211.10(c)(2)(F) clarifies that a felony offense of driving while intoxicated
8 which resulted in harm to another person may also be potentially disqualifying. The department considers
9 these offenses to be related to the occupations of retail license holders because these license holders
10 have direct contact with members of the public during vehicle test drives or other settings in which no
11 one else is present, and retail license holders have access to an individual's motor vehicle records,
12 including the individual's home address. A person with a predisposition for violence or committing
13 personal harm would have the opportunity in these situations to engage in further similar conduct. These
14 adopted amendments further clarify which offenses against a person the department considers directly
15 related to the licensed occupation and therefore potentially disqualifying. The department's
16 consideration of these crimes is subject to certain limitations in Occupations Code, Chapter 53.

17 Adopted new §211.11 incorporates language from repealed §211.4, with the addition of adopted
18 new §211.11(a), which clarifies that the department will deny a pending application if an applicant or an
19 applicant's representative as defined in §211.2(a)(2) is imprisoned. Occupations Code, §53.021(b)
20 requires an agency to revoke a license holder's license on the license holder's imprisonment following a
21 felony conviction, felony community supervision revocation, revocation of parole, or revocation of
22 mandatory supervision. Because the department also determines licensure eligibility based on individuals
23 serving as representatives for the license holder, the department also considers the effect of

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1 imprisonment of those persons on a license holder. Because the revocation for a felony conviction is
2 mandatory in Occupations Code, §53.021(b), the department must also deny a pending application. An
3 applicant who is imprisoned may reapply once the applicant is no longer imprisoned and an applicant
4 whose application is denied based on an imprisoned individual serving in a representative capacity may
5 choose a different representative and reapply for licensure. Adopted new §211.11(b) substitutes “of” for
6 “or” to correct a typographical error made at adoption of §211.4. Adopted new §211.11(b) implements
7 SB 1080, 89th Legislature (2025), which amended Occupations Code, §53.021 to require the department
8 to revoke a license if the license holder is imprisoned following a felony conviction for an offense that
9 directly relates to the duties and responsibilities of the licensed occupation, an offense in Code of Criminal
10 Procedure, Article 42A.054, or a sexually violent offense in Code of Criminal Procedure, Article 62.001.
11 Adopted amendments to new §211.11(b) also incorporate the existing language from current §211.4(c)
12 as phrased in Occupations Code, §53.021(b). Adopted new §211.11(c) incorporates language from
13 repealed §211.4(d). Adopted new §211.11(d) incorporates language from repealed §211.4(c).

14 Adopted new §211.12 incorporates without change the language in repealed §211.5 that
15 addresses the procedure for a person to obtain a criminal history evaluation letter from the department.
16 This process allows a person to request an evaluation prior to applying for a license if the person so
17 desires.

18 Adopted new §211.13(a) incorporates the repealed language of §211.6(a) and clarifies that
19 fingerprint requirements apply to “an applicant for a new or renewal license” to improve readability
20 without changing meaning. Adopted §211.13(b) moves the introductory phrase “Unless previously
21 submitted for an active license issued by the department,” to adopted §211.13(c) to improve readability
22 and to allow the department to further clarify submission requirements in §211.13(c). Adopted new
23 §211.13(b)(1) incorporate the language of current §211.6(b)(1) and clarifies that an applicant includes an

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owner, member, partner, or trust beneficiary. This is a clarification rather than an extension of the existing requirements for the fingerprinting of applicants, because each of these categories has an ownership interest in the license. If the owner is a trust, the license is a trust asset, and each beneficiary is an equitable owner of the trust's assets. It is necessary for the department to fingerprint trust beneficiaries along with other owners because doing so will prevent a bad actor with a history of criminal offenses that directly relate to the duties and responsibilities of a license holder from obtaining a license from the department by using a trust to hide the bad actor's identity and then using that license to perpetrate, or benefit from, fraudulent and criminal actions, or otherwise take advantage of the position of trust created by the license. These adopted amendments are consistent with Government Code, §411.12511, as amended by SB 2587, 89th Regular Session (2025). Adopted new §211.13(b)(2) incorporates the language of current §211.6(b)(2) and clarifies that a person acting in a representative capacity includes an officer, director, manager, trustee, principal, manager of business affairs, or other employee whose act or omission in the course or scope of the representation would be cause for denying, revoking, or suspending a license. The adopted language recognizes that many license holders are small businesses that may employ only one or a few employees and may assign or delegate key management tasks such as administering the temporary tag or license plate system for the license holder, and that a principal may be a representative and not necessarily an owner of the applicant. These adopted amendments are consistent with Government Code, §411.12511, as amended by SB 2587, 89th Regular Session (2025). Adopted new §211.13(c) incorporates the current language of §211.6(c) and the introductory phrase from §211.6(b), and further clarifies that the department will not require a person to submit fingerprints if the person previously submitted a complete and acceptable set of fingerprints, and the person remains fully enrolled in the Texas Department of Public Safety's (DPS) criminal history clearinghouse and validly subscribed in the federal criminal history database maintained by the Federal Bureau of Investigation

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(FBI). This clarification is important as DPS or the FBI may change the enrollment or subscription status of a person previously fingerprinted if, for example, a court expunges a crime from a person's criminal history record. If DPS or the FBI change a person's enrollment or subscription status, the department must require the person to be fingerprinted again, or the department will not be able to access that person's criminal history records for use in evaluating the license application.

SUMMARY OF COMMENTS.

The department received no comments on the adopted amendments within the public comment period, which ended on August 25, 2025.

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SUBCHAPTER A. GENERAL PROVISIONS [~~CRIMINAL OFFENSE AND ACTION ON LICENSE~~]**43 TAC §211.1 AND §211.2**

STATUTORY AUTHORITY. The department adopts amendments to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board

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1 to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code,
2 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
3 the powers and the duties of the department.

4 **CROSS REFERENCE TO STATUTE.** Government Code, Chapter 411; Occupations Code, Chapters 53, 2301
5 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5;
6 and Code of Criminal Procedure, Article 42A and 62.

7
8 Text.

9 §211.1. Purpose and Definitions.

10 (a) The licenses issued by the department create positions of trust. License holder services
11 involve access to confidential information; conveyance, titling, and registration of private property;
12 possession of monies belonging to or owed to private individuals, creditors, and governmental entities;
13 and compliance with federal and state environmental and safety regulations. License holders are
14 provided with opportunities to engage in fraud, theft, money laundering, and related crimes, and to
15 endanger the public through violations of environmental and safety regulations. Many license holders
16 provide services directly to the public, so licensure provides persons predisposed to commit assaultive
17 or sexual crimes with greater opportunities to engage in such conduct. To protect the public from these
18 harms, the department shall review the criminal history of license applicants before issuing a new or
19 renewal license and may take action on a license holder who commits an offense during the license
20 period based on the guidelines in this chapter.

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

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1 (1) "Department" means the Texas Department of Motor Vehicles.

2 (2) "License" means any license [~~, registration, or authorization,~~] issued by the
3 department under:

4 (A) Transportation Code, Chapter 503;

5 (B) Occupations Code, Chapter 2301; or

6 (C) Occupations Code, Chapter 2302. [~~or~~]

7 [~~(D) any other license, registration, or authorization, that the department may~~
8 ~~deny or revoke because of a criminal offense of the applicant or license holder.~~]

9 (3) "Retail license types" means those license [~~holder~~] types which require holders to
10 [that] interact directly with the public, [~~including salvage dealers, converters, independent mobility~~
11 ~~motor vehicle dealers, lease facilitators, and general distinguishing number holders for the following~~
12 ~~vehicle categories: all terrain vehicle, light truck, motorcycle, motorhome, moped /motor scooter,~~
13 ~~medium duty truck, neighborhood vehicle, other, passenger auto, recreational off-highway vehicle, and~~
14 ~~towable recreational vehicle,~~] but does not include other license types that do not generally interact
15 directly with the public, including manufacturers, distributors, and general distinguishing number
16 holders for the following vehicle categories: ambulance, axle, bus, engine, fire truck/fire fighting vehicle,
17 heavy duty truck, transmission, wholesale motor vehicle dealer, and wholesale motor vehicle auction.

18

19 §211.2. Application of Chapter [~~Subchapter~~].

20 (a) This chapter applies to the following persons:

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(1) applicants and holders of any license; and

(2) persons who are acting at the time of application, or will later act, in a representative capacity for an applicant or holder of a license, including the applicant's or holder's officers, directors, members, managers, trustees, partners, principals, or managers of business affairs.

(b) In this chapter a "conviction" includes a deferred adjudication that is considered to be a conviction under Occupations Code, §53.021(d).

STATUTORY AUTHORITY. The department adopts repeals to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on

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1 probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material
2 misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor
3 vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a
4 motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to
5 administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board
6 to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code,
7 §1002.001, which authorizes the board to adopt or rules that are necessary and appropriate to implement
8 the powers and the duties of the department.

9 **CROSS REFERENCE TO STATUTE.** Government Code, Chapter 411; Occupations Code, Chapters 53, 2301
10 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5;
11 and Code of Criminal Procedure, Article 42A and 62.

12
13 Text.

14 [~~§211.3. Criminal Offense Guidelines.~~]

15 [~~(a) The licenses issued by the department create positions of trust. License holders provide~~
16 ~~services to members of the public. License holder services involve access to confidential information,~~
17 ~~conveyance, titling, and registration of private property, possession of monies belonging to or owed to~~
18 ~~private individuals, creditors, and governmental entities, and compliance with federal and state~~
19 ~~environmental and safety regulations. License holders are provided with opportunities to engage in~~
20 ~~fraud, theft, money laundering, and related crimes and to engage in environmental and safety violations~~
21 ~~that endanger the public. In addition, licensure provides persons predisposed to commit assaultive or~~
22 ~~sexual crimes with greater opportunities to engage in such conduct.~~]

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~~[(b) Under Occupations Code Chapter 53 the department may suspend or revoke an existing license or disqualify an applicant from receiving a license because of a person's conviction of a felony or misdemeanor if the crime directly relates to the duties and responsibilities of the licensed occupation. The department shall consider the factors listed in the Occupations Code §53.022 in determining whether a criminal conviction directly relates to the duties and responsibilities of a license holder.]~~

~~[(c) The department has determined under the factors listed in Occupations Code §53.022 that offenses detailed in subsection (d) of this section directly relate to the duties and responsibilities of license holders, either because the offense entails a violation of the public trust; issuance of a license would provide an opportunity to engage in further criminal activity of the same type; or the offense demonstrates the person's inability to act with honesty, trustworthiness, and integrity. Such offenses include crimes under the laws of another state, the United States, or a foreign jurisdiction, if the offense contains elements that are substantially similar to the elements of an offense under the laws of this state. The list of offenses in subsection (d) of this section is in addition to those that are independently disqualifying under Occupations Code §53.021, including:]~~

~~[(1) an offense listed in Article 42A.054, Code of Criminal Procedure; or]~~

~~[(2) a sexually violent offense, as defined by Article 62.001, Code of Criminal Procedure.]~~

~~[(d) The list of offenses in this subsection is intended to provide guidance only and is not exhaustive of the offenses that may relate to a particular regulated occupation. After due consideration of the circumstances of the criminal act and its relationship to the position of trust involved in the particular licensed occupation, the department may find that an offense not described below also renders a person unfit to hold a license based on the criteria listed in Occupations Code §53.022. Paragraphs (1) – (8) of this subsection apply to all license types. Paragraphs (9) – (15) of this subsection~~

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~~apply only to retail license types. Paragraph (16) of this subsection applies to offenses applicable to a license type.]~~

~~[(1) offenses involving fraud, theft, deceit, misrepresentation, or that otherwise reflect poorly on the person's honesty or trustworthiness, including an offense defined as moral turpitude;]~~

~~[(2) offenses involving forgery, falsification of records, or perjury;]~~

~~[(3) offenses involving the offering, paying, or taking of bribes, kickbacks, or other illegal compensation;]~~

~~[(4) felony offenses against public administration;]~~

~~[(5) felony offenses under a state or federal statute or regulation involving the manufacture, sale, finance, distribution, repair, salvage, or demolition, of motor vehicles;]~~

~~[(6) felony offenses under a state or federal statute or regulation related to emissions standards, waste disposal, water contamination, air pollution, or other environmental offenses;]~~

~~[(7) offenses committed while engaged in a licensed activity or on licensed premises;]~~

~~[(8) felony offenses involving the possession, manufacture, delivery, or intent to deliver controlled substances, simulated controlled substances, dangerous drugs, or engaging in an organized criminal activity;]~~

~~[(9) felony offenses against real or personal property belonging to another;]~~

~~[(10) offenses involving the sale or disposition of another person's real or personal property;]~~

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~~[(11) a reportable felony offense conviction under Chapter 62, Texas Code of Criminal Procedure for which the person must register as a sex offender;]~~

~~[(12) an offense against the family as described by Penal Code §§25.02, 25.07, 25.072, or 25.11;]~~

~~[(13) felony offenses against the person;]~~

~~[(14) a felony stalking offense as described by Penal Code §42.072;]~~

~~[(15) a felony offense against public order and decency as described by Penal Code §§43.24, 43.25, 43.251, 43.26, 43.261, or 43.262; and]~~

~~[(16) offenses of attempting or conspiring to commit any of the foregoing offenses applicable to the license type].~~

~~[(e) When determining a person's present fitness for a license, the department shall also consider the following evidence:]~~

~~[(1) the extent and nature of the person's past criminal activity;]~~

~~[(2) the age of the person when the crime was committed;]~~

~~[(3) the amount of time that has elapsed since the person's last criminal activity;]~~

~~[(4) the conduct and work activity of the person before and after the criminal activity;]~~

~~[(5) evidence of the person's rehabilitation or rehabilitative effort while incarcerated or after release;]~~

~~[(6) evidence of the person's compliance with any conditions of community supervision, parole, or mandatory supervision; and]~~

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1 ~~[(7) other evidence of the person's present fitness, including letters of~~
2 ~~recommendation.]~~

3 ~~[(f) It is the person's responsibility to obtain and provide to the licensing authority evidence~~
4 ~~regarding the factors listed in subsection (e) of this section.]~~

5
6 ~~[§211.4. Imprisonment.]~~

7 ~~[(a) Section 211.3 of this Chapter does not apply to persons who are imprisoned at the time the~~
8 ~~department considers the conviction.]~~

9 ~~[(b) The department shall revoke a license upon the imprisonment of a license holder following~~
10 ~~a felony conviction or revocation or felony community supervision, parole, or mandatory supervision.]~~

11 ~~[(c) The department may revoke a license upon the imprisonment for a felony conviction, felony~~
12 ~~community supervision revocation, revocation of parole, or revocation of mandatory supervision of a~~
13 ~~person described by §211.2(a)(2) of this chapter who remains employed with the license holder.]~~

14 ~~[(d) A person currently imprisoned because of a felony conviction may not obtain a license,~~
15 ~~renew a previously issued license, or act in a representative capacity for an application or license holder~~
16 ~~as described by §211.2(a)(2).]~~

17
18 ~~[§211.5. Criminal History Evaluation Letters.]~~

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1 ~~[(a) Pursuant to Texas Occupations Code, Chapter 53, Subchapter D, a person may request that~~
2 ~~the department evaluate the person's eligibility for a specific occupational license regulated by the~~
3 ~~department by:]~~

4 ~~[(1) submitting a request on a form approved by the department for that purpose; and]~~

5 ~~[(2) paying the required Criminal History Evaluation Letter fee of \$100.]~~

6 ~~[(b) The department shall respond to the request not later than the 90th day after the date the~~
7 ~~request is received.]~~

8
9 ~~[\$211.6. Fingerprint Requirements for Designated License Types.]~~

10 ~~[(a) The requirements of this section apply to applicants for and holders of license types~~
11 ~~designated in Chapter 215 or Chapter 221 of this title as requiring fingerprints for licensure.]~~

12 ~~[(b) Unless previously submitted for an active license issued by the department, the following~~
13 ~~persons may be required to submit a complete and acceptable set of fingerprints to the Texas~~
14 ~~Department of Public Safety and pay required fees for purposes of obtaining criminal history record~~
15 ~~information from the Texas Department of Public Safety and the Federal Bureau of Investigation:]~~

16 ~~[(1) a person applying for a new license, license amendment due to change in~~
17 ~~ownership, or license renewal; and]~~

18 ~~[(2) a person acting in a representative capacity for an applicant or license holder who is~~
19 ~~required to be listed on a licensing application, including an officer, director, member, manager, trustee,~~
20 ~~partner, principal, or manager of business affairs.]~~

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1 ~~[(c) After reviewing a licensure application and licensing records, the department will notify the~~
2 ~~applicant or license holder which persons in subsection (b) of this section are required to submit~~
3 ~~fingerprints to the Texas Department of Public Safety.]~~

5 **SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES**

6 **43 TAC §§211.10-211.13**

7 **STATUTORY AUTHORITY.** The department adopts new sections to Chapter 211 under Government Code,
8 §411.122(d), which authorizes department access to criminal history record information maintained by
9 DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record
10 information from DPS and the FBI for license applicants, license holders, and representatives whose act
11 or omission would be cause for denying, revoking, or suspending a general distinguishing number or
12 license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302;
13 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease
14 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that
15 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of
16 license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by
17 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses
18 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
19 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
20 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
21 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
22 the board authority to deny an application for a license, to revoke or suspend a license, to place on

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1 probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material
2 misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor
3 vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a
4 motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to
5 administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board
6 to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code,
7 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
8 the powers and the duties of the department.

9 **CROSS REFERENCE TO STATUTE.** Government Code, Chapter 411; Occupations Code, Chapters 53, 2301
10 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5;
11 and Code of Criminal Procedure, Article 42A and 62.

12
13 Text.

14 §211.10. Criminal Offense Guidelines.

15 (a) Under Occupations Code, Chapter 53, the department may suspend or revoke an existing
16 license or disqualify an applicant from receiving a license because of a person's conviction of a felony or
17 misdemeanor if the crime directly relates to the duties and responsibilities of the licensed occupation.

18 (b) The department has determined under the factors listed in Occupations Code, §53.022 that
19 offenses detailed in subsection (c) of this section directly relate to the duties and responsibilities of
20 license holders, either because the offense entails a violation of the public trust, issuance of a license
21 would provide an opportunity to engage in further criminal activity of the same type, or the offense
22 demonstrates the person's inability to act with honesty, trustworthiness, and integrity. Such offenses
23 include crimes under the laws of another state, the United States, or a foreign jurisdiction, if the offense

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1 contains elements that are substantially similar to the elements of an offense under the laws of this
2 state. The list of offenses in subsection (c) of this section is in addition to offenses that are
3 independently disqualifying under Occupations Code, §53.021.

4 (c) The list of offenses in this subsection is intended to provide guidance only and is not
5 exhaustive of the offenses that may relate to a particular regulated occupation. After due consideration
6 of the circumstances of the criminal act and its relationship to the position of trust involved in the
7 particular licensed occupation, the department may find that an offense not described below also
8 renders a person unfit to hold a license based on the criteria listed in Occupations Code, §53.022.

9 (1) the following offenses apply to all license types:

10 (A) offenses involving fraud, theft, deceit, misrepresentation, or that otherwise
11 reflect poorly on the person's honesty or trustworthiness, including an offense defined as moral
12 turpitude;

13 (B) offenses involving forgery, falsification of records, perjury, or the
14 unauthorized sale, manufacturing, alteration, issuance, or distribution of a license plate or temporary
15 tag;

16 (C) offenses involving the offering, paying, or taking of bribes, kickbacks, or
17 other illegal compensation;

18 (D) felony offenses against public administration;

19 (E) felony offenses under a state or federal statute or regulation involving the
20 manufacture, sale, finance, distribution, repair, salvage, possession, dismantling, or demolition, of motor
21 vehicles or motor vehicle parts;

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1 (F) felony offenses under a state or federal statute or regulation related to
2 emissions standards, waste disposal, water contamination, air pollution, or other environmental
3 offenses;

4 (G) offenses committed while engaged in a licensed activity or on licensed
5 premises, including the falsification of a motor vehicle inspection required by statute;

6 (H) felony offenses involving the possession, manufacture, delivery, or intent to
7 deliver controlled substances, simulated controlled substances, dangerous drugs, or engaging in an
8 organized criminal activity; and

9 (I) offenses of attempting or conspiring to commit any of the foregoing offenses.

10 (2) the following additional offenses apply to retail license types:

11 (A) felony offenses against real or personal property belonging to another;

12 (B) offenses involving the sale or disposition of another person's real or personal
13 property;

14 (C) a reportable felony offense conviction under Chapter 62, Texas Code of
15 Criminal Procedure for which the person must register as a sex offender;

16 (D) an offense against the family as described by Penal Code, §§25.02, 25.04,
17 25.07, 25.072, 25.08, or 25.11;

18 (E) felony offenses under Penal Code, §28.03 involving a motor vehicle that is
19 damaged, destroyed, or tampered with during the removal or attempted removal of a catalytic
20 converter;

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1 (F) offenses against the person under Penal Code, Title 5, including offenses in
2 which use of a firearm resulted in fear, intimidation, or harm of another person, and in Penal Code,
3 Chapter 49, a felony offense of driving while intoxicated that resulted in the harm of another person;

4 (G) a felony stalking offense as described by Penal Code, §42.072;

5 (H) a felony offense against public order and decency as described by Penal
6 Code §§43.24, 43.25, 43.251, 43.26, 43.261, or 43.262; and

7 (I) offenses of attempting or conspiring to commit any of the foregoing
8 offenses.

9 (d) When determining a person's present fitness for a license, the department shall also
10 consider the following evidence:

11 (1) the extent and nature of the person's past criminal activity;

12 (2) the age of the person when the crime was committed;

13 (3) the amount of time that has elapsed since the person's last criminal activity;

14 (4) the conduct and work activity of the person before and after the criminal activity;

15 (5) evidence of the person's rehabilitation or rehabilitative effort while incarcerated or
16 after release;

17 (6) evidence of the person's compliance with any conditions of community supervision,
18 parole, or mandatory supervision; and

19 (7) other evidence of the person's present fitness, including letters of recommendation.

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1 (e) It is the person's responsibility to obtain and provide to the licensing authority evidence
2 regarding the factors listed in subsection (d) of this section.

3
4 §211.11. Imprisonment.

5 (a) The department shall deny a license application if the applicant or a person described by
6 §211.2(a)(2) of this chapter (relating to Application of Chapter) is imprisoned while a new or renewal
7 license application is pending.

8 (b) The department shall revoke a license upon the imprisonment of a license holder following a:

9 (1) felony conviction for:

10 (A) an offense that directly relates to the duties and responsibilities of the
11 licensed occupation;

12 (B) an offense listed in Article 42A.054, Code of Criminal Procedure; or

13 (C) a sexually violent offense, as defined by Article 62.001, Code of Criminal
14 Procedure;

15 (2) felony community supervision revocation;

16 (3) revocation of parole; or

17 (4) revocation of mandatory supervision.

18 (c) A person currently imprisoned because of a felony conviction may not obtain a license,
19 renew a previously issued license, or act in a representative capacity for an application or license holder
20 as described by §211.2(a)(2).

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1 (d) The department may revoke a license upon the imprisonment for a felony conviction, felony
2 community supervision revocation, revocation of parole, or revocation of mandatory supervision of a
3 person described by §211.2(a)(2) of this chapter who remains employed with the license holder.

4
5 §211.12. Criminal History Evaluation Letters.

6 (a) Pursuant to Texas Occupations Code, Chapter 53, Subchapter D, a person may request that
7 the department evaluate the person's eligibility for a specific occupational license regulated by the
8 department by:

9 (1) submitting a request on a form approved by the department for that purpose; and

10 (2) paying the required Criminal History Evaluation Letter fee of \$100.

11 (b) The department shall respond to the request not later than the 90th day after the date the
12 request is received.

13
14 §211.13. Fingerprint Requirements for Designated License Types.

15 (a) The requirements of this section apply to an applicant for a new or renewal license for the
16 license types designated in Chapter 215 or Chapter 221 of this title as requiring fingerprints for
17 licensure.

18 (b) The following persons may be required to submit a complete and acceptable set of
19 fingerprints to the Texas Department of Public Safety and pay required fees for purposes of obtaining

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1 criminal history record information from the Texas Department of Public Safety and the Federal Bureau
2 of Investigation:

3 (1) a person, including an owner, member, partner, or trust beneficiary, applying for a
4 new license, license amendment due to change in ownership, or license renewal; and

5 (2) a person acting in a representative capacity for an applicant or license holder who is
6 designated as an authorized representative on a licensing application, including an officer,
7 director, manager, trustee, principal, manager of business affairs, or other employee whose act or
8 omission in the course or scope of the representation would be cause for denying, revoking, or
9 suspending a license.

10 (c) After reviewing a licensure application and licensing records, the department will notify the
11 applicant or license holder of which persons in subsection (b) of this section are required to submit
12 fingerprints to the Texas Department of Public Safety. The department will not require a person to
13 submit fingerprints if the person previously submitted a complete and acceptable set of fingerprints for
14 a currently active license issued by the department, and the person remains fully enrolled in the Texas
15 Department of Public Safety's criminal history clearinghouse and validly subscribed in the federal
16 criminal history database maintained by the Federal Bureau of Investigation.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025**ACTION ITEM**

To: Texas Department of Motor Vehicles Board

From: Annette Quintero, Vehicle Titles & Registration Division Director

Agenda Item: 9

Subject: Chapter 215, Motor Vehicle Distribution
Amendments: Subchapters B and D
New: §215.91 and §215.163
(Relating to Implementation of House Bill (HB) 718, 88th Legislative Session; SB 1902, SB 1818, and HB 5629, 89th Legislative Session; and Cleanup)

RECOMMENDATION

Action Item. Approval to adopt rule amendments and new sections in 43 Texas Administrative Code Chapter 215.

PURPOSE AND EXECUTIVE SUMMARY

These revisions implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), Senate Bill (SB) 1902, 89th Legislature (2025), and HB 5629, 89th Legislature (2025), and modify language to improve readability.

FINANCIAL IMPACT

No significant impact.

BACKGROUND AND DISCUSSION

HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaced these tags with categories of license plates on July 1, 2025. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and required the department to adopt related rules by December 1, 2024. The department did so by publishing proposed rules in the July 12, 2024, issue of the Texas Register, and publishing adopted rules in the November 8, 2024, issue of the Texas Register (49 TexReg 8953).

HB 718 required a Texas dealer to ensure that an assigned general issue license plate stayed with the vehicle if that vehicle is later sold to another Texas buyer. However, SB 1902, 89th Legislature (2025), changed that process to require a dealer to transfer a removed license plate to another vehicle of the same class within 10 days or dispose of the license plate according to department rules, and required the department to adopt rules implementing this change. The rule amendments necessary to implement this change are included in this rule adoption package.

Additionally, HB 5629 and SB 1818, 89th Legislature (2025) amended Occupations Code, Chapter 55, effective September 1, 2025, to change state agency licensing requirements for military service members, military veterans, and military spouses. Amendments to §215.83 and a new rule, §215.91, in Subchapter B, Licenses, Generally, implement these changes and apply to all licenses issued by the department under Occupations Code, Chapter 2301, and Transportation Code, Chapter 503.

In §215.151, amendments implement HB 718 to address circumstances in which a dealer could mail or deliver a license plate or set of license plates to a buyer or a converter for attachment to a vehicle. These amendments are necessary because in prior rule making the department did not address circumstances in which a person other than a dealer may affix a license plate to a lawfully sold vehicle.

New §215.163 implements both HB 718 and SB 1902 to address license plate disposition when a license holder offers a vehicle for sale at auction or on consignment. This new rule is necessary because the department did not adopt a rule to address disposition of license plates for these types of sales in prior rule making.

Nonsubstantive amendments in §215.133 and §215.144 modify language and improve readability by using consistent terminology.

The department received the attached written public comments during the comment period from three associations and one individual. These comments were considered in the preparation of the adoption package and resulted in recommended changes at adoption.

If the board adopts the revisions during its September 18, 2025, open meeting, staff anticipates:

- publication in the October 3, 2025, issue of the Texas Register; and
- an effective date of October 9, 2025.

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ADOPTION OF REVISIONS TO**SUBCHAPTER B. LICENSES, GENERALLY****43 TAC §215.83****AND NEW §215.91****SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES****43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, AND 215.158****AND NEW §215.163**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B. Licenses, Generally, §215.83 and adopts new §215.91; adopts amendments to Subchapter D, General Distinguishing Numbers and In-Transit Licenses, §§215.133, 215.140, 215.141, 215.144, 215.150 - 215.152, 215.155, and 215.158; and adopts new §215.163. These amendments and new sections are necessary to implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025), HB 5629, 89th Legislature, Regular Session (2025), and SB 1818, 89th Legislature, Regular Session (2025).

HB 5629 and SB 1818 amended Occupations Code, Chapter 55, effective September 1, 2025, to change state agency licensing requirements for military service members, military veterans, and military spouses. Because these requirements apply to all licenses issued by the department, a new rule setting out the licensure requirements and procedures for military service members, military veterans, and military spouses, §215.91 is adopted in Subchapter B, Licenses, Generally, which applies to all licenses issued by the department under Occupations Code, Chapter 2301, and Transportation Code, Chapter 503. Adopted amendments to §215.83 prevent any conflict or confusion with adopted new §215.91.

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1 HB 718 amended Transportation Code, Chapter 503, to end the use of temporary tags when
2 purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025.
3 HB 718 requires the department to determine new distribution methods, systems, and procedures, and
4 set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to
5 implement or administer these changes in law and required the department to adopt related rules by
6 December 1, 2024. The department did so by publishing proposed rules in the April 26, 2024, issue of the
7 *Texas Register* (49 TexReg 2717), and publishing adopted rules in the November 8, 2024, issue of the *Texas*
8 *Register* (49 TexReg 8953). HB 718 required a Texas dealer, beginning July 1, 2025, to ensure that an
9 assigned general issue license plate or set of license plates stayed with the vehicle if that vehicle is later
10 sold to another Texas buyer.

11 However, SB 1902 changed that process to require a dealer to transfer a removed license plate to
12 another vehicle of the same class within 10 days or dispose of the license plate according to department
13 rules. SB 1902, effective July 1, 2025, requires the department to adopt implementing rules by October 1,
14 2025. The department adopts amendments to §§215.140, 215.141, 215.150 - 215.152, 215.155, and
15 215.158 to implement SB 1902.

16 In §215.151, the department adopts amendments to implement HB 718 to address circumstances
17 in which the department will permit a dealer to mail or deliver a license plate or set of license plates to a
18 buyer or a converter for attachment to a vehicle. These amendments are necessary because in prior
19 rulemaking the department did not address circumstances in which a person other than a dealer should
20 be able to affix a license plate to a lawfully-sold vehicle when the vehicle is not at the dealer's location.

21 Adopted new §215.163, implements both HB 718 and SB 1902 to address license plate disposition
22 when a license holder offers a vehicle for sale at auction or on consignment. This new rule is necessary
23 because the department did not address disposition of license plates for these types of sales in prior

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1 rulemaking. During the rulemaking process, license holders raised questions about disposition of license
2 plates when motor vehicles are sold at auctions or on consignment based on concerns that the
3 department may require operational changes that would increase business costs. In November 2024, the
4 department provided an early draft of this adopted new rule to the Motor Vehicle Industry Regulation
5 Advisory Committee (MVIRAC). Committee members voted on formal motions and provided informal
6 comments. The department incorporated input from this committee as well as comments from license
7 holders that regularly hold or participate in motor vehicle auctions. In adopting this rule, the department
8 sought to minimize opportunities for license plate fraud related to auction and other consignment sales
9 and to eliminate any unnecessary operational or cost impacts to license holders.

10 In June 2025, the MVIRAC reviewed drafts of the proposed revisions to §§215.141, 215.150,
11 215.151, 215.152, 215.155, 215.158, and 215.163 and provided the department with comments on those
12 provisions. The department incorporated the feedback from the committee into these adopted rules.

13 The department adopts nonsubstantive amendments in §215.133 and §215.144 to improve
14 readability by using consistent terminology.

15 The following amended sections are adopted without changes to the proposed text as published
16 in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will not be republished: §§215.91,
17 215.133, 215.140, 215.144, and 215.150-152.

18 The following sections are adopted with changes at adoption to the proposed text as published in
19 the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will be republished: §§215.83, 215.141,
20 215.155, 215.158, and 215.163.

21 REASONED JUSTIFICATION.

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1 §215.83

2 Adopted amendments to §215.83 delete subsection (i) and amend subsection (h) to replace
3 specific requirements with a cross-reference to adopted new §215.91. These adopted amendments
4 ensure that the licensure requirements for military service members, military spouses and military
5 veterans are consolidated into adopted new §215.91 to avoid any confusion or conflict between §215.83
6 and adopted new §215.91. At adoption, a reference in §215.83(k) was corrected to refer to the adopted
7 relettered §215.83(j).

8 §215.91

9 Adopted new §215.91(a) implements Occupations Code, §55.002, which exempts an individual
10 that holds a license from incurring a penalty for failing to renew a license in a timely manner because the
11 individual was on active duty. Adopted new §215.91(b) implements Occupations Code, §55.0041(a) and
12 §55.0041(b), as amended by HB 5629, which require a state agency to issue a license to a military service
13 member or military spouse within ten days if the member or spouse holds a current license issued by
14 another state that is similar in the scope of practice to Texas requirements and is in good standing, or held
15 the same Texas license within the past five years, if a military service member or military spouse submits
16 an application and other required documents described in Occupations Code, §55.0041(b). Adopted new
17 §215.91(b)(1) describes the application and the documents the military service member or military spouse
18 must submit to the department. Adopted new §215.91(b)(2) describes the department's review process
19 after receiving an application and related documents, including confirming licensure and good standing in
20 the other state and comparing licensing requirements to determine if the other state's requirements are
21 similar in scope of practice. Adopted new §215.91(b)(2)(C) states that the department will issue a
22 provisional license upon receipt of a license application from a military service member, military veteran,
23 or military spouse. This new provision implements Occupations Code, §55.0041, as amended by SB 1818.

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1 Adopted new §215.91(b)(3) informs an applicant that within 10 days the department will either issue a
2 license if the applicant meets the requirements in Occupations Code, §55.0041 or notify the applicant why
3 the department is unable to issue a license. Adopted new §215.91(b)(3) also informs an applicant that the
4 license is subject to the requirements of this chapter and Occupations Code, Chapter 2301, and
5 Transportation Code, Chapter 503, unless exempted or modified under Occupations Code, Chapter 55,
6 consistent with Occupations Code, §55.0041(c). Adopted new §215.91(b) implements Occupations Code,
7 §55.0041 as amended by HB 5629. Adopted new §215.91(c) informs a military service member, military
8 veteran, or military spouse that this rule establishes requirements and procedures authorized or required
9 by Texas law and does not affect any rights under federal law. Adopted new §215.91 implements
10 Occupations Code, Chapter 55, as amended by HB 5629, and informs military service members, veterans,
11 and military spouses about their eligibility for special licensing consideration.

§215.133

13 Adopted amendments to §215.133(i), (j), and (k) add “dealer” to describe the type of independent
14 motor vehicle general distinguishing number (GDN) referenced in these subsections for consistency with
15 phrasing in other rule subsections and to improve readability without changing meaning.

§215.140

17 An adopted amendment to §215.140(a)(6)(E) deletes a reference to dealer license plate storage
18 requirements for assigned license plates for vehicles in inventory and adds a reference to unassigned
19 license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license
20 plates. Instead, SB 1902 requires a dealer to keep a license plate removed from a sold vehicle and reassign
21 that license plate to a sold vehicle of the same class within 10 days or dispose of the license plate according
22 to department rules.

§215.141

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1 An adopted amendment to §215.141(b)(26) expands the sanction for failure to securely store a
2 license plate after July 1, 2025, to include failure to destroy a previously issued but not currently assigned
3 license plate within the time prescribed by statute. This adopted amendment implements SB 1902, which
4 amended Transportation Code, §504.901 to require a dealer to either transfer a license plate removed
5 from a vehicle to the same class of vehicle within 10 days or dispose of the license plate no later than the
6 tenth day after the license plate was removed from the vehicle.

7 An adopted amendment to §215.141(b)(34) deletes a sanction for failure to remove a license
8 plate from a vehicle sold to an out-of-state buyer or from a vehicle sold for export and substitutes a
9 sanction for failure to remove a license plate from a vehicle as required by statute or rule. This adopted
10 amendment is necessary to conform the language to the requirements of SB 1902, which requires dealers
11 to remove a license plate from a vehicle that is transferred to or purchased by the dealer, and is necessary
12 to conform with adopted new §215.163 which requires a dealer to remove a license plate from a vehicle
13 in certain other circumstances such as before a vehicle is offered for sale at auction or on consignment.

14 At adoption, an unnecessary connector was deleted from §215.141(a)(6) and §215.141(b)(32).

15 §215.144

16 Adopted amendments to §215.144(i)(2) add the phrase “GDN holder that acts as a...” to clarify
17 the type of motor vehicle auction referenced in subsection (i). Adopted amendments to §215.144(i)(2)(A)
18 substitute the phrase “before offering a vehicle for sale at auction” for “it offers for sale.” These adopted
19 amendments improve readability by using consistent terminology without changing meaning.

20 §215.150

21 Adopted amendments to §215.150(a) and §215.150(e) add a reference to a general issue license
22 plate as a type of license plate that a buyer can transfer to a newly purchased vehicle to implement the
23 option in SB 1902 that allows a dealer to transfer an existing buyer’s general issue license plate to a

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1 purchased vehicle of the same class within 10 days. An adopted amendment to §215.150(a)(2) deletes a
2 reference to issuing a license plate if the vehicle did not come with a buyer's license plate because SB
3 1902 eliminated the requirement for a license plate to remain with a vehicle upon subsequent retail sale.
4 An adopted amendment to §215.150(d)(3) adds a closed GDN to the list of circumstances in which a GDN
5 dealer could no longer issue a buyer's license plate. The amendment recognizes that a dealer may choose
6 to close a GDN issued by the department at any time, and after closure the person would not be a licensed
7 GDN dealer under Transportation Code, Chapter 503, and therefore not authorized to issue a buyer's
8 license plate or a buyer's temporary license plate. Adopted amendments to §215.150(f)(4) delete a
9 reference to license plates assigned to vehicles in inventory, delete unnecessary punctuation, and add a
10 reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an
11 inventory of assigned license plates. Instead, SB 1902 requires a dealer to reassign a removed license plate
12 within a 10-day window before disposing of the license plate.

§215.151

14 Adopted amendments throughout §215.151(a) and in §215.151(c) add a reference to a general
15 issue license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle. These
16 amendments implement SB 1902's requirement that a dealer transfer an existing buyer's general issue
17 license plate to a purchased vehicle of the same class within 10 days or destroy the license plate. Adopted
18 amendments to §215.151(a)(3) delete a reference to when a dealer must, or a governmental agency may,
19 issue a buyer's license plate to the buyer of a used vehicle, and replace that language with issuing a buyer's
20 license plate when the buyer does not have a general issue, specialty, personalized or other qualifying
21 license plate to transfer to the vehicle. These adopted amendments implement SB 1902, which no longer
22 requires a license plate to remain with a vehicle to which the license plate was first assigned.

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1 An adopted amendment to §215.151(c) deletes a reference to a vehicle that has an assigned
2 license plate because SB 1902 eliminated the requirement for a license plate to remain assigned to a
3 vehicle upon subsequent retail sale. Adopted amendments to §215.151(c) add language to require the
4 removal of any previously assigned license plate and require the dealer to reassign that license plate to a
5 vehicle of the same class within 10 days before disposing of that license plate when a buyer provides a
6 different qualifying license plate to be assigned to a purchased vehicle. This adopted amendment
7 implements the requirements for plate transfer or disposal by a dealer in Transportation Code, §504.901,
8 as amended by SB 1902. Adopted amendments to §215.151(d) implement the requirements of SB 1902
9 by adding language that allows a dealer to reassign a license plate to a vehicle of the same class within 10
10 days, and deleting references to providing an assigned license plate to a Texas retail buyer or Texas dealer
11 and voiding plates for vehicles sold to out-of-state or exporting buyers. These adopted amendments
12 implement SB 1902, which eliminated the requirement for a license plate to remain assigned to a vehicle
13 upon subsequent retail sale and instead requires a dealer to dispose of any license plate that is not
14 reassigned after 10 days according to department rules.

15 Adopted amendments add new §215.151(e) to describe circumstances in which a dealer is not
16 required to secure or affix an assigned license plate to a vehicle after a lawful sale. Adopted new
17 §215.151(e)(1) allows a retail buyer who purchases a vehicle for direct delivery to the buyer to authorize
18 the dealer in writing to mail or securely deliver the dealer-assigned buyer's license plate to the buyer.
19 Adopted new §215.151(e)(1) is necessary to accommodate lawful sales in which vehicles are shipped
20 directly to a retail buyer, which is common in multi-vehicle or fleet purchases. Adopted new
21 §215.151(e)(2) allows a retail buyer to authorize a dealer in writing to mail or securely deliver a license
22 plate or set of license plates to a licensed converter who could then affix the assigned buyer's license plate
23 to the vehicle once the vehicle is complete prior to delivery to the customer, or allow the converter to

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1 provide the license plate to the customer at vehicle delivery. Adopted new §215.151(e)(1) and new
2 §215.151(e)(2) facilitate delivery of a dealer-assigned buyer's license plate when a vehicle is sold in a
3 lawful retail transaction, but the purchased vehicle is not located at the dealer's licensed location.

4 §215.152

5 Adopted amendments to §215.152(c) and §215.152(d) add "new" to describe the type of buyer's
6 license plates that the department will be allocating to each dealer and delete the term unassigned. These
7 amendments implement SB 1902, which amended Transportation Code, §504.901 to require a dealer to
8 transfer an unassigned license plate to a purchased vehicle of the same class within 10 days or destroy
9 the license plate.

10 An adopted amendment to §215.152(d)(4) adds "or decrease" to allow the department to
11 decrease the annual allotment of license plates for dealers based on changes in the market, temporary
12 conditions, or other relevant factors in the state, county, or other geographical or population area. For
13 example, sales may decline during an economic recession, resulting in dealers needing fewer plates to
14 assign to new cars. When this happens, the state should not incur the expense to manufacture or
15 distribute license plates that will not be used, and a dealer should not be required to undergo the expense
16 or effort to store and track a larger number of license plates than what the dealer will likely use. To address
17 this, an adopted amendment to §215.152(g) allows a new dealer to request fewer buyer's license plates
18 or buyer's temporary license plates than what is allocated under §215.152(e).

19 Adopted new §215.152(i) describes the circumstances in which a dealer is not eligible to receive
20 a quarterly allocation of buyer's license plates delivered to the dealer's licensed physical location. These
21 circumstances are: if the dealer's license has been closed, canceled, or revoked in a final order; if the
22 department has issued a notice of department decision for a violation of premises requirements because
23 the dealer appears to have abandoned the licensed location; if the dealer has been denied access to the

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temporary tag system or the license plate system; if a dealer fails a compliance review performed by the department under Transportation Code, §503.063(d); if the dealer's license expires during that quarter and a renewal application has not been submitted to the department; if a dealer does not have an owner or bona fide employee at the licensed location during posted business hours to accept a license plate delivery; or if a dealer fails to keep license plates or the license plate system secure. In accordance with Occupations Code, §2301.152, the department is responsible for reducing the opportunities for license plate fraud or misuse. This adopted new subsection enables the department to fulfill that obligation.

Adopted new §215.152(j) allows a dealer who has an active license and access to the license plate database, but is ineligible to receive a quarterly license plate allocation under subsection (i), to request that the department conduct a compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to receive a future allocation. A dealer may request a compliance review by submitting an email request to DealerCompliance@txdmv.gov, and the department will perform the requested compliance review within 14 days. This new adopted subsection allows a dealer to become eligible for a future license plate allocation once the dealer passes a compliance review performed by the department, consistent with Transportation Code, §503.063(d).

Adopted new §215.152(k) allows the department to require a dealer with an active license to obtain buyer's license plates from a county tax assessor-collector or department regional service center if the dealer is not eligible to receive license plates under §215.152(i). This adopted new subsection allows a licensed dealer to continue to operate while the dealer addresses a security or other operational issue that prevents the department from securely delivering license plates to the licensed location. An adopted amendment reletters §215.152(i) to (l) to accommodate the three new adopted subsections described above.

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1 An adopted amendment adds new §215.152(m), which describes when a dealer may request
2 fewer buyer's license plates or buyer's temporary license plates. A dealer may request fewer license plates
3 after using less than 50 percent of the quarterly allocation of general issue license plates or buyer
4 temporary license plates in a quarter, or after using less than 50 percent of the allotted annual maximum
5 number of general issue license plates or buyer temporary license plates in a year. A dealer should not be
6 required to undergo the expense or effort to store and track a significantly larger number of license plates
7 than what the dealer will use. Adopted amendments reletter §215.152(j) to (n) and reletter the
8 subsequent subsections accordingly to accommodate the new adopted subsections described above.

9 Adopted amendments to relettered §215.152(n) add a reference to a dealer being able to request
10 a decrease in a quarterly or annual allocation by submitting a request in the department's designated
11 license plate system, and delete a reference to subsection (i). These amendments inform a dealer how to
12 request a decrease in a quarterly or annual buyer's license plate or buyer's temporary license plate
13 allocation.

14 An adopted amendment to relettered §215.152(o) adds "or decrease" in recognition that a dealer
15 may request a decrease in a maximum annual allotment. Adopted amendments throughout relettered
16 §215.152(o) delete "additional" to describe license plates because amendments to this rule are adopted
17 to allow a dealer to request fewer license plates. An adopted amendment to relettered §215.152(o)(2)
18 deletes the phrase "for more license plates" to describe the type of additional requests a dealer may
19 submit because a dealer may submit additional requests for fewer license plates. An adopted amendment
20 to relettered §215.152(o)(3)(D) deletes a reference to issuing no additional license plates because a dealer
21 may request to reduce the number of license plates, and the department may deny that request. Adopted
22 amendments to relettered §215.152(o)(3)(E)(ii) delete a reference to additional license plates being
23 added to the dealer's allocation and substitute text to state that the dealer's allocation will be adjusted.

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1 These adopted amendments recognize that a dealer's request for fewer license plates may be adjusted
2 by the designated director in the department's Vehicle Titles and Registration Division. An adopted
3 amendment to relettered §215.152(o)(3)(E)(ii) adds "informed about" to improve readability without
4 changing meaning. An adopted amendment to relettered §215.152(o)(5) deletes a reference to additional
5 license plates because the adopted amendment allows a dealer to submit a subsequent request for fewer
6 license plates during a calendar year.

7 §215.155

8 Adopted amendments to §215.155(c) delete §215.155(c)(2), which requires a selling dealer to
9 provide a license plate to a purchasing dealer for placement on the vehicle at time of retail sale and
10 modifies related punctuation and numbering. These adopted amendments implement SB 1902, which
11 eliminated the requirement for an assigned license plate to stay with a vehicle upon a subsequent retail
12 sale of the vehicle. At adoption, the department removed unnecessary conjunctions from §215.155(a) in
13 response to public comment.

14 §215.158

15 In §215.158(a) the phrase "of this title" was added for consistency at adoption. Adopted
16 amendments to §215.158(b) delete a reference to removing a previously assigned buyer's license plate
17 or other type of license plate for a vehicle sold to an out-of-state buyer or for another reason allowed by
18 rule and simplify the subsection to apply only when a dealer is required to void a previously assigned
19 buyer's license plate from a vehicle. These adopted amendments align the rule text with Transportation
20 Code, §504.901, as amended by SB 1902, which requires a dealer to void a previously assigned buyer's
21 license plate within 10 days unless the dealer has reassigned that license plate to another vehicle of the
22 same class. At adoption, the department removed an unnecessary "or" conjunction between
23 §215.158(b)(1) and (2) in response to public comment.

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1 §215.163

2 Adopted new §215.163 addresses how a license holder must manage a license plate or set of
3 license plates for a motor vehicle sold at auction or on consignment. Adopted new §215.163 clarifies
4 license plate disposition and the reporting responsibilities of a dealer and a wholesale motor vehicle
5 auction GDN holder when offering a motor vehicle for sale at a wholesale auction, and clarifies a dealer's
6 responsibilities when offering a motor vehicle for sale at auction or on consignment at the dealer's
7 licensed location consistent with the requirements of Transportation Code, §§503.063, 503.0633, and
8 504.901 as amended by HB 718 and SB 1902, effective July 1, 2025.

9 Adopted new §215.163(a) addresses license plate disposition requirements for motor vehicles
10 offered for sale at a wholesale motor vehicle auction, in which only dealers are allowed to purchase a
11 motor vehicle under Transportation Code, §503.037. Adopted new §215.163(a) requires a wholesale
12 motor vehicle auction GDN holder who receives a motor vehicle on consignment from a person who is
13 not a GDN holder to remove and mark any license plate with the vehicle as void; and destroy, recycle, or
14 return any license plate in keeping with the requirements of §215.158 (relating to General Requirements
15 for Buyer's License Plates). Adopted new §215.163(a) prevents Texas license plates from being distributed
16 out-of-state or exported and used fraudulently. These adopted amendments are also consistent with
17 Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, which authorizes
18 dealers to issue a buyer's license plate and access the license plate system but does not authorize motor
19 vehicle auction license holders to do so.

20 Adopted new §215.163(b) describes a dealer's license plate disposition responsibilities if a motor
21 vehicle with a license plate is sold at a public auction, at which members of the public can bid on and
22 purchase a motor vehicle. Adopted new §215.163(b) requires a dealer who is authorized to sell a
23 consigned vehicle to return an assigned license plate to the vehicle's owner in keeping with Transportation

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Code §504.901(b), or destroy, recycle, or return the license plate in accordance with §215.158 (relating to General Requirements for Buyer's License Plates). The option for a dealer to destroy an assigned license plate is necessary because in some circumstances a dealer may be unable to return an assigned plate to the vehicle's owner. For example, a dealer could not do so if the vehicle's owner has died or the vehicle's owner relocated without a forwarding address. If a dealer offers a motor vehicle from the dealer's inventory for sale at a public auction, the dealer is required to remove and securely store the license plate before offering the vehicle for sale at a public auction as required in adopted 43 TAC §215.150(f) (relating to Dealer Authorization to Issue License Plates) and must reassign the license plate within 10 days to a vehicle of the same class or destroy the license plate. If the purchaser is a Texas retail buyer, the dealer must issue a buyer's license plate to the purchaser and update the license plate database unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, consistent with adopted amendments to 43 TAC §215.151 (relating to License Plate General Use Requirements). If the purchaser at the public auction is a dealer, export buyer, or out-of-state buyer, the selling dealer must not issue a buyer's license plate. Additionally, if the purchaser at an auction is an out-of-state buyer, the dealer may only issue a buyer's temporary license plate if the buyer requires this license plate to transport the vehicle to another state in accordance with Transportation Code, §503.063, as amended by HB 718, and with 43 TAC §215.150(c) (relating to Dealer Authorization to Issue License Plates). Adopted new §215.163(b) clarifies license plate disposition for different types of sales that can occur at a public auction and minimizes potential fraud or misuse of license plates that may occur, consistent with the requirements of Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, and the adopted amendments to 43 TAC §§215.150, 215.151, and 215.158.

Adopted new §215.163(c) implements dealer requirements for other types of consignment sales which occur at a dealer's licensed location and not at auction. Adopted new §215.163(c) addresses license

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1 plate disposition for other types of consignment sales to minimize potential fraud or misuse of license
2 plates, consistent with the requirements of Transportation Code, §503.063 and §504.901, as amended by
3 HB 718 and SB 1902, and the requirements of the department's adopted rules implementing HB 718.
4 Adopted new §215.163(c)(1) requires a dealer to remove and return any license plate to the vehicle's
5 owner. Adopted new §215.163(c)(1) further clarifies that a dealer may use its dealer's temporary license
6 plate to demonstrate the consigned vehicle to a potential purchaser, in accordance with 43 TAC §215.138
7 (relating to Use of Dealer's License Plates).

8 Adopted new §215.163(c)(2) aligns the requirements for dealer consignment sales with the
9 general license plate disposition requirements in the department's rules implementing HB 718, adopted
10 effective July 1, 2025. Adopted new §215.163(c)(2) requires a dealer, upon the sale of a consigned motor
11 vehicle, to assign a license plate to a Texas retail buyer that purchases the vehicle unless the buyer has a
12 general issue, specialty, personalized, or other qualifying license plate to transfer, and to update the
13 license plate database, consistent with 43 TAC §215.151 (relating to License Plate General Use
14 Requirements). If the vehicle is sold to an out-of-state buyer, for export, or to a Texas dealer, a dealer may
15 not issue a buyer's license plate and may only issue a buyer's temporary license plate if the out-of-state
16 purchaser requires a temporary license plate to transport the vehicle to another state for titling and
17 registration in that jurisdiction. At adoption, a capitalization error in §215.163(c)(2)(B) was corrected.

18 Adopted new §215.163(c)(3) clarifies license plate disposition requirements for independent
19 motor vehicle dealers whose business includes the sale of salvage vehicles or total loss vehicles as defined
20 by the applicable insurance contract, and who may receive consignments from non-GDN holders such as
21 insurance or finance companies. In these situations, an independent motor vehicle dealer must remove
22 and destroy, recycle, or return the license plate as required in §215.158 (relating to General Requirements
23 for Buyer's License Plates). Under Occupations Code, §2302.009, an independent motor vehicle dealer

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that acts as a salvage vehicle dealer or displays a motor vehicle as an agent of an insurance company must comply with Occupations Code, Chapter 2302, including the requirement to immediately remove any unexpired license plate. Requiring an independent motor vehicle dealer to either transfer or void, destroy, recycle, or return the license plate as required in §215.158 (relating to General Requirements for Buyer's License Plates) reduces the risk of fraud or misuse of the plates, since salvage or total loss vehicles may not be driven on Texas roads. Adopted new §215.163(c) minimizes potential fraud or misuse of these license plates and is consistent with the requirements of Occupations Code, Chapter 2302, and Transportation Code, §503.063 and §504.901, as amended by HB 708 and SB 1902.

SUMMARY OF COMMENTS.

The department received four written comments on the proposal from one individual, the National Auto Auction Association (NAAA), the Texas Automobile Dealers Association (TADA), and the Texas Independent Automobile Dealers Association (TIADA).

Comment: An individual commenter requests the department return to using temporary tags and use watermarked paper to address security concerns.

Response: The department disagrees. Paper tags are easier for bad actors to counterfeit than license plates. Transportation Code, §503.063 requires dealers to issue buyer's license plates on or after July 1, 2025.

Comment: NAAA thanks the department for collaborating on rule language in §215.163 regarding auction and consignment sales.

Response: The department agrees and appreciates the continued collaboration provided by NAAA and its members in developing the rule proposal.

Comment: TIADA requests the department correct a reference in §215.183(k).

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Response: The department agrees, assuming the intended reference is to §215.83(k) because §215.183(k) is outside the scope of this rulemaking. The department corrected that reference at adoption.

Comment: TIADA requests the department to delete all references to temporary tags and July 1, 2025, in §215.133 and throughout the rules.

Response: The department disagrees. The department continues to process applications filed prior to July 1, 2025, and enforce violations of the law that occurred before July 1, 2025, so references to both temporary tags and license plate requirements are necessary at this time.

Comment: TIADA and TADA request that rules regarding certificates of occupancy be amended in §215.133 and §215.140 to limit applicability to instances when a dealership is new, recently relocated, or when a building permit is necessary for a dealership remodel. TADA also requests that in §215.141 be similarly limited to sanctions for premises violations related to certificates of occupancy.

Response: The department disagrees. Changes regarding certificates of occupancy are beyond the scope of this rule package. Additionally, current practices regarding certificates of occupancy are already consistent with or less onerous than what these commenters suggest.

Comment: TADA requests that rule language regarding required dealership signage in §215.140 and sanctions in §215.141 be amended to acknowledge that a manufacturer may control the timing of signage removal and delivery, and to clarify that license processing should not be delayed or a dealership sanctioned in these circumstances.

Response: The department disagrees that a rule change in §215.140 or §215.141 is required. Existing language in §215.140 allows a dealer to use temporary signage while waiting for the permanent sign to be installed. The department's enforcement team investigates and considers all relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

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1 **Comment:** TIADA requests the department delete unnecessary “or” connectors in §215.141 and
2 §215.158(b).

3 **Response:** The department agrees and deleted the unnecessary connectors in §§215.141(a)(6),
4 215.141(b)(32), and §215.158(b) at adoption.

5 **Comment:** TIADA requests that the department address vehicle transfer notices in rule as dealers are
6 often expected to submit a notice prior to receiving the title from a wholesale auction.

7 **Response:** The department disagrees. These changes are not within the scope of this rule package. The
8 department will consider the suggestion for future rulemaking.

9 **Comment:** TIADA requests the department delete unnecessary conjunctions between §§215.144(f)(3)(A)
10 and (B).

11 **Response:** The department disagrees. The “or” conjunction between §§215.144(f)(3)(A) and (B) is
12 necessary to emphasize that a dealer who sells a vehicle through a dealer-financed transaction has a
13 different title and registration deadline. The conjunction signals a reader to continue to §215.144(f)(3)(B)
14 to discover if that different title and registration deadline applies.

15 **Comment:** TIADA requests the department delete unnecessary “and” conjunctions in §215.155(a).

16 **Response:** The department agrees and removed the unnecessary conjunctions at adoption.

17 **Comment:** TADA requests a rule amendment in §215.150 and §215.151 to allow a dealer’s purchase of a
18 temporary registration license plate for a buyer’s vehicle to be considered as compliant with all license
19 plate issuance rules.

20 **Response:** The department disagrees. The purchase of a temporary registration license provides
21 temporary authorization only. A dealer must also issue a buyer’s license plate or temporary out-of-state
22 license plate, as applicable, to be compliant with Transportation Code, §503.063 and department rules.

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Comment: TIADA requests a rule amendment in §215.150 to replace the word “must” with “may” to allow the department to allow dealers discretion to issue plates when system failures, department restrictions, or other unforeseen circumstances prevent issuance of a license plate.

Response: The department disagrees. Transportation Code, §503.063 states that a dealer “shall” issue a buyer’s license plate unless an exception in §503.063 applies. Additionally, the department’s enforcement team investigates and considers relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

Comment: TADA requests a rule amendment in §215.151(e)(1) to allow a Texas franchised dealer to complete the delivery, titling, registering, and remitting of motor vehicle sales tax for a vehicle drop-shipped by an out-of-state licensed franchised dealer to the Texas dealer for preparation and delivery to a Texas buyer or lessee.

Response: The department disagrees. This change is outside the scope of this rule package. The department will consider the suggestion for future rulemaking, consistent with the department’s statutory authority.

Comment: TADA requests a rule amendment in §215.151(e) to clarify that a delivery method fulfills the requirement that a dealer “securely deliver” a license plate if the method is dependable and recognized, unless the TxDMV determines that additional conditions are necessary.

Response: The department disagrees that it is necessary to further define or limit license plate delivery methods. The department’s enforcement team will investigate and consider all relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

Comment: TADA requests a rule amendment in §215.151(e) to state that any electronic communication between a buyer and a dealer may serve as an authorization to mail or deliver an assigned license plate.

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1 **Response:** The department disagrees. The purpose for requiring a buyer's written authorization is to
2 document the buyer's authorization in a way that can be authenticated and kept or stored in the dealer's
3 vehicle sales records. Not all forms of electronic communication can be kept or stored electronically or
4 are able to be authenticated such as an unrecorded telephone call.

5 **Comment:** TIADA requests a rule amendment in §215.151 to establish a minimum allocation of five for all
6 "tag types" to ensure dealer access.

7 **Response:** The department disagrees. In the license plate system, a dealer may order the specific types of
8 license plates necessary for the dealer's business, including provisional license plates that a dealer may
9 use when the applicable license plate is not in the dealer's inventory. Automatically allocating five of every
10 type of license plate to every dealer would require the department to incur the expense to deliver license
11 plates that are not necessary and require dealers to secure and store license plates that the dealer may
12 never use.

13 **Comment:** TADA requests a rule amendment in §215.152(i) that prior to a determination that a dealer is
14 not eligible to receive a quarterly allocation of plates, that the department make reasonable efforts to
15 verify the accuracy of the facts or circumstances the department alleges meet the requirements for denial
16 of plates under §215.152(i).

17 **Response:** The department disagrees. Enforcement of this rule will be based on the department's review
18 of licensing status and enforcement case data. Under existing licensing and enforcement rules, a dealer
19 will have direct knowledge or notice from the department of the relevant facts or circumstances before
20 the department denies the dealer a plate allocation under §215.152(i).

21 **Comment:** TADA requests a rule amendment in §215.152 to allow a dealer who sells vehicles to a fleet
22 buyer to contact the department regarding the sale so that license plates can be delivered near the same
23 time as the delivery of the vehicles.

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1 **Response:** The department disagrees. Contacting the department is unnecessary. A dealer may order
2 license plates in the license plate system based on the anticipated fleet delivery date and the shipping
3 time required for the license plates.

4 **Comment:** TADA requests an amendment in §215.152 to allow a new dealership during the licensing
5 process to request a specific number of license plates for the first quarter by providing information to
6 substantiate that request, such as a manufacturer's sales estimate for that location.

7 **Response:** The department disagrees. A new dealer may already provide information to support a request
8 for additional license plates under existing §215.152(g).

9 **Comment:** TADA requests a rule amendment in §215.152 to allow a selling franchised dealer to transfer
10 the existing license plate inventory to the buying franchised dealer at closing, so the buying dealer has a
11 beginning inventory of license plates to use.

12 **Response:** The department disagrees. This change is outside the scope of this rule package. However,
13 department agrees that the ability to transfer license plates when a dealer sells a location is helpful. The
14 department will develop and test an administrative process to transfer license plate inventory and will
15 propose rules in a future rule package.

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SUBCHAPTER B. LICENSES, GENERALLY**43 TAC §215.83 AND §215.91**

STATUTORY AUTHORITY. The department adopts amendments and a new section to Chapter 215, Subchapter B, under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, as amended by Senate Bill 2587, 89th Legislature, Regular Session (2025), which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as amended by House Bill 5629, 89th Legislature,

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1 Regular Session, which requires the department to adopt rules for the issuance of a license to military
2 service members, military veterans, or military spouses that allow licensure if the applicant holds a current
3 license issued by another state that is similar in scope of practice to the license in Texas and is in good
4 standing with that state's licensing authority, or has held a license in Texas within the preceding five years;
5 Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer
6 Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt
7 rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which
8 authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.0296, which
9 requires the board to adopt a rule requiring that an applicant for an original or renewal general
10 distinguishing number who proposes to be an independent motor vehicle dealer complete web-based
11 education and training developed or approved by the department; Transportation Code, §503.033, which
12 authorizes the board to adopt rules prescribing the form of the notice of a surety bond and the procedure
13 by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires
14 the board to adopt rules regulating the issuance of dealer's license plates; Transportation Code,
15 §§503.0626, 503.0631, and 503.0632, which require the board to adopt rules necessary to implement and
16 manage the department's temporary tag databases; and Transportation Code, §1002.001, which
17 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
18 duties of the department, as well as the statutes referenced throughout this preamble.

19 The department also adopts amendments and a new rule under the authority of Transportation
20 Code, §501.0041 and §502.0021; and Government Code, §§2001.004, and 2001.039, and 2001.054, in
21 addition to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041
22 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation
23 Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter

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

CROSS REFERENCE TO STATUTE. These adopted revisions implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503, and 1002.

Text.

§215.83. License Applications, Amendments, or Renewals

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

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

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

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

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

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1 (b) An authorized representative of the applicant or license holder who files an application with
2 the department on behalf of an applicant or license holder may be required to provide written proof of
3 authority to act on behalf of the applicant or license holder.

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

7 (d) Prior to the expiration of a license, a license holder or authorized representative must
8 electronically file with the department a sufficient license renewal application. Failure to receive notice
9 of license expiration from the department does not relieve the license holder from the responsibility to
10 timely file a sufficient license renewal application. A license renewal application is timely filed if the
11 department receives a sufficient license renewal application on or before the date the license expires.

12 (e) An application for a new license, license amendment, or license renewal filed with the
13 department must be sufficient. An application is sufficient if the application:

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

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

16 (f) If an applicant, license holder, or authorized representative does not provide the
17 information or documentation required by the department, the department will issue a written notice of
18 deficiency. The information or documentation requested in the written notice of deficiency must be
19 received by the department within 20 calendar days of the date of the notice of deficiency, unless the
20 department issues a written extension of time. If an applicant, license holder, or authorized representative
21 fails to respond or fully comply with all deficiencies listed in the written notice of deficiency within the
22 time prescribed by this subsection, the application will be deemed withdrawn and will be administratively
23 closed.

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

(h) The department will process an application for a new license, license amendment, or license renewal filed by a military service member, military spouse, or military veteran in accordance with Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military Service Members, Spouses, and Veterans). ~~[A license holder who fails to timely file a sufficient application for a license renewal because that license holder was on active duty is exempt from any increased fee or penalty imposed by the department for failing to renew the license in a timely manner.]~~

~~[(i) A military service member or military spouse may engage in a business or occupation for which a department issued license is required if the military service member or military spouse meets the requirements of Occupations Code, §55.0041 and this section. This section establishes requirements and procedures authorized or required by Occupations Code, Chapter 55, and does not modify or alter rights that may be provided under federal law.]~~

~~[(1) A military service member or military spouse must submit to the department:]~~

~~[(A) notice of the military service member or military spouse's intent to engage in a business or occupation in Texas for which a department issued license is required;]~~

~~[(B) proof of the military service member or military spouse's being stationed in Texas and a copy of the military service member or military spouse's military identification card; and]~~

~~[(C) documentation demonstrating that the military service member or military spouse is licensed and in good standing in another jurisdiction for the relevant business or occupation.]~~

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1 ~~[(2) Upon receipt of the notice and documentation required by paragraphs (1)(B) and~~
2 ~~(1)(C) of this subsection, the department shall:]~~

3 ~~[(A) confirm with the other licensing jurisdiction that the military service member~~
4 ~~or military spouse is currently licensed and in good standing for the relevant business or occupation; and]~~

5 ~~[(B) conduct a comparison of the other jurisdiction's license requirements,~~
6 ~~statutes, and rules with the department's licensing requirements to determine if the requirements are~~
7 ~~substantially equivalent.]~~

8 ~~[(3) If the department confirms that a military service member or military spouse is~~
9 ~~currently licensed in good standing in another jurisdiction with substantially equivalent licensing~~
10 ~~requirements, the department shall issue a license to the military service member or military spouse for~~
11 ~~the relevant business or occupation within 30 days. The license is subject to requirements in Chapter 215~~
12 ~~of this title and Occupations Code, Chapter 2301 in the same manner as a license issued under the~~
13 ~~standard application process, unless modified or exempted under Occupations Code, Chapter 55.]~~

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

17 (j) ~~[(k)]~~ A license holder who fails to timely file a sufficient license renewal application in
18 accordance with subsection (d) of this section is not authorized to continue licensed activities after the
19 date the license expires. A license holder may dispute a decision that a license renewal application was
20 not timely or sufficient by submitting evidence to the department demonstrating that the license renewal
21 application was timely and sufficient. Such evidence must be received by the department within 15 days
22 of the date the department issues notice that a timely or sufficient license renewal application was not
23 received by the department.

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

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

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

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

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

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

(1) A military service member or military spouse must submit to the department:

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1 (A) a sufficient application as described in §215.83(e) of this title (relating to
2 License Applications, Amendments, or Renewals);

3 (B) proof of the military service member being stationed in Texas and a copy of
4 the military service member or military spouse's military identification card;

5 (C) if the applicant is a military spouse, a copy of the military spouse's marriage
6 license; and

7 (D) a notarized affidavit as required by Occupations Code, § 55.0041(b)(3).

8 (2) Upon receipt of the application and documentation required by paragraph (1) of this
9 subsection the department shall:

10 (A) confirm with the other state that the military service member or military
11 spouse is currently licensed and in good standing for the relevant business or occupation; and

12 (B) conduct a comparison of the other state's license requirements, statutes, and
13 rules with the department's licensing requirements to determine if the requirements are similar in scope
14 of practice; and

15 (C) issue a provisional license.

16 (3) If the department confirms that a military service member or military spouse is
17 currently licensed in good standing in another state with licensing requirements that are similar in scope
18 and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a
19 license to the military service member or military spouse for the relevant business or occupation, or notify
20 the applicant why the department is currently unable to issue a license pursuant to Occupations Code,
21 §55.0041(b-1), within 10 days. The license is subject to the requirements of this chapter and Occupations
22 Code, Chapter 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under
23 the standard application process, unless exempted or modified under Occupations Code, Chapter 55.

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

3
4 **SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.**

5 **43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150-152, 215.155, 215.158, AND 215.163**

6
7 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
8 department adopts amendments and a new section in Chapter 215, Subchapter D under Occupations Code,
9 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
10 and the authority to take any action that is necessary or convenient to exercise that authority;
11 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
12 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
13 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
14 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
15 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
16 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
17 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
18 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
19 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
20 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
21 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
22 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
23 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and

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1 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
2 §503.0633, which allows the department to establish the maximum number of license plates or sets of
3 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
4 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
5 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
6 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
7 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
8 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
9 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of
10 the department's automated registration and titling system; and Transportation Code, §1002.001, which
11 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
12 duties of the department, as well as the statutes referenced throughout this preamble.

13 The department also adopts amendments under the authority of Transportation Code, §§501.0041,
14 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and §2001.054, in addition
15 to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041
16 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation
17 Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter
18 502. Transportation Code, §503.002 authorizes the board to adopt rules for the administration of
19 Transportation Code, Chapter 503. Transportation Code, §504.0011 authorizes the board to adopt rules
20 to implement and administer Chapter 504. Transportation Code, §520.003 authorizes the department to
21 adopt rules to administer Chapter 520. Government Code, §2001.004 requires state agencies to adopt
22 rules of practice stating the nature and requirements of all available formal and informal procedures.

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

CROSS REFERENCE TO STATUTE. The adopted new section and amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501 - 504, 520, and 1002.

Text.

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

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

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

(c) A GDN dealer or wholesale motor vehicle auction application must be on a form prescribed by the department and properly completed by the applicant as required under §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or wholesale motor vehicle auction application must include all required information, required supporting documents, and required fees and must be submitted to the department electronically in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle auction GDN holder renewing or amending its GDN must verify current license information, provide related information and documents for any new requirements or changes to the GDN, and pay required fees including any outstanding civil penalties owed the department under a final

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1 order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the
2 following:

3 (1) Required information:

4 (A) type of GDN requested;

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

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

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

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

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

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

21 (H) the name, social security number, date of birth, and identity document
22 information of at least one manager or other bona fide employee who will be present at the

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1 established and permanent place of business if the owner is out of state or will not be present
2 during business hours at the established and permanent place of business in Texas;

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

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

10 (K) military service status;

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

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

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

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

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

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

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

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

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

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

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

(i) driver license;

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

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

(iv) passport; or

(v) United States military identification card.

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

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

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

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

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

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

(3) Required fees:

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

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

(d) An applicant for a dealer or wholesale auction GDN must also comply with fingerprint requirements in §211.6 of this title (relating to Fingerprint Requirements for Designated License Types), as applicable.

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

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(f) A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or exchange vehicles at retail.

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

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

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

- (1) act as a salvage vehicle dealer or rebuilder; or
- (2) store or display a motor vehicle as an agent or escrow agent of an insurance company.

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

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

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

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

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

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

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

(1) Business hours for retail dealers.

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

(B) The retail dealer's business hours for each day of the week must be posted at the main entrance of the retail dealer's office in a manner and location that is accessible to the public. The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If the owner or a bona fide employee is not available to conduct business during the retail dealer's posted

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business hours due to special circumstances or emergencies, a separate sign must be posted indicating the date and time the retail dealer will resume operations. Regardless of the retail dealer's business hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able to speak to a natural person or leave a message during these hours.

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

(3) Business sign requirements for retail dealers.

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

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

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

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

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

(A) Exterior Sign

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

(ii) The sign must be permanently mounted on the business property at the physical address listed on the application. A business sign is considered permanently mounted if

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1 bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support
2 permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior
3 sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the
4 requirements of this paragraph has been ordered and provides a written statement that the sign will be
5 promptly and permanently mounted upon delivery.

6 (B) Interior Sign

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

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

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

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

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

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

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

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

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

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

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property address. The department will not mail a dealer's or buyer's license plate to an out-of-state address and will only mail or deliver a license plate to a dealer's physical location.

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

(H) The dealer's office space must:

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

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

(iii) accommodate required office equipment; and

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

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

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

(A) a desk;

(B) two chairs;

(C) internet access;

(D) a working telephone number listed in the business name or assumed name under which the dealer conducts business; and

(E) a locked and secured room or closet or at least one securely locked, substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the

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1 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's
2 license plates in a dealer's possession including ~~both assigned plates for vehicles in inventory and~~
3 unissued and unassigned buyer's license plates.

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

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

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

13 (10) Dealer housed with other business.

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

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

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

3 (11) Display area and storage lot requirements.

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

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

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

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

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

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

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

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

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

(C) A GDN holder may maintain a storage lot only if the storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the license holder's name, contact information, and the fact the property is a storage lot is permissible. A storage lot must be fenced or in an access-controlled location to be considered not accessible to the public. A GDN holder or applicant

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1 must disclose the address of a storage lot or the location of a vehicle in inventory upon request by the
2 department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (A) a desk;

4 (B) a chair;

5 (C) internet access; and

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

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

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

13 (B) The display area must be of sufficient size to display at least five vehicles.
14 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,
15 employee parking, general storage, or shared or intermingled with another business or a public parking
16 area, or a driveway to the office.

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

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

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

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

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

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

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

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

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

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

(iii) the street address or legal description of the property, provided that

if only a legal description of the property is included, a wholesale motor vehicle auction must attach a

statement verifying that the property description in the lease agreement is the physical street address

identified on the application as the physical address for the established and permanent place of

business;

(iv) the signature of the property owner as the lessor and the signature

of the applicant or holder as the tenant or lessee; and

(C) if the lease agreement is a sublease in which the property owner is not the

lessor, the wholesale motor vehicle auction must also obtain a signed and notarized statement from the

property owner including the following information:

(i) property owner's full name, email address, mailing address, and

phone number; and

(ii) property owner's statement confirming that the wholesale motor

vehicle auction is authorized to sublease the location and may operate a wholesale motor vehicle

auction business from the location.

§215.141. Sanctions.

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

(1) deny an application;

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1 (2) revoke a license;

2 (3) suspend a license;

3 (4) assess a civil penalty;

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

5 (6) ~~or~~ take other authorized action.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 1 (12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;
- 2 (13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as
- 3 required by law;
- 4 (14) holds open a title or fails to take assignment of a certificate of title, manufacturer's
- 5 certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign
- 6 the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;
- 7 (15) fails to remain regularly and actively engaged in the business of buying, selling, or
- 8 exchanging vehicles of the type for which the GDN is issued by the department;
- 9 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
- 10 Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the
- 11 sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F
- 12 of this chapter (relating to Advertising);
- 13 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
- 14 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);
- 15 (18) is determined by the board or department, in accordance with §215.89 of this title
- 16 (relating to Fitness), to be unfit to hold a license;
- 17 (19) has not assigned at least five vehicles in the prior 12 months, provided the dealer
- 18 has been licensed more than 12 months;
- 19 (20) files or provides a false or forged:
- 20 (A) title document, including an affidavit making application for a certified copy
- 21 of a title; or

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- 1 (B) tax document, including a sales tax statement or affidavit;
- 2 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
- 3 provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or
- 4 other laws;
- 5 (22) omits information or makes a material misrepresentation in any application or other
- 6 documentation filed with the department including providing a false or forged identity document or a
- 7 false or forged photograph, electronic image, or other document;
- 8 (23) fails to remit payment as ordered for a civil penalty assessed by the board or
- 9 department;
- 10 (24) sells a new motor vehicle without a franchised dealer's license issued by the
- 11 department;
- 12 (25) fails to comply with a dealer responsibility under §215.150 of this title (relating to
- 13 Dealer Authorization to Issue License Plates);
- 14 (26) on or after July 1, 2025, fails to securely store a license plate or fails to destroy a
- 15 previously issued but currently unassigned license plate within the time prescribed by statute;
- 16 (27) fails to maintain a record of dealer license plates as required under §215.138 of this
- 17 title (relating to Use of Dealer's License Plates);
- 18 (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;
- 19 (29) fails to enter a lost, stolen, or damaged license plate in the electronic system
- 20 designated by the department within the time limit prescribed by rule;

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

(31) knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or

reconstructed and issued a title under Transportation Code, §501.100 (relating to Application for Regular Certificate of Title for Salvage Vehicle);

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

(33) fails to acquire or maintain a required certificate of occupancy, certificate of

compliance, business license or permit, or other official documentation for the licensed location

confirming compliance with county or municipal laws or ordinances or other local requirements for a vehicle business;

(34) on or after July 1, 2025, fails to remove a license plate from a vehicle as required by

statute or rule ~~[sold to an out-of-state buyer or from a vehicle sold for export]~~; or

(35) fails to keep or maintain records required under Occupations Code, Chapter 2305,

Subchapter D or to allow an inspection of these records by the department.

§215.144. Vehicle Records.

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

(b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work performed on each vehicle for a minimum period of 36 months after the date the adaptive work is

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performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and all information and records required under Transportation Code §503.0295.

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

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

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

- (1) the date of the purchase;
- (2) the date of the sale;
- (3) the VIN;
- (4) the name and address of the person selling the vehicle to the dealer;
- (5) the name and address of the person purchasing the vehicle from the dealer;
- (6) the name and address of the consignor if the vehicle is offered for sale by consignment;

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

(8) a copy of all documents, forms, and agreements applicable to a particular sale, including a copy of:

(A) the title application;

(B) the work-up sheet;

(C) the front and back of the manufacturer's certificate of origin or manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);

(D) the front and back of the title for the purchase and the sale, unless the dealer enters or obtains the title through webDEALER as defined in §217.71 of this title;

(E) the factory invoice, if applicable;

(F) the sales contract;

(G) the retail installment agreement;

(H) the buyer's order;

(I) the bill of sale;

(J) any waiver;

(K) any other agreement between the seller and purchaser;

(L) the purchaser's photo identification;

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1 (M) the odometer disclosure statement signed by the buyer, unless the vehicle is
2 exempt; and

3 (N) the rebuilt salvage disclosure, if applicable.

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

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

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

11 (f) Title assignments.

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

14 (A) title;

15 (B) manufacturer's statement of origin;

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

17 (D) other evidence of ownership.

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

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

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

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

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

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

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

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

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

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

(h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle, take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of

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the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for sale by consignment.

(i) Public motor vehicle auctions.

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

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

(A) is not required to take assignment of title of a vehicle before offering the vehicle ~~[it offers]~~ for sale at auction;

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

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

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

(j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license holder shall make the record available for inspection and copying by the department during business hours.

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

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

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

(A) the date of sale;

(B) the VIN;

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

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

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

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

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

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

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

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

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

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

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

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

§215.150. Dealer Authorization to Issue License Plates.

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

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

(2) a buyer of a used vehicle to be titled and registered in Texas if ~~a buyer's license plate did not come with the vehicle and~~ the buyer does not have a general issue license plate or a specialty, personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the department.

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

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

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

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

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

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

(e) A governmental agency that is exempt under Transportation Code, §503.024 from the requirement to obtain a dealer general distinguishing number may issue a buyer's license plate or a buyer's temporary license plate to the buyer of a vehicle owned by the governmental agency unless the

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1 buyer has a general issue license plate or a specialty, personalized, or other qualifying license plate that
2 is eligible to be assigned to the vehicle with approval of the department. A governmental agency that
3 issues a buyer's license plate or buyer's temporary license plate under this subsection:

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

6 (2) is not required to charge the registration fee authorized under Transportation Code
7 §503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

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

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

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

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

17 (4) securing all license plates, including ~~[license plates assigned to vehicles in~~
18 ~~inventory,]~~dealer's license plates[,], and unissued or unassigned buyer's license plates, by storing license
19 plates in a locked and secured room or closet or one or more securely locked, substantially constructed
20 safes or steel cabinets bolted or affixed to the floor or wall of sufficient size to store all dealer and
21 buyer's license plates in a dealer's possession, and by promptly marking and destroying, recycling, or

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1 returning void license plates as required under §215.158 of this title (relating to General Requirements
2 for Buyer's License Plates; and

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

4
5 §215.151. License Plate General Use Requirements.

6 (a) If a buyer purchases a vehicle to be registered in Texas, a dealer must secure, or a
7 government agency may secure, a license plate to the vehicle in accordance with §217.27 of this title
8 (relating to Vehicle Registration Insignia) and update the license plate system accordingly.

9 (1) A dealer must secure, or a governmental agency may secure, a buyer-provided
10 license plate on the purchased vehicle if a buyer provides a general issue, or specialty, personalized, or
11 other qualifying license plate that is eligible to be assigned to the vehicle with approval of the
12 department and update the license plate system accordingly.

13 (2) A dealer must issue a buyer's license plate to the buyer if a buyer purchases a new
14 vehicle from a dealer and the buyer does not have a general issue, specialty, personalized, or other
15 qualifying license plate to transfer to the vehicle.

16 (3) A dealer must issue, or a governmental agency may issue, a buyer's license plate to a
17 buyer purchasing a used vehicle if ~~the vehicle does not have an assigned license plate in the license~~
18 ~~plate system or the assigned license plate is missing or damaged and~~ the buyer does not have a general
19 issue, specialty, personalized, or other qualifying license plate to transfer to the vehicle.

20 (b) If a non-resident buyer purchases a vehicle to be titled and registered in accordance with the
21 laws of the buyer's state of residence, a dealer must issue, or a governmental agency may issue, a

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1 buyer's temporary license plate and secure the temporary license plate to the rear of a vehicle in
2 accordance with §217.27 of this title and update the license plate system accordingly.

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

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

13 (1) reassign the ~~provide the assigned~~ license plate to a vehicle of the same class within
14 10 days if purchased by a Texas retail buyer ~~that purchases the vehicle~~; or

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

17 ~~[(3) if the vehicle is sold to an out-of-state buyer or for export,]~~ mark the license plate as
18 void and destroy, recycle, or return the license plate as required in §215.158 of this title.

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

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

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

6
7 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

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

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

15 (1) the vehicle;

16 (2) the buyer; and

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

18 (c) The department will inform each dealer annually of the maximum number of new buyer's
19 license plates the dealer is authorized to obtain during the calendar year under Transportation Code,
20 §503.063, including:

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

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

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

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

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

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

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

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

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

(A) changes in the market;

(B) temporary conditions that may affect sales; and

(C) any other information the department considers relevant.

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

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

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

(f) An existing dealer that is:

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

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

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

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

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

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

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

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

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

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

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

(1) the dealer's license has been closed, canceled, or revoked in a final order;

(2) the department has issued a notice of department decision under §224.56 of this title (relating to Notice of Department Decision), alleging that the dealer is in violation of §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements) and appears to have abandoned the licensed location;

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

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

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

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1 (6) a dealer does not have an owner or bona fide employee at the licensed location
2 during posted business hours to accept a license plate delivery; or

3 (7) a dealer fails to keep license plates or the license plate system secure.

4 (j) A dealer with an active license and access to the license plate database who is ineligible to
5 receive a quarterly allocation under subsection (i) of this section may request the department conduct a
6 compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to
7 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department
8 will conduct the compliance review within 14 days of the dealer's request.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) The designated director in the Vehicle Titles and Registration Division will review the appeal and any additional statements concerning the information submitted in the original request and render an opinion within 15 days of receiving the appeal. The designated director in the Vehicle Titles and Registration Division may decide to deny the appeal ~~[and issue no additional license plates]~~ or award an amount of ~~[additional]~~ license plates that is lesser, equal to, or greater than the request.

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

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

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

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

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

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

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

§215.155. Buyer's License Plates.

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

(1) from the selling dealer's inventory; ~~[and]~~

(2) that can be legally operated on the public streets and highways; ~~[and]~~

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

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

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

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

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

4 (c) For a wholesale transaction,^[:]

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

7 (1) ~~[(A)]~~ dealer's temporary license plate; or

8 (2) ~~[(B)]~~ dealer's standard or personalized prestige license plate.

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

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

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

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

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

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

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

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

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

(a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report any loss, theft, or destruction of a buyer's license plate or buyer's temporary license plate to the department in the system designated by the department within 24 hours of discovering the loss, theft, or destruction.

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

(1) destroy the license plate; ~~[or]~~

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

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

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

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

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

(1) remove and mark any license plate as void; and

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

(b) Public auctions.

(1) Before offering a consigned vehicle for sale at a public auction, a dealer must remove any license plate and return the license plate to the vehicle's owner or destroy, recycle, or return the license plate in accordance with §215.158 of this title.

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

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

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1 (4) Notwithstanding §215.150(c) of this title (relating to Dealer Authorization to Issue
2 License Plates), if the purchaser at a public auction is an out-of-state buyer, the dealer shall issue a buyer's
3 temporary license plate only if the purchaser requires this license plate to transport the vehicle to another
4 state in which the vehicle will be titled and registered in 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, the dealer shall remove and return the license plate to the vehicle's
8 owner. The dealer to whom the vehicle is consigned may use its dealer's temporary license plate to
9 demonstrate 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.

3

4

Subject: FW: STANDARDIZE FEES

Importance: High

From: Brittlie Blevins <brittlieb@slalomshop.com>

Sent: Friday, August 15, 2025 4:21 PM

To: Zz - Resource - GCO_Rules <Rules@txdmv.gov>

Subject: STANDARDIZE FEES

Importance: High

ATTENTION: This email originated from outside of TxDMV. Malicious software, such as viruses, worms, and ransomware can be transmitted via email attachments and links. Do not click any links or open any attachments unless you recognize the sender and have confirmed the content is safe.

Hello,

Can you please standardize fee's for all counties. Regulate & streamline.

There are some counties charging an additional \$5 for emissions on trailers (boat trailers) or a discrepancy with the title fee's being \$33 or \$27 – not sure.

Whatever it is it not clear for dealers without doing a ton of research, leaving INSANE room for error & now stupid fines & penalties with the OCCC for \$5 discrepancies. This is STATE WIDE & ridiculous.

TPWD has it down. Make it simple please.

Also the new Plate system is ridiculous. If theft/misuse was the issue with paper tags, have us order watermarked paper for the temp tags – simple fix. This bogs down our processes & seems to be DMV work, not dealers.

Thanks

Brittlie Blevins

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The Gold Standard
– Since 1948 –

August 18, 2025

Ms. Laura Moriaty
General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731

Dear Ms. Moriaty,

The National Auto Auction Association (NAAA) is writing in response to proposed amendments to Texas Administrative Code Title 43, proposed new §215.163, published July 25, 2025, in the Texas Register.

Headquartered in suburban Washington D.C., NAAA is a trade association for wholesale motor vehicle auctions. NAAA comprises over 340 domestic and international auctions, with an additional 100 associate members, including 35 member auctions and 11 associate members in Texas. NAAA's mission is to protect and promote the interests of both its members and the auction industry. NAAA member auctions provide the marketplace for consignors to sell vehicles to licensed dealers, who, in turn, sell the vehicles to retail consumers. In 2024, NAAA member auctions facilitated the sale of 7.6 million vehicles across North America, including approximately 925,000 in Texas.

We thank the Texas Department of Motor Vehicles (TxDMV) staff for their engagement with our members to understand our industry's unique position in the used vehicle marketplace. §215.163 regarding "license plate disposition requirements for motor vehicles offered for sale at wholesale motor vehicle auction" as drafted permits wholesale motor vehicle auctions to continue processing thousands of vehicles per week as they have been for years while giving clear guidance to our members on how to process license plates going forward.

We are appreciative of the TxDMV's collaboration throughout this process. Please don't hesitate to contact NAAA as a resource in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "PLips", with a stylized flourish at the end.

Paul Lips
NAAA Executive Director
plips@naaa.com

National Auto Auction Association (NAAA)
5320 Spectrum Drive, Suite D, Frederick, MD 21703
Phone: 301-696-0400
Email: naaa@naaa.com
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August 22, 2025

Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Sent via email: rules@txdmv.gov

Re: Proposed Rules
July 25, 2025, *Texas Register*
50 *TexReg* 4349, et seq.

Dear Ms. Moriarty:

On behalf of the Texas Automobile Dealers Association (TADA), the following remarks are submitted with respect to the proposed rules as published in the July 25, 2025, *Texas Register*, by the Texas Department of Motor Vehicles (TxDMV).

TADA thanks the Vehicle Titles & Registration Division, the Enforcement Division, the Motor Vehicle Division and their Division Directors, the Deputy Executive Director, and the Executive Director for their role in the transition to the metal dealer plate requirements.

As with any new system, issues and questions arise and TADA welcomes continuing to work with the TxDMV.

General lines of submitted comment include:

- The Certificate of Occupancy (CO) which is (1.) an application requirement for a GDN (§215.133(c)(2)(E)); (2.) a requirement for an established and permanent business (§215.140(a)(5)(B)); and, (3.) the subject of a penalty in the section regarding *Sanctions* in §215.141.

As requested in the discussion below, TADA requests that the CO requirement be limited to new points, a relocation to a new facility, or if a change in the dealership facility requires a building permit to be obtained from the city or municipality when remodeling or altering the dealership.

If this is the agency's current position, TADA asks that it be included in the rules for clarification going forward.

- Signs bearing the OEM's trademark or name are generally owned by the OEM and subject to that manufacturer's or distributor's time-table. As the dealer does not control when an OEM sign is delivered or removed, TADA requests that a dealer be given leeway and not be penalized under §215.141 *Sanctions*, specifically (b)(2), for the permanent mounting or removal of the business sign requirement in §215.140(a)(3).

- Regarding the proposals in which a dealer "must" issue license plates to buyers, since dealers do not always have an out-of-state temporary plate or a general issue buyer's plate in their inventory and are left with the option of losing a sale or going to a TAC office or the regional TxDMV Regional Service Center to purchase a temporary red and white plate, TADA requests that the dealer satisfies the rules regarding plate issuance when using a red and white temporary plate.

- As to a dealer's plate storage, what is determined to be "secure" plate storage is subjective and TADA requests that if the plates are safely maintained and not readily accessible to the public and reasonably monitored, that this requirement is satisfied.

- As a metal plate is now required to be on a motor vehicle when it leaves the dealership, the need by the dealership and the requirements to obtain a quarterly allocation of plates as well as the general request for metal plates, is

a new and central requirement for the dealership's business.

TADA requests reasonable efforts to be made prior to a departmental denial of a dealer's allocation or general plate request as the denial of plates will bring hardship to the public, employees, as well as to a dealership.

CHAPTER 215. MOTOR VEHICLE DISTRIBUTION

50 *TexReg* 4356 - 4378

Certificate of Occupancy

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

A legible and accurate electronic image of a certificate of occupancy (CO), certificate of compliance, or other official documentation confirming that the business location complies with municipal ordinances, including zoning, occupancy, or other requirements for a valid license, is required for a GDN dealer in §215.133(c)(2)(E).

TADA requests that the CO requirement or similar document, is applicable to a new facility or a relocated dealership, but it is not a requirement for a renewal of a GDN license.

A dealership that has been at the same location for multiple years may be presumed to be compliant with the city's CO requirements at the time it was built and occupied. In addition, the dealership may not be capable of obtaining a CO or other documentation from the city because of the length of time the dealership has been located at a specific site and requirements may have changed or may not be known for the time period at issue. For these reasons, TADA requests that neither the GDN license nor the franchise dealer's license be conditioned upon a current renewing licensee providing such a document.

Although it may be the practice of the department not to require the CO or a similar document when a licensee has been in business at the same location for multiple years; nevertheless, stating such allows for clarification and unnecessary confusion as well as the dealer not being subject to a TxDMV

Sanction, as provided for in §215.141¹ (*See also* Exhibit 2).

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

The CO, certificate of compliance, or other document issued by a city or municipal government to show a dealership's TxDMV compliance with office requirements is again listed as a requirement in §215.140(a)(5)(B), with respect to a retail dealer's office requirements.

This rule goes further than the license application requirement in §215.133 (above) by requiring a CO, certificate of compliance, or other like document when a licensee's building is "altered or remodeled."

"To alter or remodel" may include a change in floor tile or painting the walls from white to blue or replacing a roof.

¹**§215.141. *Sanctions.***

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

- (1) deny an application;
- (2) revoke a license;
- (3) suspend a license;
- (4) assess a civil penalty;
- (5) issue a cease and desist order; or
- (6) or [sic] take other authorized action.

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

...
 (2) **fails to meet or maintain the requirements of §215.140 of this title (relating to Established and Permanent Place of business Premises Requirements);**

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

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

...
 (Emphasis added.)

TADA requests that a CO or similar document only be requested when:

- (1.) a dealership facility is a new point;
- (2.) a dealership relocates to a new facility; or,

(3.) if the licensee alters or remodels the dealership in a way that requires that a building permit be obtained from the city or municipality. Once the building permit is granted and the alteration or remodeling is complete, a one-time submission of a CO or like document is then to be provided to the department.

Again, the above request may be the department's practice; however, incorporating the practice into the rule will be useful for a licensee as well as for the Licensing and Enforcement Divisions.

§215.141. *Sanctions.*

The CO, certificate of compliance, business license or permit, or other official documentation confirming compliance with county and municipal laws or ordinances for a vehicle business at the licensed physical location and the failure to comply with such a departmental request is considered subject to the *Sanctions* provision in §215.141(b)(2) & (4)(D) for failure to meet the requirements of §215.140 (*See Ftnt.1 & Exhibit 2*).

Again, TADA requests that any enforcement request necessitating a showing of a CO with respect to the licensee's office requirements compliance in §215.140, be limited to instances when a dealership is a new point or a relocation to a new facility or if a building permit is necessary to complete a remodel or alteration of the dealership.

Business Sign

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

§215.140 (a)(3) Business sign requirements for retail dealers.

A permanent and conspicuous sign with letters at least 6" in height with the dealership's name, easily visible to the public within 100 feet of the main entrance must be displayed.

The sign must be permanently mounted at the dealer's physical address for the GDN. "Permanently mounted" means bolted to an exterior building wall or welded to a dedicated sign pole or support installed in the ground.

A temporary sign or banner may be used if the dealer can show proof that a sign meeting the above requirements has been ordered and provides a written statement that the sign will be “promptly and permanently” mounted on its delivery.

TADA appreciates the ability to use a temporary sign or banner pending the delivery of an original equipment manufacturer’s or distributor’s (OEM) permanent sign for the dealership as OEM signs are generally owned by the OEM which then leases the sign back to the franchised dealership. The delivery date of an OEM sign is not always available to the dealer nor is it always predictable.

The removal date of an OEM sign from a facility is also unknown by the buyer in a buy-sell agreement, as the sign, again, is typically owned by the OEM and the dealer does not have the authority to remove it.

Since a dealership buyer in a buy-sell must rely on the OEM to deliver as well as to remove its sign from a dedicated sign pole, TADA requests that the dealership not have its license delayed or have the dealership sanctioned or penalized pending an OEM’s sign removal or delivery (§215.141 *Sanctions*. (a), (b)(2))².

A dealership buyer is desirous to remove non-conforming signs and to mount new signs as soon as possible; however, the OEM’s timetable may not comport with the TxDMV’s and the new dealership buyer’s time frame.

TADA requests that the TxDMV take into account that the dealer is on the OEM’s timetable with respect to both the removal and installation of certain signage that is owned by the OEM.

The 35 listed sanctions available to the TxDMV in §215.141(b)(1) - (35) allow the board or department to take the following actions: (1.) deny an

² (a) The board or department may take the following actions against a license applicant, a license holder, or a person engaged in business for which a license is required: (1) deny an application; (2) revoke a license; (3) suspend a license; (4) assess a civil penalty; (5) issue a cease and desist order; or, (6) or [sic] take other authorized action.

(b) The board or department may take action described in subsection (a) of this section if a license applicant, a license holder, or a person engaged in business for which a license is required: . . . (2) **fails to meet or maintain the requirements of §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements); . . .** (Emphasis added.)

application; (2.) revoke an application; (3.) suspend a license; (4.) assess a civil penalty; (5.) issue a cease and desist order; or, (6.) take other authorized action (§215.141(a)) (*See Exhibit 2*).

As the OEM signage is generally under the OEM's control, TADA requests that neither the new point, the relocation, nor the buyer of a dealership be penalized under §215.141, *Sanctions*, for the installation or removal of an OEM-owned sign as provided for in §215.140(a)(3).

Secure Plate Storage

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

§215.140(a)(6)(E) Required Office Equipment.

§215.150(f). *Dealer Authorization to Issue License Plates.*

A retail dealer is now required to have a locked and secured room or closet or at least one securely locked, substantially constructed safe or steel cabinet bolted or affixed to the floor or wall so that it cannot be readily removed. Storage must be sufficient to store the dealer's and buyer's license plates including unissued and unassigned buyer's license plates.

The interpretation of what is "secure" storage has been raised recently in on-going plate storage investigations. For example, a window in a door or a glass enclosure has been brought up as a security issue.

Other dealerships with a common accounting office and title clerks, but who have multiple licensed and adjacent franchises and facilities on the same plot of land, have been told by investigators that they cannot store all of the plates for the multiple adjacent licensees in the one common accounting office which performs the title work for all of the contiguous licensees.

Recent investigations have also brought up the issue that no box of plates is allowed to be opened until the previous box of plates is entirely used, although it is incumbent upon the dealership to notify the TxDMV when there are plate mistakes, such as only one plate bears a plate number or if more than two plates have the same number.

Balancing plate security with verification of the plates is an issue for the dealerships that requires both discretion and prudence.

Regrettably, what is determined to be "secure" may not lend itself to a "one-size-fits-all" requirement. Individualized circumstances may play a role

in what is “secure.”

As dealers have expended monies to purchase key-code doors, ready-made cabinets such as gun safes to store plates, as well as to build, retrofit, and construct storage for metal license plates and limit access to plates, if the plates are safely maintained and not readily accessible to the public and reasonably monitored, TADA requests that the dealership’s secure requirement, which is also actionable by the board or department under §215.141(b)(26) *Sanctions*, (See Exhibit 2) may be considered satisfied unless there is a compelling reason not to consider the area secure.

Temporary Registration Plate (Red & White)

§215.150. Dealer Authorization to Issue License Plates.

Subsections (a) and (c) provide that a GDN dealer “must” issue a buyer’s license plate³ or an out-of-state buyer’s (green and white) temporary license plate⁴ to a vehicle the dealer is authorized to sell or for a vehicle that is registered in accordance with the laws of the buyer’s state of residence.

TADA requests that if a dealer does not have the buyer’s general issue license plate or the buyer’s temporary out-of-state plate or a provisional plate to attach on a buyer’s vehicle with the result that the dealer has to purchase the red and white temporary registration plate for \$29.75 that is issued by the county TAC or the TxDMV Regional Service Center, that the dealer’s purchase and plating of the red and white temporary registration plate allows the dealer to remain in compliance of 43 TAC §215.150 and 43 TAC §215.151 and any other plate issuance rule.

A concern regarding the obtaining of such a red and white temporary plate

³Buyer’s license plate—a general issue license plate or set of license plates issued by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled and registered in Texas. This term also includes a buyer’s provisional license plate that a dealer issues when the general issue license plate or set of license plates for that vehicle or motor vehicle type is not in a dealer’s license plate inventory at the time of retail sale. (43 TAC §215.132(2))

⁴ Buyer’s temporary license plate—a temporary license plate issued by a dealer to a non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in accordance with Transportation Code, §503.062. (43 TAC §215.132(3))

is that certain counties are periodically not allowing a dealer to obtain the plate but requiring the customer to come to the TAC office to apply and acquire the plate.

Attached as Exhibit 1 is the TxDMV's *Application for Timed Temporary Permits* which is required to be completed when purchasing a red and white temporary plate from the TAC office or the TxDMV Regional Service Center along with the payment of \$29.75, proof of insurance, a current government-issued photo ID, and a Power of Attorney, if it is submitted by a third-party other than a dealer or leasing company.

Although obtaining a temporary red and white temporary plate is inconvenient for the consumer and the dealership since the TAC and TxDMV Regional Service Centers offices are not open on a weekend, a holiday, or after 5:00 p.m. Monday through Friday, and require an additional cost, TADA anticipates that the buyer's general issue plates and the buyer's temporary out-of-state plates will soon be allocated and available so that the necessity of obtaining the temporary red and white registration plate becomes a rarity.

Dealer Required Plate Issuance

§215.151. License Plate General Use Requirements

Subsections (a)(2), (a)(3), and (b) state that a dealer "must" issue a buyer's license plate on a new vehicle, a used vehicle, and for a non-resident buyer whose vehicle is titled and registered in accordance with the laws of the buyer's residence.

Again, TADA is concerned that stating that a dealer "must" issue a buyer's license plate or a buyer's temporary license plate to an out-of-state buyer does not take into account the instances when a dealer does not have in their inventory the requisite general issue plate or the out-of-state plate or even a provisional plate.

If the dealership does not have the necessary plates to deliver a buyer their vehicle and the dealership purchases a red and white temporary registration plate that is issued by the county TAC or the TxDMV Regional Service Center, the dealer remains in compliance and TADA requests language to that effect.

If the buyer's general issue plates to transfer are damaged; if the buyer has only one plate and not the required two plates; or, if the plates are not of the

same class of vehicle for transfer, then the plates from the trade-in will not transfer and the dealer will act in accordance with §215.158 by permanently marking the front of the plate with the word “VOID” or a large “X” and within 10 days, destroy the license plate; recycle the license plate with a registered metal recycler; or, return the plate to a county TAC or to the TxDMV.

“Drop-Shipped” & Converted Vehicles

§215.151. License Plate General Use Requirements.

The proposed rule allows for a vehicle that is “drop-shipped” or delivered directly to a buyer, for that buyer to give the dealership written authorization to mail or securely deliver their assigned plates (§215.151(e)(1)).

A “drop-shipment” also occurs when an out-of-state licensed franchised dealer drop-ships or delivers vehicles to a same-line licensed franchised Texas dealer for pre-delivery, preparation, and delivery to a buyer or a lessee. In this instance, the Texas dealer needs to plate the vehicle for the buyer or lessee. A concern is whether the Texas dealer will be able to title, register and plate the vehicle for the buyer or lessee since the MSO is in the out-of-state dealer’s name, not in the Texas dealer’s name. Currently, one TAC is refusing to title and register a vehicle for the Texas dealer on behalf of the Texas lessee and this same scenario may occur for a Texas buyer.

TADA requests that the proposed rule allow for the Texas dealer to complete the delivery, including titling, registering, and the remitting of any applicable motor vehicle sales tax for a drop-shipped vehicle delivered to the Texas licensed franchised dealer for preparation and delivery so that the transaction can be completed for a Texas buyer or a Texas lessee by that licensed Texas dealer.

As the delivery of the plates in the direct delivery or “drop-shipped” vehicle to a buyer from a dealer must be done “securely,” as provided in §215.151(e)(1) and (2), TADA requests that the **“secure” requirement** is satisfied if a dependable and recognized delivery method is used, unless the TxDMV determines that additional conditions are necessary.

TADA presumes that written authorization for both §215.151(e)(1) and (2) includes an electronic communication; however, if an electronic

communication is not included as a “written authorization,” TADA requests that an electronic communication from a buyer to a dealer be allowed with respect to authorization to mail or deliver assigned plates.

Denial to Dealer of Quarterly Allocation

§215.152. *Obtaining Dealer-Issued Buyer’s License Plates.*

Specific reasons why a dealer is not eligible to receive a quarterly allocation of license plates are discussed in the proposed rule, subsection (i).

An example of such a denial includes a failure to submit a license renewal application in the same quarter that the dealer’s license expires (*See* §215.152(i)(5)).⁵ Unfortunately, dealers do not always receive a notice regarding their license renewal although the dealer remains in business and TADA recognizes that 43 TAC §215.83(d) states that a dealer’s failure to receive a notice of license application from the department does not relieve the license holder from the responsibility to timely file a sufficient license renewal application.

Yet, if a dealer is not able to deliver a vehicle because of a license plate not being in their inventory, the dealer likely loses a sale or multiple sales and obstructs the buyer’s ability to purchase a vehicle.

Another reason for a denial of plate inventory is if a dealer fails a compliance review, then the dealer is denied a quarterly allocation, according to §215.152(i)(4). Although another compliance review may be requested, such a review may not occur for 14 days, as provided for in subsection (j), which is a long time when the business is stymied from performing a basic function of the business—selling and delivering product to a buyer.

The proposal in subsection (k) states that a dealer may obtain a buyer’s license plates from a county TAC or TxDMV Regional Service Center—which is not open on the weekend, holiday, or after 5:00 p.m. during the week. Such a requirement will likely cause a customer not to be able to take delivery of their vehicle in a timely manner and create inconvenience for both buyer and seller.

⁵§215.152(i)(5): A dealer is not eligible to receive a quarterly allocation in the following circumstances: . . .

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

In addition, this alternative requires an employee or the buyer to leave the dealership and oftentimes stand in line for a plate, if such is even allowed by the local TAC—an annoyance for the buyer and the dealership and an additional expense for the dealership which may turn into a lost sale.

A denial for a quarterly allocation of plates can be as elemental or unpretentious as a dealer failing to keep license plates or the license plate system securely (*See* §215.152(i)(7)), which as previously discussed, may be subjective because of individualized interpretations of what is “secure.”

TADA requests that prior to a determination that a dealer is not eligible to receive a quarterly allocation of plates, that the TxDMV carry forward with a reputed practice to make reasonable efforts to verify the accuracy of any listed circumstance that is subject to the denial of plates as provided in §215.152(i).

Dealer Plate Request

§215.152. *Obtaining Dealer-Issued Buyer’s License Plates.*

A dealer’s need for additional plates—general issue, out-of- state (OOS), provisional, and temporary dealer’s plates— is on-going.

According to §215.152(l), a dealer may request an *advance* on the next quarter’s allotment of buyer’s general issue license plates or buyer’s temporary out-of-state license plates after using 50% of their quarterly allotment.

In addition, a dealer may request an *increase* in their annual allotment of buyer’s general issue license plates or buyer’s temporary out-of-state license plates after using 50% of their annual allotment.

To receive more buyer’s general issue license plates or buyer’s OOS temporary license plates, a dealer submits a request to the department’s designated license plate system (IMS). The dealer must provide information of the need for additional plates.

A dealer’s alternative to plating a vehicle with a general issue or OOS plate or provisional plate at the time of sale, is to obtain a red and white temporary plate from the TAC or a TxDMV Regional Service Center, which is not an optimum alternative for either the buyer or the seller as it is both costly and time-consuming, as discussed above.

An issue regarding obtaining plates for **fleet sales** in a timely manner is

also a concern. Fleet buyers do not want a temporary red and white plate and some are refusing to accept delivery of their vehicles until a general issue buyer's plate is on the vehicle. Nor do fleet buyers want to wait weeks for plates to arrive in order to take delivery of their vehicles. Unless paid prior to delivery, the vehicles remain on the dealer's lot until an adequate number of plates are available so that the dealer can deliver the vehicles and obtain payment.

If possible, when a dealer sells vehicles to a fleet buyer, TADA requests that a consideration going forward is for the dealer to be able to contact the TxDMV regarding the sale so that plates can be delivered near the same time as with the delivery of the vehicles.

Another area of concern is the number of plates issued for **new points**. Some new dealerships have received too few plates and have had to purchase temporary red and white plates for buyers.

Currently, the rule provides that a dealer licensed after the commencement of a calendar year is allocated no more than 200 buyer's license plates and 100 buyer's temporary license plates unless the dealer provides credible information that a greater number of plates is warranted (*See* §215.152(e)(1)).

If possible, TADA requests that a new point, during the licensing process, be able to request the number of plates for the first quarter and provide the necessary information to substantiate that request, such as an OEM's sales estimate for that location, going forward.

Another concern involves a **buy-sell**. The present rule provides that an existing dealership that is purchased as a buy-sell, will receive the maximum allotment of buyer's license plates and buyer's temporary license plates provided to the location being purchased (*See* §215.152(f)(3)).

In order to effect a smooth transition, TADA requests that the seller's plates be able to be transferred to the buyer so that on closing, the buyer has an inventory of plates to begin using.

TADA understands that the Motor Vehicle Division may have devised a form that is necessary to submit so that the seller's plates can transfer to the buyer. TADA appreciates the TxDMV's initiative as to transferring the seller's plates to the buyer and when the form is available, TADA requests a copy in

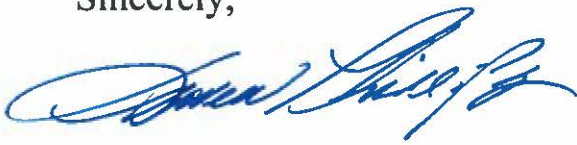
order to provide it to members.

Conclusion

TADA appreciates the diligence by the TxDMV in the change-over from temporary tags to metal plates.

As new issues arise, new responses must emerge and TADA continues to offer its assistance.

Sincerely,



Karen Phillips
General Counsel, EVP

Exhibit 1 TxDMV Application for Timed Temporary Permits

Exhibit 2 Sanctions, 43 TAC §215.141

EXHIBIT 1



Application for Timed Temporary Permits

For County Use Only

License No _____

Mo/Yr of Exp _____

Date Issued _____

Instructions

Submit completed application, payment (cash, money order, or cashier's check), and proof of eligibility to your local county tax assessor-collector's office or to a Texas Department of Motor Vehicles (TxDMV) Regional Service Center (RSC) for review. **Do not mail cash. Personal checks are not accepted.**

TxDmv issues timed temporary permits for the temporary movement of a vehicle subject to Texas registration laws. Applicants must provide the following when submitting this application:

- Proof of insurance
- Current government-issued photo identification (ID)
- Power of Attorney (POA), if this application is being submitted by a third-party, other than a dealer or leasing company

A 30-Day Permit is valid for a period of 30 calendar days from the date reflected on the permit and may be purchased up to 60 days prior to its effective date. The fee is \$25, plus a non-refundable processing and handling fee of \$4.75 is assessed per permit.

The permit must be displayed in the rear window of the vehicle. If the vehicle does not have a rear window, the operator must carry the permit and receipt in the vehicle any time the vehicle is in transit.

Applicant Information

First Name	Middle Initial	Last Name	Suffix (if any)
Address		City	State ZIP
Email		Phone Number	

Vehicle Information

Vehicle Identification Number	Year	Make	Model	Body Style
Major Color	Minor Color (if any)	Current Plate Number	State of Plate Issuance	Gross Vehicle Weight

Vehicle Class

☐ Passenger Vehicle ☐ Motorcycle ☐ Private Bus ☐ Trailer ☐ Semitrailer ☐ Truck ☐ Commercial Vehicle

Has the vehicle been junked, salvaged, or deemed nonrepairable? ☐ Yes ☐ No

For Trucks and Commercial Vehicles ONLY: Will this vehicle be operated unladen? ☐ Yes ☐ No

Permit Information

Permit Type Requested <input type="checkbox"/> 30-Day Permit	Permit Start Date (mo/day/year)	Permit Start Time (include AM or PM)
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Certification

I, the undersigned, hereby certify the vehicle identified above is subject to registration in this state and is not otherwise authorized to travel on a public roadway because of the lack of registration in this state or the lack of reciprocity with the state or country in which the vehicle is registered.

Signature _____

Date _____

Staff Use Only

Government-Issued Photo ID Type <input type="checkbox"/> U.S. Driver License/ID Card <input type="checkbox"/> Passport <input type="checkbox"/> Texas Driver License/ID Card <input type="checkbox"/> Other	ID Issuer (specify state or country) Vehicle Inspection Expiration Date	ID Number <input type="checkbox"/> Insurance Verified <input type="checkbox"/> POA Verified (if applicable)	ID Expiration Date
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Application for Timed Temporary Permits

Acceptable Government-Issued Photo ID

TxDMV accepts an ID up to 12 months after expiration. The following are the only acceptable forms of government-issued photo ID for an Application for Timed Temporary Permits:

- Driver license or ID issued by a state or territory of the U.S.
- Texas handgun license
- U.S. or foreign passport
- U.S. military ID
- North Atlantic Treaty Organization ID
- ID issued under a Status of Forces Agreement
- U.S. Department of Homeland Security ID
- U.S. Department of State ID
- U.S. Citizenship and Immigration Services ID document

EXHIBIT 2

43 TAC § 215.141

This document reflects all regulations in effect as of July 31, 2025

TX - Texas Administrative Code > TITLE 43. TRANSPORTATION >
PART 10. TEXAS DEPARTMENT OF MOTOR VEHICLES > CHAPTER 215. MOTOR
VEHICLE DISTRIBUTION > SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS
AND IN-TRANSIT LICENSES

§ 215.141. Sanctions

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

- (1) deny an application;
- (2) revoke a license;
- (3) suspend a license;
- (4) assess a civil penalty;
- (5) issue a cease and desist order; or
- (6) or take other authorized action.

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

- (1) fails to maintain a good and sufficient bond or post the required bond notice if required under [Transportation Code § 503.033](#) (relating to Security Requirement);
- (2) fails to meet or maintain the requirements of § 215.140 (relating to Established and Permanent Place of Business Premises Requirements);
- (3) fails to maintain records required under this chapter;
- (4) refuses or fails to comply with a request by the department for electronic records or to examine and copy electronic or physical records during the license holder's business hours at the licensed business location:
 - (A) sales records required to be maintained by § 215.144 of this title (relating to Vehicle Records);
 - (B) ownership papers for a vehicle owned by that dealer or under that dealer's control;
 - (C) evidence of ownership or a current lease agreement for the property on which the business is located; or
 - (D) the Certificate of Occupancy, Certificate of Compliance, business license or permit, or other official documentation confirming compliance with county and

43 TAC § 215.141

municipal laws or ordinances for a vehicle business at the licensed physical location.

- (5)** refuses or fails to timely comply with a request for records made by a representative of the department;
- (6)** holds a wholesale motor vehicle dealer's license and sells or offers to sell a motor vehicle to a person other than a licensed or authorized dealer;
- (7)** sells or offers to sell a type of vehicle that the person is not licensed to sell;
- (8)** fails to submit a license amendment application in the electronic licensing system designated by the department to notify the department of a change of the license holder's physical address, mailing address, telephone number, or email address within 10 days of the change;
- (9)** fails to submit a license amendment application in the electronic licensing system designated by the department to notify the department of a license holder's name change, or management or ownership change within 10 days of the change;
- (10)** issues more than one buyer's license plate or buyer's temporary license plate for a vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1, 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;
- (11)** fails to remove a license plate or registration insignia from a vehicle that is displayed for sale;
- (12)** misuses a dealer's license plate, or a temporary tag before July 1, 2025;
- (13)** fails to display a dealer's license plate, or temporary tag before July 1, 2025, as required by law;
- (14)** holds open a title or fails to take assignment of a certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;
- (15)** fails to remain regularly and actively engaged in the business of buying, selling, or exchanging vehicles of the type for which the GDN is issued by the department;
- (16)** violates a provision of Occupations Code, Chapter 2301; Transportation Code Chapters 503 and 1001-1005; a board order or rule; or a regulation of the department relating to the sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F of this chapter (relating to Advertising);
- (17)** is convicted of an offense that directly relates to the duties or responsibilities of the occupation in accordance with § 211.3 of this title (relating to Criminal Offense Guidelines);
- (18)** is determined by the board or department, in accordance with § 215.89 of this title (relating to Fitness), to be unfit to hold a license;
- (19)** has not assigned at least five vehicles in the prior 12 months, provided the dealer has been licensed more than 12 months;

43 TAC § 215.141

- (20) files or provides a false or forged:
- (A) title document, including an affidavit making application for a certified copy of a title; or
 - (B) tax document, including a sales tax statement or affidavit;
- (21) uses or allows use of that dealer's license or location for the purpose of avoiding a provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or other laws;
- (22) omits information or makes a material misrepresentation in any application or other documentation filed with the department including providing a false or forged identity document or a false or forged photograph, electronic image, or other document;
- (23) fails to remit payment as ordered for a civil penalty assessed by the board or department;
- (24) sells a new motor vehicle without a franchised dealer's license issued by the department;
- (25) fails to comply with a dealer responsibility under § 215.150 of this title (relating to Dealer Authorization to Issue License Plates);
- (26) on or after July 1, 2025, fails to securely store a license plate;
- (27) fails to maintain a record of dealer license plates as required under § 215.138 of this title (relating to Use of Dealer's License Plates);
- (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;
- (29) fails to enter a lost, stolen, or damaged license plate in the electronic system designated by the department within the time limit prescribed by rule;
- (30) violates any state or federal law or regulation relating to the sale of a motor vehicle;
- (31) knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or reconstructed and issued a title under [Transportation Code, § 501.100](#) (relating to Application for Regular Certificate of Title for Salvage Vehicle);
- (32) fails to issue a refund as ordered by the board or department; or
- (33) fails to acquire or maintain a required certificate of occupancy, certificate of compliance, business license or permit, or other official documentation for the licensed location confirming compliance with county or municipal laws or ordinances or other local requirements for a vehicle business;
- (34) on or after July 1, 2025, fails to remove a license plate from a vehicle sold to an out-of-state buyer or from a vehicle sold for export; or
- (35) fails to keep or maintain records required under Occupations Code, Chapter 2305, Subchapter D or to allow an inspection of these records by the department.

History

43 TAC § 215.141

SOURCE:

The provisions of this § 215.141 adopted to be effective February 11, 2010, 35 TexReg 883; amended to be effective August 2, 2012, 37 TexReg 5637; amended to be effective February 13, 2017, 42 TexReg 571; amended to be effective June 1, 2024, 49 TexReg 2704; amended to be effective November 14, 2024, 49 TexReg 8953

TEXAS ADMINISTRATIVE CODE TEXAS ADMINISTRATIVE CODE

End of Document



August 24, 2025

Laura Moriaty
General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Re: Texas Register July 25, 2025

The Texas Independent Automobile Dealers Association (TIADA) respectfully submits the following comments in response to the Texas Department of Motor Vehicles (TxDMV) proposed changes to the Texas Administrative Code. TIADA represents over 1,000 independent automobile dealers throughout Texas, ranging from large publicly traded companies to small and micro-businesses.

After reviewing the proposed rules, TIADA respectfully offers the following comments to assist in clarifying and improving the rules for all stakeholders:

Comment #1 – §215.183(k), Scrivener’s Error

TIADA respectfully suggests that the internal reference in §215.183(k) be relettered to properly reference subsection (j), as the current language references itself. Correcting this will help eliminate ambiguity and ensure the rule is applied as intended.

Proposed rule currently reads:

“The department shall accept a late license renewal application up to 90 days after the date the license expires. In accordance with subsection (k) of this section.”

TIADA respectfully recommends revising to read:

“The department shall accept a late license renewal application up to 90 days after the date the license expires, in accordance with subsection (j) of this section.”

Comment #2 – §215.133(c)(1)(I), July 1, 2025 References

TIADA respectfully suggests deleting references to the temporary tag database prior to July 1, 2025, as the department will no longer be receiving applications requiring that information. Updating this language will assist in preventing confusion for applicants and ensure the rule reflects current processes.

Proposed rule currently reads:

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

TIADA respectfully recommends revising to read:

TIADA Comments to TxDMV – Texas Register July 25, 2025

August 247, 2025

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“if a dealer, the name, telephone number, and business email address of the account administrator for the license plate system designated by the applicant who must be an owner or representative listed in the application;”

TIADA notes that our primary focus in these comments is on substantive issues. Nevertheless, we respectfully suggest the department consider reviewing references to July 1, 2025, throughout the rules to enhance clarity, consistency, and readability. This recommendation is offered in a collaborative spirit to support ease of interpretation for all stakeholders.

Comment #3 – §215.133(c)(2)(E) and §215.140(a)(5)(B), Certificate of Occupancy Requirements

TIADA respectfully requests clarification regarding the requirement for a Certificate of Occupancy (CO), certificate of compliance, or similar documentation. TIADA respectfully suggests this requirement apply only when a dealership is opening a new facility, relocating, or undertaking renovations that require a municipal building permit.

TIADA respectfully recommends limiting CO requirements to:

1. New dealership facilities
2. Relocation to a new facility
3. Alterations/remodeling requiring a municipal building permit, with a one-time submission after approval

This clarification aligns the rule with current department practice, provides clarity for licensees, and reduces potential hardship.

Comment #4 – Conjunction and List Consistency

TIADA respectfully suggests revising several sections for consistency in the use of conjunctions and lists, which will improve readability and uniformity throughout the rules:

- §215.141(a)(6): Delete the extra “or” at the beginning of §215.141(a)(6), as it is already included at the end of §215.141(a)(5)
- §215.141(b)(32): Delete the extra “or,” as it is already included at the end of §215.141(b)(34)
- §215.144(f): Standardize conjunction usage between §215.144(f)(1) and §215.144(f)(3). Specifically, delete the conjunction between §215.144(f)(3)(A) and §215.144(f)(3)(B)
- §215.155(a) and §215.158(b): Align conjunction usage with the format used in other sections by deleting the “and” in §215.155(a)(2) and the “or” in §215.158(b)(1)

TIADA notes that our primary focus in these comments is on substantive issues. Nevertheless, we respectfully suggest the department consider reviewing conjunction usage throughout the rules to enhance clarity, consistency, and readability. This recommendation is offered in a collaborative spirit to support ease of interpretation for all stakeholders.

Comment #5 – §215.150, Dealer Plate Issuance Requirements

TIADA respectfully suggests revising §215.150(a), §215.150(b), and §215.150(c) to replace the word “**must**” with “**may**,” allowing dealers discretion to issue plates in scenarios where system failures, department

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restrictions, or other unforeseen circumstances prevent issuance. This is especially important given dealers face sanctions for noncompliance with §215.150.

Comment #6 – §215.151, Suggested Minimum Plate Allocations

TIADA respectfully suggests revising §215.151 to establish a minimum allocation of **five** for all tag types. This adjustment would ensure dealers have access to out-of-state plates or buyer's temporary tags for occasional or clustered transactions, supporting uninterrupted service to customers.

Comment #7 – §215.141(b)(28), Vehicle Transfer Notice Requirements

TIADA respectfully believes the rules related to vehicle transfer notices would benefit from further review. While we recognize that this topic is slightly outside the immediate scope of the current proposed rules, which primarily address sanctions, TIADA is aware of compliance challenges faced by dealers regarding vehicle transfer notices. Specifically, dealers are often expected to submit a transfer notice before receiving the title from vehicle wholesale auctions, which means they may not yet have all the required information to complete the submission.

TIADA greatly appreciates the department's consideration of these suggestions and looks forward to continued collaboration to ensure clear, consistent, and practical rules for Texas automobile dealers. As TIADA and the department gain more experience with the implementation of HB 718 and the related rules, we look forward to opportunities to provide feedback on any new rules. At this time, we respectfully suggest that a review of the rules concerning vehicle transfer notices would be beneficial to stakeholders and the department, and we urge the department to consider reviewing these rules in the near future.

Respectfully,



Earl Cooke
Director of Regulatory Affairs
earl.cooke@txiada.org

Board Meeting Date: 9/18/2025
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 10
Subject: Chapter 221, Salvage Vehicle Dealers
Amendments to §221.17
(Relating to Implementation of SB 1818 and HB 5629, 89th Legislative Session)

RECOMMENDATION

Action Item. Approval to adopt rule amendments in 43 Texas Administrative Code, §221.17.

PURPOSE AND EXECUTIVE SUMMARY

The amendments implement Senate Bill (SB) 1818 and House Bill (HB) 5629 from the 89th Regular Session (2025); both bills became effective on September 1, 2025.

FINANCIAL IMPACT

No significant impact.

BACKGROUND AND DISCUSSION

The amendments implement SB 1818 which requires the department to issue a provisional license upon receiving an application from a military service member, military veteran, or military spouse. The amendments also implement HB 5629, 89th Regular Session (2025).

HB 5629 amended Occupations Code, §55.004 and §55.0041 to change the standard for how a state agency must compare licensing requirements in other states with Texas requirements when reviewing a license application from a military service member, military veteran, or military spouse licensed in another state, and to change license request submission requirements.

Effective September 1, 2025, a military service member, military veteran, or military spouse must submit an application for a license. The department must then determine if the licensing requirements in the other state are similar in scope of practice and if the applicant is in good standing. HB 5629 also shortens the time to 10 days for the department to either issue a license or notify the applicant why a license cannot be issued. This same timeline also applies to an applicant licensed in Texas within the previous five years. HB 5629 also added new Occupations Code, §55.0042, which describes the standards for when the department may consider an applicant to be in good standing with a licensing authority.

The department received no public comments during the comment period which ended August 25, 2025. If the board adopts the amendments during its September 18, 2025, open meeting, staff anticipates:

- publication in the October 3, 2025, issue of the Texas Register; and
- an effective date of October 9, 2025.

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ADOPTION OF REVISIONS TO**SUBCHAPTER B. LICENSING****43 TAC §221.17**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Licensing; §221.17, License Processing for Military Service Members, Spouses, and Veterans. These adopted amendments implement House Bill (HB) 5629 and Senate Bill (SB) 1818 from the 89th Legislature, Regular Session (2025), both of which became effective on September 1, 2025. HB 5629 amended Occupations Code, §55.004 and §55.0041 to change the standard for comparing licensing requirements in other states with Texas requirements and to change license request submission requirements, and added new §55.0042, which describes the standards for determining when an applicant is in good standing with a licensing authority in another state. SB 1818 amended Occupations Code, §55.004 and §55.0041 to require the department to issue a provisional license to the applicant while the department is processing an application.

The department adopts amendments to §221.17 without changes to the adopted text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4389). Accordingly, §221.17 will not be republished.

REASONED JUSTIFICATION.

Adopted amendments to §221.17(b)(1)(A) require a military service member or military spouse to submit to the department a complete application for licensure. These adopted amendments implement Occupations Code, §55.0041(b), as amended by HB 5629, which requires a military service member or military spouse to submit an application in a form prescribed by the agency and removes a requirement to provide a notice. An adopted amendment to §221.17(b)(1)(B) deletes an unnecessary conjunction. To

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1 implement Occupations Code, §55.0041(b)(2), as amended by HB 5629, adopted amendments to
2 §221.17(b)(1)(C) add a requirement for an applicant who is a military spouse to submit a copy of the
3 marriage license to the department, and delete a requirement for a military service member or military
4 spouse to submit documentation demonstrating that the military service member or military spouse is
5 licensed and in good standing in another jurisdiction for the relevant business or occupation. An adopted
6 amendment adds new §221.17(b)(1)(D) to require a notarized affidavit as required by Occupations Code,
7 §55.0041(b)(3), as amended by HB 5629. Adopted amendments to §221.17(b)(2) substitute “application”
8 for “notice” and update a reference to paragraph (1) consistent with adopted amendments to
9 §221.17(b)(1) to implement Occupations Code, §55.0041, as amended by HB 5629. Adopted amendments
10 to §221.17(b)(2) and §221.17(b)(3) substitute “state” for “jurisdiction” consistent with Occupations Code,
11 §55.0041, as amended by HB 5629. Adopted amendments to §221.17(b)(2)(B) and §221.17(b)(3)
12 implements Occupations Code, §55.0041, as amended by HB 5629, by adding the revised standard for
13 comparing the license requirements in another state with Texas requirements and deleting the former
14 standard. Adopted amendments add new §221.17(b)(2)(C) to require the department to issue a
15 provisional license upon receipt of a license application from a military service member, military veteran,
16 or military spouse. These amendments implement Occupations Code, §55.0041, as amended by SB 1818.
17 Adopted amendments to §221.17(b)(3) add a reference to license eligibility if the applicant was previously
18 licensed in good standing in Texas in the last five years, add language that the department will notify an
19 applicant why the department is currently unable issue a license, and change the time for the department
20 to act on an application submitted by a military service member or military spouse from 30 days to 10
21 days to implement with Occupations Code, §55.0041, as amended by HB 5629. HB 5629 also changed the
22 documentation required to prove residency; however, residency is not a requirement of any license issued

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1 under Occupations Code, Chapters 2301 and 2302, or Transportation Code 503, so no amendments were
2 necessary.

3 **SUMMARY OF COMMENTS.**

4 The department received no comments during the public comment period which ended on August
5 25, 2025.

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SUBCHAPTER B. LICENSING**43 TAC §221.17**

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

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

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

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires

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state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

CROSS REFERENCE TO STATUTE. These amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 53, 55, and 2302; and Transportation Code, Chapters 501–503, and 1002.

TEXT.

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

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

(b) A military service member or military spouse may engage in a business or occupation for which a department issued license is required if the military service member or military spouse meets the requirements of Occupations Code, §55.0041 and this section.

(1) A military service member or military spouse must submit to the department:

(A) a complete application ~~[notice of the military service member or military spouse's intent to engage in a business or occupation in Texas for which a department issued license is required];~~

(B) proof of the military service member being stationed in Texas and a copy of the military service member or military spouse's military identification card; ~~and~~

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(C) if the applicant is a military spouse, a copy of the military spouse's marriage license; and ~~[documentation demonstrating that the military service member or military spouse is licensed and in good standing in another jurisdiction for the relevant business or occupation.]~~

(D) a notarized affidavit as required by Occupations Code, § 55.0041(b)(3).

(2) Upon receipt of the application ~~[notice]~~ and documentation required by paragraph (1) ~~[paragraphs (1)(B) and (1)(C)]~~ of this subsection, the department shall:

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

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

(C) issue a provisional license.

(3) If the department confirms that a military service member or military spouse is currently licensed in good standing in another state ~~[jurisdiction]~~ with ~~[substantially equivalent]~~ licensing requirements that are similar in scope and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a license to the military service member or military spouse for the relevant business or occupation, or notify the applicant why the department is currently unable to issue a license pursuant to Occupations Code, §55.0041(b-1), within 10 ~~[30]~~ days. The license is subject to the requirements of this chapter and Occupations Code, Chapter 2302 in the same manner as a license issued under the standard application process, unless exempted or modified under Occupations Code, Chapter 55.

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- 1 (c) This section establishes requirements and procedures authorized or required by Occupations
- 2 Code, Chapter 55, and does not modify or alter rights that may be provided under federal law.
- 3
- 4



To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 11
Subject: Chapter 217, Vehicle Titles and Registration
Amendments: Subchapters B and I
(Relating to Implementation of SB 1902 and SB 1729, 89th Legislative Session, Online
Registration Renewals; and Cleanup)

RECOMMENDATION

Action Item. Adopt proposed amendments to sections in 43 Texas Administrative Code Chapter 217.

PURPOSE AND EXECUTIVE SUMMARY

This rule item would adopt amendments to implement Senate Bill (SB) 1729 and SB 1902, 89th Legislature, Regular Session (2025), and House Bill (HB) 3297, 88th Legislature, Regular Session (2023), eliminate an online transaction discount, and clean up the language in Chapter 217.

FINANCIAL IMPACT

The proposed amendment to §217.185 would result in a positive fiscal impact to the department. The estimated fiscal impact would be approximately \$6 million in additional revenue to the state per year. There will be no significant fiscal implications due to other proposed amendments.

BACKGROUND AND DISCUSSION

Amendments to §217.27 are being adopted to implement SB 1729, which amended Transportation Code §502.044 designating a motor vehicle registration period of 24 consecutive months for certain passenger cars and light trucks sold in this state or purchased by a commercial fleet buyer for use in this state. Amendments are also being adopted to delete references to Transportation Code, §548.102 because HB 3297 repealed Transportation Code §548.102, pertaining to the initial two-year inspection period for passenger cars and light trucks.

Additionally, amendments to §217.53 are being adopted to implement SB 1902, which amended Transportation Code §504.901 concerning the transfer of license plates upon the sale or transfer of a motor vehicle in dealer and nondealer transactions.

Amendments §217.52 are being adopted to clarify the fee for restyling any specialty license plate to an embossed specialty license plate.

Finally, amendments are being adopted to §217.185 to eliminate the \$1 discount for online registration transactions.

The adopted amendments to §217.185 are effective December 8, 2025. The adopted amendments to §§217.27, 217.52, and 217.53 are effective on or about October 9, 2025, 20 days after filing with the office of the Secretary of State.

COMMENTS

The proposed amendments were published for comment in the July 25, 2025, issue of the *Texas Register*. The comment period closed on August 25, 2025.

The department received two written comments (attached), one from the Galveston County Tax Assessor-Collector and one from an individual. The department considered both written comments and is not recommending changes to the rule text at adoption in response to these comments.

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Chapter 217 – Vehicle Titles and Registration

ADOPTION OF REVISIONS TO**SUBCHAPTER B. MOTOR VEHICLE REGISTRATION****43 TAC §§217.27, 217.52, AND 217.53****SUBCHAPTER I. PROCESSING AND HANDLING FEES****43 TAC §217.185**

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

The amendments are necessary to implement legislation, to clarify rule language, and to remove a fee discount that is no longer necessary to incentivize online registration transactions. The department adopts amendments to §§217.27, 217.52, and 217.53 without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4378). These amendments will not be republished. The department adopts amendments to §217.185 with changes to the proposed text; the text will be republished.

The adopted amendments to §217.185 will be effective December 8, 2025. The adopted amendments to §§217.27, 217.52, and 217.53 will be effective on or about October 9, 2025, 20 days after filing with the office of the Secretary of State.

REASONED JUSTIFICATION.

Adopted amendments to §217.27(c)(2)(B) delete references to Transportation Code, §548.102, the language pertaining to an outstanding inspection period, and the language regarding an application for registration in the name of the purchaser. Adopted amendments also insert reference to Transportation Code, §502.044(a-1), which gives the department authority to register certain motor vehicles for a period of 24 consecutive months. These adopted amendments are necessary to

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1 implement Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which amended Transportation
2 Code, §502.044 to designate a motor vehicle registration period of 24 consecutive months for new
3 passenger cars and light trucks sold in Texas or purchased by a commercial fleet buyer described by
4 Transportation Code, §501.0234(b)(4) for use in Texas. The adopted amendments to §217.27(c)(2)(B) are
5 also necessary to delete references to Transportation Code, §548.102 because House Bill (HB) 3297, 88th
6 Legislature, Regular Session (2023) repealed Transportation Code, §548.102, pertaining to the initial
7 two-year inspection period for passenger cars and light trucks.

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

17 Adopted amendments to §217.53 are necessary to implement SB 1902, 89th Legislature, Regular
18 Session (2025), which amended Transportation Code, §504.901 to require a motor vehicle dealer who
19 has purchased a vehicle to remove the assigned general-issue license plates from the vehicle and either
20 transfer the license plates within 10 days to another motor vehicle purchased from their inventory, or
21 destroy the plates. Adopted amendments to §217.53(a) modify the language to require a dealer, upon
22 receiving a motor vehicle in their inventory by sale or transfer, to remove the plates and remove and
23 dispose of the registration insignia from the vehicle. An adopted amendment to §217.53(a) also clarifies

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1 that the dealer must either transfer or dispose of the general-issue license plates removed from the
2 motor vehicle in accordance with 43 TAC §215.151(d), relating to License Plate General Use
3 Requirements. In addition, an adopted amendment adds standard language to state that §215.151(d) is
4 contained in Title 43.

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

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

22 The language in Transportation Code, §504.901(b), as amended by SB 1902, that requires the
23 seller of a motor vehicle, in a transaction where neither party is a dealer, to remove the license plates

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1 from the vehicle, is very similar to the language that existed in that statute prior to the amendments of
2 HB 718, 88th Legislature, Regular Session (2023). Adopted amendments to §217.53(d) implement SB
3 1902 by reverting back to a portion of the language that existed in §217.53(c) prior to the amendments
4 that the department adopted in December 2024 to implement HB 718. The adopted amendments to
5 §217.53(d) inform a purchaser of a motor vehicle, where neither party is a dealer and the seller has
6 removed the license plates, of the option to secure a vehicle transit permit under Transportation Code,
7 §502.492. This permit allows the purchaser to operate the motor vehicle legally on the public roadways
8 from the location where they purchased it to their home or to get it titled and registered.

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

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fees. This adoption seeks only to eliminate the online registration discount in the amount of \$1 per registered vehicle per year, and the established registration fees would remain the same. At adoption, §217.185(a)(3) was amended to remove a stray comma.

The adopted amendments to §217.185 will be effective December 8, 2025, to allow sufficient time for recoding the IVTRS and TxT systems to remove the \$1 discount.

SUMMARY OF COMMENTS.

The department received two written comments on the proposal.

The department received written comments from one individual and the Galveston County Tax Assessor-Collector (TAC).

Comment. The Galveston County TAC commented in opposition to the proposed amendments to §217.185(a)(3). The commenter stated the proposed amendments to eliminate the \$1 discount on registration transactions processed through TxT or IVTRS would result in reduced online registration renewals, and challenged the department to prove it costs the department money to have the \$1 discount.

Response. The department disagrees. The original reason for the discount created in 2016 was to incentivize online renewals for those customers who otherwise may not renew online. Now, almost 10 years later, conducting business online is significantly more widespread, and many customers are comfortable with the process. Online registration renewals have held steady at approximately 30% of customers for the past three years. The department believes that most people who currently renew online will continue to do so even in the absence of this discount, which amounted to only \$1 per person per year. With the adoption of these amendments, it will not be more expensive to renew online than in-person as the cost is the same for both options. However, customers will still be incentivized to renew

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1 online by the convenience of online renewals, which allows customers to avoid the time and cost required
2 to drive to an in-person renewal location.

3 Additionally, as the proposal preamble stated, the department expects to receive up to
4 \$6,000,000.00 per year in increased revenue as a result of removing the \$1 discount for online
5 transactions. This was calculated based on the recent number of customers who renewed their
6 registration online multiplied by \$1 for each of those customers. Thus, the online fee discount costs the
7 department approximately \$6,000,000.00 each year that it remains in place.

8 **Comment.** An individual commented that all fees charged by the counties should be standardized to
9 better regulate and streamline the process for assessing fees to avoid confusion on the part of dealers.

10 **Response.** The department disagrees. This comment is outside the scope of the rule proposal, which is
11 limited to amendments that eliminate a fee discount related to online motor vehicle registration renewals
12 and does not address the standardization of fees or fees in general.

13 **Comment.** The individual commenter also commented that the new license plate system hinders motor
14 vehicle dealer operations compared to the replaced temporary tag system that could have been fixed with
15 a watermark feature on the temporary tags to counter the theft and/or misuse of temporary tags.

16 **Response:** The department disagrees. This comment is outside the scope of this rule proposal and the
17 department's rulemaking authority. Transportation Code, §503.063 requires dealers to issue buyer's
18 license plates on or after July 1, 2025.

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SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**43 TAC §§217.27, 217.52, AND 217.53**

STATUTORY AUTHORITY. The department adopts amendments to §§217.27, 217.52, and 217.53 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.044, as amended by Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which requires the department to designate a registration period of 24 consecutive months for certain passenger cars and light trucks; Transportation Code, §504.0011, which gives the board authority to implement and administer Transportation Code, Chapter 504, License Plates; Transportation Code, §504.010, which authorizes the department to adopt rules governing the issuance and placement of license plates on motor vehicles; Transportation Code, §504.0051, which gives the department authority to issue personalized license plates and forbids the department from issuing replacement personalized license plates unless the vehicle owner pays the statutory fee required under Transportation Code, §504.007; Transportation Code, §504.007, which states that replacement license plates can only be issued if the vehicle owner pays the statutory fee; Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate to reestablish its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and authorizes the board to establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a), which allows the department to contract with a private vendor to provide specialty and personalized license plates; Transportation Code, §504.851(b)-(d), which authorize the board to establish fees by rule for the issuance or renewal of personalized license plates that are marketed and sold by the vendor as long as the fees are reasonable and not less than the amounts necessary to allow the department to recover all reasonable costs associated with the procurement, implementation and enforcement of the vendor's contract; Transportation Code, §504.851(i), which requires a contract entered into by the

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department and a private vendor for the marketing and sale of specialty license plates to allow the vendor to establish a range of premium embossed specialty license plates to be sourced, marketed, and sold by the private vendor; the rulemaking authority provided under Section 3 of SB 1902, 89th Legislature, Regular Session (2025); and Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout the this preamble.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapters 502, 504, and 1002.

TEXT.

§217.27. Vehicle Registration Insignia.

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

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

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

(3) If the vehicle is registered under Transportation Code, Chapter 504, Subchapter B-1, the registration receipt, symbol, tab, or other device prescribed by and issued by the

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department must be retained with the vehicle and may provide the record of registration for vehicles with a digital license plate. The expiration month and year must appear digitally on the electronic visual display of the rear digital license plate.

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

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

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

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

(1) must display two license plates that are clearly visible, readable, and legible, one at the exterior front and one at the exterior rear of the vehicle that are securely fastened at the exterior front and rear of the vehicle in an upright horizontal position of not less than 12 inches from the ground, measuring from the bottom; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) derogatory, directly or indirectly (defined as an expression that is demeaning to, belittles, or disparages any person, group, race, ethnicity, nationality, gender, or sexual orientation. "Derogatory" may also include a reference to an organization that advocates the expressions described in this subparagraph);

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

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

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

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

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

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

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

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

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

(f) A decision to cancel or not to issue a license plate with a personalized license plate number under subsection (d) of this section may be appealed to the executive director of the department or the executive director's designee within 20 days of notification of the cancellation or non-issuance. All appeals must be in writing, and the requesting party may include any written arguments, but shall not be entitled to a contested case hearing. The executive director or the executive director's designee will issue a decision no later than 30 days after the department receives the appeal, unless additional information is sought from the requestor, in which case the time for decision is tolled until the additional information is provided. The decision of the executive director or the executive director's designee is final and may not be appealed to the board. An appeal to the executive director or the executive director's designee is denied by operation of law 31 days from the receipt of the appeal, or if the requestor does not provide additional requested information within ten days of the request.

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

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

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

(a) Purpose and scope. The department will enter into a contract with a private vendor to market department-approved specialty license plates in accordance with Transportation Code, Chapter 504, Subchapter J. This section sets out the procedure for approval of the design, purchase, and replacement of vendor specialty license plates. In this section, the license plates marketed by the vendor are referred to as vendor specialty license plates.

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

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

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

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

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

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

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

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

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

(1) will not consider incomplete applications; and

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

(d) Board decision.

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

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

(B) the proposed license plate design, including:

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

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

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

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

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

(vi) other information provided during the application process.

(2) Public comment on proposed design. All proposed license plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed license plate designs will be posted in accordance with Office of the Secretary of State meeting notice requirements. Notice of each license plate design will be posted on the department's Internet web site to receive public comment at least 25 days in advance of the meeting at which it will be considered. The department will notify all specialty license plate organizations and the sponsoring agencies who administer specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted in writing through the mechanism provided on the department's Internet web site for submission of comments. Written comments are welcome and must be received by the department at least 10 days in advance of the meeting. Public comment will be received at the board's meeting.

(e) Final approval and specialty license plate issuance.

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

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

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

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

2 (3) Issuance of approved specialty license plates.

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

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

10 (f) Redesign of vendor specialty license plates.

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

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

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

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

19 (1) Custom license plates. Custom license plates include license plates with a
20 variety of pre-approved background and character color combinations that may be personalized with
21 either three alpha and two or three numeric characters or two or three numeric and three alpha
22 characters. Generic license plates on standard white sheeting with the word "Texas" that may be
23 personalized with up to six alphanumeric characters are considered custom license plates before

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December 2, 2010. The fees for issuance of Custom and Generic license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

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

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

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for three years, and \$495 for five years.

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

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

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

(6) Vendor souvenir license plates. Vendor souvenir license plates are replicas of vendor specialty license plate designs that may be personalized with up to 24 alphanumeric characters.

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1 Vendor souvenir license plates are not street legal or legitimate insignias of vehicle registration. The fee
2 for issuance of souvenir license plates is \$40.

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

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

19 (9) Personalization and specialty license plate fees.

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

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(B) The personalization fee for license plates applied for after November

19, 2009 is \$40 if the license plates are issued pursuant to Transportation Code, Chapter 504,

Subchapters G and I.

(C) If the license plates are renewed annually, the personalization and

specialty license plate fees remain the same fee as at the time of issuance if a sponsor of a specialty

license plate authorized under Transportation Code, Chapter 504, Subchapters G and I signs a contract

with the vendor in accordance with Transportation Code, Chapter 504, Subchapter J, even if the board

approves the specialty license plate to be an embossed specialty license plate design.

(i) Payment of fees.

(1) Payment of specialty license plate fees. The fees for issuance of vendor

specialty license plates will be paid directly to the state through vendor and state systems for the license

plate category and period selected by the purchaser. A person who purchases a multi-year vendor

specialty license plate must pay upon purchase the full fee which includes the renewal fees.

(2) Payment of statutory registration fees. To be valid for use on a motor

vehicle, the license plate owner is required to pay, in addition to the vendor specialty license plate fees,

any statutorily required registration fees in the amount as provided by Transportation Code, Chapter

502, and this subchapter.

(j) Refunds. Fees for vendor specialty license plate fees will not be refunded after an

application is submitted to the vendor and the department has approved issuance of the license plate.

(k) Replacement.

(1) Application. An owner must apply directly to the county tax assessor-

collector for the issuance of replacement vendor specialty license plates and must pay the fee described

in paragraphs (2) or (3) of this subsection, whichever applies.

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

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

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

(5) Stolen vendor specialty license plates. The county tax assessor-collector will not approve the issuance of replacement vendor specialty license plates with the same license plate number if the department's records indicate that the vehicle displaying that license plate number was reported stolen or the license plates themselves were reported stolen to law enforcement.

(I) Transfer of vendor specialty license plates.

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

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

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

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

(m) Gift license plates.

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

(A) the purchaser's name and address;

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

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

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

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

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

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

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

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

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

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

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

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

(b) Upon the sale or transfer of a motor vehicle in which neither party is a dealer, the ~~[general issue]~~ license plates shall be removed from ~~[remain with]~~ the motor vehicle by the seller or transferor

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~~[as provided in Transportation Code, §504.901].~~ The removed license plates may be transferred to another motor vehicle if the following requirements are met:

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

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

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

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

(1) destroying the license plate;

(2) recycling the license plate using a metal recycler registered under Occupations Code Chapter 1956; or

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

(d) A person who obtains a motor vehicle in a transaction described by subsection (b) of this section may obtain one vehicle transit permit (temporary single-trip permit), as provided by Transportation Code, §502.492, through the department's website at www.txdmv.gov. [If the purchaser at a retail sale chooses to obtain replacement general issue license plates, the replaced license plates

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~~must be disposed of in a manner that renders the license plates unusable or that ensures the license plates will not be available for fraudulent use on a motor vehicle.]~~

SUBCHAPTER I. PROCESSING AND HANDLING FEES**43 TAC§ 217.185**

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

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapters 502 and 1002.

TEXT.

§217.185. Allocation of Processing and Handling Fees.

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

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

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

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

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

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

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

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

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

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

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

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

(A) the deputy may retain:

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

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

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

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

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

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

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

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

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

14 (1) the entity may retain \$4.25;

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

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

From: [Johnson, Cheryl E](#)
To: [Zz - Resource - GCO Rules](#)
Cc: [Niblock, Heather](#); [Moreno, Kathleen](#); [McRae, Tammy](#); [Johnson, Cheryl E](#)
Subject: Absolutely NO
Date: Friday, July 25, 2025 9:51:19 AM
Importance: High

ATTENTION: This email originated from outside of TxDMV. Malicious software, such as viruses, worms, and ransomware can be transmitted via email attachments and links. Do not click any links or open any attachments unless you recognize the sender and have confirmed the content is safe.

Good morning.

Please do NOT eliminate the \$1 discount for online renewals by the Department. Although I did not appreciate the removal of internet renewals from counties as it reduced our funding, it did simplify/reduce our tasks enabling us to focus on the customers in office and mail.

Elimination of this savings will be a detriment and will result in reduced online renewals. The “perk” of the \$1 savings has even resulted in ME renewing online.

Bad idea to reduce a benefit on a savings that should be real.

I also challenge the Department to PROVE it costs it \$\$\$ to have the \$1 savings.

Cheryl E. Johnson, PCC, CTOP
Galveston County Tax Assessor Collector
(409) 765-3277 (office)
(409) 392-5457 (mobile)
www.galcotax.com

“Be the change you want to see in the world.” Gandhi

Full Time GCTO Office Hours Effective 7.31.2025
Monday-Thursday 7:30 am - 5:30 pm, Friday 8 am - Noon
Galveston Courthouse, 722 21st Street/Moody, Galveston
Texas City Annex, 2516 Texas Avenue, Texas City
West County Annex, 11730 Highway 6, Santa Fe
Monday-Friday 8:00 am to 5:00 pm
North County Annex, 174 Calder, League City
Satellite Office Hours Effective 7.31.2025 (closed Noon - 1:00 pm for lunch)
946 Noble Carl Rd, Crystal Beach 3rd Tuesday 7:30 am-4:30 pm
910 S Friendswood Dr., Friendswood Thursday, Friday 8am-5pm

From: [Brittlie Blevins](#)
To: [Zz - Resource - GCO Rules](#)
Subject: STANDARDIZE FEES
Date: Friday, August 15, 2025 4:21:38 PM
Importance: High

ATTENTION: This email originated from outside of TxDMV. Malicious software, such as viruses, worms, and ransomware can be transmitted via email attachments and links. Do not click any links or open any attachments unless you recognize the sender and have confirmed the content is safe.

Hello,

Can you please standardize fee's for all counties. Regulate & streamline.

There are some counties charging an additional \$5 for emissions on trailers (boat trailers) or a discrepancy with the title fee's being \$33 or \$27 – not sure.

Whatever it is it not clear for dealers without doing a ton of research, leaving INSANE room for error & now stupid fines & penalties with the OCCC for \$5 discrepancies. This is STATE WIDE & ridiculous. TPWD has it down. Make it simple please.

Also the new Plate system is ridiculous. If theft/misuse was the issue with paper tags, have us order watermarked paper for the temp tags – simple fix. This bogs down our processes & seems to be DMV work, not dealers.

Thanks

Brittlie Blevins

Slalom Shop Boats & Yachts
2908 N. Stemmons Frwy.
Lewisville, TX 75077
972-221-9091 Ext. 0212
972-420-0597 Fax
www.slalomshop.com

To: Texas Department of Motor Vehicles Board
From: Clint Thompson, Motor Carrier Division Deputy Director
Agenda Item: 12
Subject: New Chapter 220, Automated Motor Vehicles
New: Subchapters A, B, and C
(Relating to Implementation of SB 2807, 89th Legislative Session)

RECOMMENDATION

Action Item. Adopt proposed new 43 Texas Administrative Code Chapter 220 with an effective date of February 27, 2026.

PURPOSE AND EXECUTIVE SUMMARY

Adopted new Chapter 220 implements Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025).

FINANCIAL IMPACT

No significant fiscal impact to state or local governments as a result of the enforcement or administration of Chapter 220.
No costs of compliance with Chapter 220.

BACKGROUND AND DISCUSSION

The adopted rules are necessary to implement SB 2807, regarding an authorization for a person to operate one or more automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in Texas without a human driver.

The adopted rules prescribe the form and manner for a person to apply for authorization to operate one or more automated motor vehicles, and the requirements for an authorization holder to update certain documents under Transportation Code, §545.456.

The proposed new Chapter 220 was published for comment in the July 25, 2025, issue of the *Texas Register*. The comment period closed on August 25, 2025. The department received nine timely written comments (attached) on the proposal. Each of the following submitted a written comment: one individual, the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility). The department considered all written comments that were timely received during the public comment period regarding Chapter 220 and is recommending one change to the rule text at adoption in response to the comment from the City of Austin.

SB 2807 became effective on September 1, 2025. A portion of SB 2807 amends Transportation Code, Chapter 545, Subchapter J, Operation of Automated Motor Vehicles. SB 2807 requires the board and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor vehicles by December 1, 2025.

However, Section 12(b) of SB 2807 says that a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The department anticipates that the computer programming to implement SB 2807 will be completed in late April of 2026. The department recommends an effective date of February 27, 2026, for new Chapter 220 based on the programming required to implement SB 2807. If the effective date of Chapter 220 is February 27, 2026, a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, and Chapter 220 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

If the board adopts Chapter 220 at the September 18, 2025, open meeting, staff anticipates publication of the adoption in the October 3, 2025, issue of the *Texas Register*.

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Chapter 220 – Automated Motor Vehicles

ADOPTION OF NEW CHAPTER**CHAPTER 220. AUTOMATED MOTOR VEHICLES****SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §220.1 AND §220.3****SUBCHAPTER B. AUTHORIZATION TO OPERATE AN AUTOMATED MOTOR VEHICLE****43 TAC §§220.20, 220.23, 220.26, 220.28, AND 220.30****SUBCHAPTER C. ADMINISTRATIVE SANCTIONS****43 TAC §220.50**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts new 43 Texas Administrative Code (TAC) Chapter 220, Automated Motor Vehicles; Subchapter A, General Provisions, §220.1 and §220.3; Subchapter B, Authorization to Operate an Automated Motor Vehicle, §§220.20, 220.23, 220.26, 220.28, and 220.30; and Subchapter C, Administrative Sanctions, §220.50, concerning automated motor vehicles.

The department adopts the following new sections without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4386) and these rules will not be republished: §§220.1, 220.3, 220.20, 220.28, and 220.50. The department adopts the following new sections with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4386) and these rules will be republished: §§220.23, 220.26 and 220.30. The changes at adoption are described in the Reasoned Justification below.

Adopted new Chapter 220 is necessary to implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025), which requires a person to hold an automated motor vehicle authorization to operate one or more automated motor vehicles to transport property or passengers in furtherance of a

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1 commercial enterprise on highways and streets in Texas without a human driver (authorization). SB 2807
2 became effective on September 1, 2025.

3 A portion of SB 2807 amends Subchapter J (Operation of Automated Motor Vehicles) of Chapter
4 545 of the Transportation Code. SB 2807 requires the Board of the Texas Department of Motor Vehicles
5 (board) and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807
6 regarding automated motor vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that
7 a person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as
8 amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required
9 by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by
10 Transportation Code, §545.455(c)(2)). The effective date of Chapter 220 is February 27, 2026; however, a
11 person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as
12 amended by SB 2807, and Chapter 220 until the later of May 28, 2026, or the 90th day after the effective
13 date of the rules adopted by the Public Safety Commission as required by Transportation Code,
14 §545.455(c)(2).

15 The department considered all written comments that were timely received during the public
16 comment period regarding Chapter 220. The department made one change to §220.26(a) at adoption in
17 response to a public comment from the City of Austin by adding language to provide an example of a
18 material change to information in a document, which triggers the requirement for an authorization holder
19 to provide the department with an update under Transportation Code, §545.456(e).

20 REASONED JUSTIFICATION.**21 Subchapter A. General Provisions**

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Adopted new §220.1 provides the purpose and scope of new Chapter 220. Adopted new §220.3 specifies that the definitions for new Chapter 220 are the definitions contained in Transportation Code, Chapter 545, Subchapter J.

Subchapter B. Authorization to Operate an Automated Motor Vehicle

For clarity and ease of reference, adopted new §220.20 provides the purpose and scope of new Subchapter B regarding the form and manner of an application for authorization, as well as the requirements to update certain documents under Transportation Code, §545.456.

Adopted new §220.23 prescribes the form and manner by which a person may apply to the department for an authorization, as required by Transportation Code, §545.456(a). Adopted new §220.23 also prescribes certain requirements for an authorization application.

The application requirements are similar to the application requirements in the department's rules for other programs, such as operating authority for a motor carrier under 43 TAC Chapter 218. However, the department customized the application requirements under §220.23 to comply with Transportation Code, §545.456 and to obtain information and documents that the department needs to comply with new Chapter 220 and Transportation Code, §545.456 and §545.459.

The requirement for the applicant to provide the applicant's name, contact information, business entity type, and Texas Secretary of State file number, as applicable, will assist the department in identifying the applicant and verifying certain application information as necessary. If the department approves the application and issues an authorization to the applicant under Transportation Code, §545.456, the department will use the authorization holder's application information to send any notices to the authorization holder under Chapter 224 of this title regarding administrative sanctions, including the possible suspension, revocation, or cancellation of the authorization if the department determines that an automated motor vehicle operating under an authorization is not in safe operational condition

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1 and the operation of the vehicle on a highway or street in Texas endangers the public. The department
2 will also use any documents provided by an applicant under §220.23 to enforce the relevant provisions
3 under new Chapter 220 and Transportation Code, §545.456 and §545.459 regarding the authorization
4 holder if the department approves the application and issues an authorization.

5 The vehicle descriptive information specified in adopted new §220.23(b)(1)(B) is consistent with
6 certain data fields that are included on Form 130-U, which is the department's Application for Texas Title
7 and/or Registration. Transportation Code, §545.456(b)(1)(B) requires the department's rules to require
8 an applicant for an authorization to provide the department with vehicle descriptive information as
9 prescribed by the department. Adopted new §220.23(b)(1)(B) requires the applicant to provide vehicle
10 descriptive information that is generally used by the department to identify vehicles and that is consistent
11 with terminology used in the department's form for an application for Texas title and/or registration for
12 a vehicle. Transportation Code, §545.455(b)(5) prohibits an automated motor vehicle from being
13 operated on a highway or street in Texas with the automated driving system engaged unless the vehicle
14 is registered and titled in accordance with Texas law. Also, Transportation Code, §545.456(b)(2)(E)
15 requires the department's rules to require an applicant for an authorization to provide the department
16 with a written statement by the applicant or the manufacturer of the vehicle or the automated driving
17 system acknowledging that each automated motor vehicle is registered and titled in accordance with
18 Texas law. Law enforcement uses the vehicle registration and title information that the department
19 maintains on vehicles that are titled and registered in Texas. It is therefore important that the vehicle
20 descriptive information in the department's designated system for automated motor vehicles is
21 consistent with the vehicle descriptive information in the department's designated system for vehicle
22 titles and registration.

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1 The information required under new §220.23 will assist law enforcement with determining
2 whether an automated motor vehicle is being operated under an authorization, so law enforcement can
3 determine whether to issue a citation to the owner of the vehicle or the authorization holder for the
4 vehicle. Transportation Code, §545.454(b) states that when an automated driving system that is installed
5 on an automated motor vehicle is engaged, the authorization holder for the automated motor vehicle
6 shall be issued any citation for a violation of traffic or motor vehicle laws related to the vehicle. If the
7 automated motor vehicle is not being operated under an authorization, Transportation Code, §545.454(b)
8 states that the citation shall be issued to the owner of the vehicle.

9 In addition, the information required under new §220.23 may help law enforcement determine
10 whether a person committed an offense under Transportation Code, §545.455(d). A person commits an
11 offense under Transportation Code, §545.455(d) if the person operates an automated motor vehicle in
12 violation of Transportation Code, §545.455(c), which prohibits a person from operating an automated
13 motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway
14 or street in Texas without a human driver unless the person receives and maintains authorization to
15 operate automated motor vehicles from the department under Transportation Code, §545.456 and
16 provides the Texas Department of Public Safety with the prescribed plan specifying how a person who
17 provides firefighting, law enforcement, ambulance, medical, or other emergency services should interact
18 with the automated motor vehicle during the provision of those services.

19 The department adopts §220.23(c) with a change at adoption to replace the word “with” with the
20 word “to” because an applicant submits an application to the department.

21 Adopted new §220.26 prescribes the requirements and process regarding an authorized holder’s
22 obligation to provide the department with updated documents under Transportation Code, §545.456(e)
23 and §545.456(f)(2). The department needs updated information and documents to enforce the relevant

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1 provisions under new Chapter 220 and Transportation Code, §545.456 and §545.459 regarding an
2 authorization holder.

3 The department adopts §220.26(a) and (b) with changes at adoption to delete the references to
4 paragraphs (1) and (2) in the citation to §220.23(b) because the references are not necessary as
5 §220.23(b) only includes two paragraphs. The department also adopts §220.26(a) with a change at
6 adoption in response to a public comment from the City of Austin regarding whether an authorization
7 holder's addition of an automated motor vehicle to its fleet is a change in material information that
8 triggers the requirement for the authorization holder to provide the department with an update under
9 Transportation Code, §545.456(e). This change at adoption clarifies, but does not limit, the term "material
10 information changes" in §220.26(a) by adding the phrase "including, but not limited to, the addition of
11 another vehicle." The addition of a vehicle to the fleet is a material change because Transportation Code,
12 §545.459(g) specifies that the department is authorized to regulate each individual vehicle by authorizing
13 the department to impose restrictions on the operation of "the" vehicle, rather than a unit of a fleet. This
14 addition will ensure that authorization holders understand the materiality of adding another automated
15 motor vehicle to their fleet, but will not restrict the department's authority to determine materiality
16 beyond this example based on the specific facts of each case.

17 Adopted new §220.26(b)(3) imposes a five-day deadline for an authorization holder to
18 electronically submit an updated or current document when the department requests the authorization
19 holder for an updated or current document under Transportation Code, §545.456(f)(2). The five-day
20 deadline to respond to a department request under Transportation Code, §545.456(f)(2) is different than
21 the general 30-day deadline under §545.456(e) for an authorization holder to update their documents
22 without a department request. Transportation Code, §545.456(f)(2) addresses situations in which the
23 department needs an updated or current document more quickly than 30 days, such as when the

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1 operation of an automated motor vehicle endangers the public, as described in Transportation Code,
2 §545.459(a) and (b). However, adopted new §220.26(b)(3) also authorizes the department to grant an
3 extension on the five-day deadline in response to a written request from the authorization holder.

4 Adopted new §220.26(b)(4) requires the authorization holder to submit any requests for an
5 extension prior to the department's deadline for submission of the updated or current document. A
6 request for an extension after the deadline has passed is not a reasonable request. Adopted new
7 §220.26(b)(4) also requires an extension request to be sent to the designated address listed in the
8 department's request to the authorization holder for an updated or current document. This will allow the
9 department flexibility in determining how best to staff and monitor communications with authorization
10 holders.

11 Adopted new §220.26(b)(5) requires the authorization holder's request for an extension to
12 contain an explanation on why five days is not reasonable, why the authorization holder needs more time
13 (including the specific deadline the authorization holder is requesting), and whether the authorization
14 holder's requested deadline is likely to result in harm to the public health, safety, or welfare. Automated
15 motor vehicles are a new and evolving technology. The authorization holder is in the best position to know
16 about the automated motor vehicles that it operates and the automated motor vehicle industry in
17 general. The authorization holder is in the best position to articulate its reasons for requesting an
18 extension of the five-day deadline.

19 Adopted new §220.28 provides clarity to the automated motor vehicle industry regarding the
20 computation of time under new Chapter 220, as well as under Transportation Code, §545.456 and
21 §545.459, by aligning the computation with Government Code, §311.014 and specifying calendar days
22 rather than business days.

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Adopted new §220.30 specifies that the written statement and certification, required by Transportation Code, §545.456, must contain an authorized signature to ensure that the statement and certification are accurate, authorized, and enforceable. An electronic signature is legally acceptable under Business and Commerce Code, §322.007.

The department adopts §220.30 with a change at adoption to clarify that it applies to both an applicant for an authorization and an authorization holder. The written statements and the certification referenced in Transportation Code, §545.456(b) apply both to an application for an authorization and to updates that an authorization holder must provide to the department.

Subchapter C. Administrative Sanctions

Adopted new §220.50 states that the department's rules regarding administrative sanctions for authorization holders are located in Chapter 224 of the department's rules. This new section is consistent with other department rules, which state where to find the department's rules relating to adjudicative practice and procedure as a useful reference for the regulated industries and others.

SUMMARY OF COMMENTS.

The department received nine timely written comments on the proposal. Each of the following submitted a written comment: one individual, the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility).

Comment: An individual commenter believes that autonomous vehicles should be heavily regulated and should have to pass a driving test to get a license. Also, the individual commenter believes the automated motor vehicle companies should be heavily taxed by being charged a significant yearly fee to operate each vehicle and an income tax percentage per ride.

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1 **Response:** The department disagrees with this comment because it is outside the scope of the
2 department's rulemaking authority.

3 **Comment:** The City of Austin requests clarification on whether municipalities can be parties to the
4 adjudication process for the issuance of an authorization to operate automated motor vehicles.

5 **Response:** The department disagrees with this comment because it is outside the scope of the
6 department's rulemaking authority. The legislature specified that the department, rather than a political
7 subdivision, has the authority to administer the laws regarding an automated motor vehicle authorization
8 under Transportation Code, §545.456.

9 **Comment:** The City of Austin requests clarification on whether automated motor vehicle companies that
10 are new to Texas or have not yet deployed must obtain authorization before testing and mapping on Texas
11 roadways.

12 **Response:** The department disagrees. Transportation Code, §545.455(c) and §545.456 address the issue,
13 and it is not necessary to repeat statutory language in rule. Also, the answer depends on the facts. In
14 addition, Section 12(b) of SB 2807 states when a person is required to comply with Transportation Code,
15 Chapter 545, Subchapter J.

16 **Comment:** The City of Austin requests that the rules establish a clear process requiring automated motor
17 vehicle authorization holders to coordinate with local emergency responders to provide classroom, hands-
18 on, and simulated incident and cybersecurity training prior to deployment. The City of Austin also
19 recommends that the emergency plans that authorization holders are required to submit to the Texas
20 Department of Public Safety be shared with local public safety departments to ensure operational
21 readiness, training and interoperability. In addition, the City of Austin recommends that automated motor
22 vehicle operators provide a 24-hour emergency contact email and phone number to city public safety
23 personnel to assist with establishing automated motor vehicle exclusion zones in times of emergencies.

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Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

Comment: The City of Austin recommends that the proposed rules clarify what data, if any, must be reported to local jurisdictions, including information related to automated motor vehicle routes, collisions under the National Highway Traffic Safety Administration's Standing General Order, incidents, operational design domain (ODD) parameters, fleet size and local counts, and emergency response interactions.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

Comment: The City of Austin states that compliance timelines should allow for flexibility, particularly for jurisdictions with existing automated motor vehicle pilot programs. The City of Austin also states that transitional provisions should protect ongoing coordination between local agencies and automated motor vehicle operators.

Response: The department disagrees. The department is required to adopt rules by December 1, 2025, according to Section 12 of SB 2807. Also, the department is making these rules effective as soon as possible to implement SB 2807 as directed by the legislature. In addition, as explained above, the effective date of Chapter 220 is February 27, 2026; however, a person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as amended by SB 2807, and Chapter 220 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

Comment: At a high level, Auto Innovators supports the department's proposed rules to implement SB 2807.

Response: The department agrees.

Comment: Torc, Lyft, Stack, and AVIA support the department's proposed rules.

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1 **Response:** The department agrees.

2 **Comment:** The City of Dallas encourages the department to require robust safety documentation,
3 including crash history and proof of community stakeholder coordination, and to make information about
4 approved operators publicly accessible.

5 **Response:** The department disagrees. The requested rules are outside the scope of the department's
6 rulemaking authority. Transportation Code, §545.453 and §545.456 do not allow the department to
7 require authorization holders to submit crash history or proof of community stakeholder coordination.
8 Also, whether the department makes information about authorization holders publicly accessible is based
9 on statutory confidentiality requirements in Government Code, Chapter 552 and other statutes, and is
10 therefore not a matter that should be included in an administrative rule.

11 **Comment:** The City of Dallas recommends effective coordination between automated motor vehicle
12 companies and local first responders, including a standard for First Responder Interaction Plans.

13 **Response:** The department disagrees with this comment because it is outside the scope of the
14 department's rulemaking authority. The Public Safety Commission, rather than the department, is
15 authorized to adopt rules under Transportation Code, §545.455(c)(2) regarding a plan that specifies how
16 a person who provides firefighting, law enforcement, ambulance, medical, or emergency services should
17 interact with the automated motor vehicle during the provision of those services.

18 **Comment:** The City of Dallas believes there must be strong safeguards to quickly suspend or revoke an
19 authorization when safety is compromised.

20 **Response:** The department disagrees with this comment to the extent that it is outside of the
21 department's rulemaking authority. Regarding potential safety issues, Transportation Code, §545.456
22 authorizes the department to immediately suspend, revoke, or cancel an authorization for the

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1 authorization holder's failure to update documents that the authorization holder previously provided to
2 the department.

3 The department is authorized under Transportation Code, §545.456(f)(2) to request the
4 authorization holder to provide an updated or current document described by Transportation Code,
5 §545.456(b), including when the department suspects a potential safety issue. The department drafted
6 §220.26 to require the authorization holder to submit the updated or current documents within five
7 calendar days of the date of the department's request, unless the department grants an extension on the
8 deadline. This requirement to update at the department's request is different than the general
9 requirement under Transportation Code, §545.456(e) for the authorization holder to update documents
10 without a department request within 30 days after the date material information in the document
11 changes.

12 Regarding the process for a suspension, revocation, or cancellation of an authorization under
13 Transportation Code, §545.456 or §545.459, the statutes provide the framework and the department's
14 revisions to Chapter 224 provide additional detail regarding the process and requirements. The
15 department also responded to this comment in the preamble for the adoption of revisions to Chapter
16 224, which is published in this issue of the *Texas Register*.

17 **Comment:** May Mobility stated that there is a slight discrepancy between the definition of the term
18 "automated driving system" referenced in the proposed rulemaking and the definition referenced in SB
19 2807, and recommends the definition in SB 2807.

20 **Response:** The department disagrees. The term "automated driving system" is not included in the rule
21 text in Chapter 220. Also, adopted new §220.3 states that the definitions contained in Transportation
22 Code, Chapter 545, Subchapter J (includes the definition for "automated driving system" in Transportation
23 Code, §545.451) govern Chapter 220.

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1 **Comment:** May Mobility recommends that clear protocols be established in circumstances in which the
2 authorized representative identified in an application must be changed. In the alternative, May Mobility
3 requests that the department either provide applicants with the option to designate two authorized
4 representatives at the time of application, or require each applicant to designate at least two authorized
5 representatives for administrative purposes.

6 **Response:** The department disagrees with the comment because the requested protocols are not
7 necessary. The adopted rules do not require that the same authorized representative submit the
8 application and provide any updates. Adopted new section 220.23(a)(2) allows any authorized
9 representative to complete an application on behalf of the applicant. If an authorization holder needs to
10 update documents that it previously provided to the department, adopted new §220.26(a) and (b) state
11 that the requirement to update is subject to the requirements specified in §220.23, which does not
12 require the same authorized representative to provide the updated document as the authorized
13 representative who submitted the authorization holder's application.

14 **Comment:** May Mobility requested that applicants be provided with at least two authorized
15 representatives from the department for ongoing communication and that a protocol be established for
16 adding or removing vehicles from the fleet originally proposed in the application.

17 **Response:** The department disagrees with this comment because it is unnecessary to include contact
18 information in an administrative rule, and the contact information is subject to change. The department
19 will provide contact information on its website for communication with department staff. Also, the
20 process for adding or removing vehicles from the fleet will be programmed into the department's
21 designated system.

22 **Comment:** May Mobility recommends that the department make an affirmative statement of intent that
23 the department's administrative provisions are the primary administrative mechanism for autonomous

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vehicle operations in Texas to reduce the potential of other agencies interposing potentially overlapping or conflicting provisions.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority. Also, the legislature addressed this issue in Transportation Code, Chapter 545, Subchapter J. For example, Transportation Code, §545.452(b) states that a political subdivision of this state may not impose a franchise or other regulation related to the operation of an automated motor vehicle or automated driving system.

§220.1

Comment: The City of Austin recommends that the department amend §220.1 to clarify whether Chapter 220 applies to vehicles operated by a remote human (teleoperator) by explicitly defining the term "without a human driver" to mean "without a human driver present in the vehicle" to ensure regulatory certainty and enforcement consistency in teleoperation cases.

Response: The department disagrees. This issue is already addressed in the definitions in Transportation Code, §545.451 for the terms "automated driving system," "automated motor vehicle," and "human driver." The definitions in Transportation Code, Chapter 545, Subchapter J (includes Transportation Code, §545.451) govern Chapter 220, according to §220.3.

Transportation Code, §545.451 defines the term "automated driving system" to mean the "hardware and software that, when installed on a motor vehicle and engaged, are collectively capable of operating the vehicle with Level 3 automation, Level 4 automation, or Level 5 automation by performing the entire dynamic driving task for the vehicle on a sustained basis, regardless of whether the system is limited to a specific operational design domain." Transportation Code, §545.451 defines the term "automated motor vehicle" to mean "a motor vehicle on which an automated driving system is installed that is capable of being operated with Level 4 automation or Level 5 automation." According to the

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1 definitions for the terms “automated driving system” and “automated motor vehicle,” a motor vehicle is
2 not an automated motor vehicle unless the automated driving system (the hardware and software) is
3 capable of operating the vehicle with Level 4 automation or Level 5 automation without human
4 intervention.

5 Transportation Code, §545.451 defines the term “human driver” to mean “a natural person in an
6 automated motor vehicle who controls all or part of the dynamic driving task.” Therefore, a remote
7 operator who is not in the vehicle does not fit within the statutory definition of “human driver.”

8 **Comment:** The City of Austin recommends requiring applicants for authorization to disclose the Society
9 of Automotive Engineers (SAE) automation level. The City of Austin also recommends that automated
10 vehicle operators disclose when passenger and commercial vehicles do not have driver controls. The City
11 of Austin explained that this information is critical to inform law enforcement, fire, and EMS response
12 protocols and ensure appropriate classification of vehicle capabilities.

13 **Response:** The department disagrees with this comment because it is outside the scope of the
14 department’s rulemaking authority.

15 **§220.23**

16 **Comment:** The City of Austin recommends requiring an identifier (such as a sticker or placard) to be
17 displayed on each permitted autonomous vehicle. The City of Austin also recommends that the identifier
18 should include the vehicle’s permit number, registered agent name and contact information, and a QR
19 code linking to the first responder interaction plan to aid enforcement, enhance accountability, and
20 support public safety during incident response.

21 **Response:** The department disagrees with this comment because it is outside the scope of the
22 department’s rulemaking authority.

23 **§220.23(b)(1)(A)**

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Comment: The City of Austin recommends requiring the applicant to provide its registered agent's name and address to streamline complaint and citation service by law enforcement.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

§220.26(a)

Comment: The City of Austin recommends clarifying whether §220.26(a) requires updates for every added vehicle or only major changes. The City of Austin also recommends specifying reporting for the following: 1) major changes to fleet size; 2) major changes to operational design domain (ODD); 3) removal of human driver controls; 4) addition of new vehicle types (such as large delivery vans or buses); and 5) changes in autonomous vehicle speed capabilities.

Response: The department disagrees. Adopted new section 220.26(a) is written to be as broad as Transportation Code, §545.456(e), which requires an update to a document described by §545.456(b) not later than the 30th day after the date material information in the document changes. Section 545.456(b) includes vehicle descriptive information as prescribed by the department. The department prescribed the following vehicle descriptive information in adopted new §220.23(b)(1)(B): the vehicle identification number, year, make, and model. As stated above regarding the changes to §220.26(a) in response to the City of Austin's comment, the addition of a vehicle to the fleet is a change in material information in the document that an authorization holder provided to the department. The department needs to know which vehicles the authorization holder is operating under its authorization, including the addition of a new vehicle and the descriptive information regarding such vehicle. In response to this comment, the department added the phrase "including, but not limited to, the addition of another vehicle" to new §220.26(a) at adoption.

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1 Transportation Code, §545.456(b) does not expressly require the authorization holder to tell the
2 department that there was a major change to the ODD, that human driver controls were removed, or that
3 there was a change to the speed capabilities of the vehicle. The department does not have the rulemaking
4 authority to require an authorization holder to provide the department with updates that are outside the
5 scope of Transportation Code, §545.456(b).

6 The authorization holder may be required to provide the department with an updated written
7 statement that acknowledges one or more of the factors listed in Transportation Code, §545.456(b)(2), or
8 an updated certification that acknowledges that the authorization holder provided the Texas Department
9 of Public Safety with the updated plan under Transportation Code, §545.456(b)(3) if a major change to
10 the ODD or a change to the speed of the vehicle impacts one or more of the factors listed in Transportation
11 Code, §545.456(b)(2) or the plan referenced in Transportation Code, §545.455(c)(2).

§220.26(b)

13 **Comment:** Auto Innovators encourages the department to replace the five-day deadline in §220.26(b) for
14 an authorization holder to provide the department with an update in response to the department's
15 request with a default deadline of 10 business days and to give the department the ability to expedite
16 urgent requests to a period of five days. Auto Innovators also strongly recommends that the computation
17 of time under Transportation Code, §545.459(b) be modified to reference "business days" rather than
18 "calendar days."

19 **Response:** The department disagrees. The requirement to update documents under Transportation Code,
20 §545.456 is a basic requirement with which the authorization holder must comply. For an authorization
21 holder responsibly operating a safe vehicle, it should not be difficult or time-consuming to specify and
22 certify to the basic information required under Transportation Code, §545.456. As previously stated, the
23 department is authorized to request an authorization holder to update documents, including when the

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1 department thinks there may be a potential safety issue. In addition, the rule allows the authorization
2 holder to request an extension on the five-day deadline.

3 The portion of this comment regarding the “computation of time” under Transportation Code,
4 §545.459(b) appears to be an error because that subsection does not involve the computation of time. To
5 the extent this portion of the comment was intended to apply to §220.28(b), the department disagrees
6 with this comment for the reasons stated above.

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CHAPTER 220. AUTOMATED MOTOR VEHICLES**SUBCHAPTER A. GENERAL PROVISIONS**

STATUTORY AUTHORITY. The department adopts new sections under Transportation Code, §545.456, as added by Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025), which requires the Board of the Texas Department of Motor Vehicles (board) by rule to prescribe the form and manner by which a person may apply to the department for authorization to operate automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver; Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted new sections implement Transportation Code, Chapter 545, Subchapter J, and §1002.001; and Government Code, Chapter 2001.

Text.

CHAPTER 220. AUTOMATED MOTOR VEHICLES**SUBCHAPTER A. GENERAL PROVISIONS**

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§220.1. Purpose and Scope.

This chapter prescribes the form and manner by which a person may apply to the department for authorization to operate one or more automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver, as well as the requirements for an authorization holder to provide the department with certain updated documents, under Transportation Code, §545.456. This chapter also references the department’s authority to impose administrative sanctions against an authorization holder under Transportation Code, §545.456 and §545.459.

§220.3. Definitions.

The definitions contained in Transportation Code, Chapter 545, Subchapter J govern this chapter. In the event of a conflict, the definitions referenced in Transportation Code, Chapter 545, Subchapter J control.

SUBCHAPTER B. AUTHORIZATION TO OPERATE AN AUTOMATED MOTOR VEHICLE

STATUTORY AUTHORITY. The department adopts new sections under Transportation Code, §545.456, as added by SB 2807, which requires the board by rule to prescribe the form and manner by which a person may apply to the department for authorization to operate automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver; Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature

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and requirements of all available formal and informal procedures; Transportation Code, §1001.102, which authorizes the board by rule to provide for the filing of a license application and the issuance of a license by electronic means; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted new sections implement Transportation Code, Chapter 545, Subchapter J, §1001.102, and §1002.001; and Government Code, Chapter 2001.

Text.

§220.20. Purpose and Scope.

This subchapter prescribes the form and manner by which an applicant may apply for authorization to operate one or more automated motor vehicles, and the requirements to update certain documents provided to the department, under Transportation Code, §545.456.

§220.23. Application Requirements.

(a) An application for authorization to operate one or more automated motor vehicles under Transportation Code, §545.456 must be:

(1) submitted electronically in the department's designated system; and

(2) completed by the applicant or an authorized representative of the applicant.

(b) An application for authorization to operate one or more automated motor vehicles under Transportation Code, §545.456 must contain the following:

(1) a written statement by the person that includes the following information:

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1 (A) the applicant's name, business entity type (such as sole proprietor,
2 corporation, or limited liability company), telephone number, email address, mailing address, and
3 Texas Secretary of State file number, as applicable; and

4 (B) the following information for each automated motor vehicle the
5 applicant intends to operate under its authorization:

6 (i) the vehicle identification number;

7 (ii) year;

8 (iii) make; and

9 (iv) model; and

10 (2) the written statement and certification required by Transportation Code,
11 §545.456(b)(2) and (3).

12 (c) An authorized representative of the applicant who submits an application to the department
13 on behalf of an applicant may be required to provide written proof to the department of authority to act
14 on behalf of the applicant.

15
16 §220.26. Updates under Transportation Code, §545.456(e) and §545.456(f)(2).

17 (a) Under Transportation Code, §545.456(e), an authorization holder shall provide the
18 department with an update to a document described by §220.23(b) of this title (relating to
19 Application Requirements) not later than the 30th day after the date material information changes,
20 including, but not limited to, the addition of another vehicle. The authorization holder shall
21 electronically submit the update in the form and manner, and subject to the requirements specified
22 in §220.23 of this title.

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1 **(b) Under Transportation Code, §545.456(f)(2), the department may request the**
2 **authorization holder to provide the department with an updated or current document described by**
3 **§220.23(b) of this title. Such requests are subject to the following requirements:**

4 **(1) The department shall make such request by email, using the authorization**
5 **holder's email address on file in the department's electronic system referenced in §220.23 of this**
6 **title;**

7 **(2) The authorization holder shall electronically submit the updated or current**
8 **document in the form and manner, and subject to the requirements specified in §220.23 of this title;**
9 **and**

10 **(3) The deadline for the authorization holder to electronically submit the updated or**
11 **current document is five days from the date of the department's request, unless the department**
12 **grants an extension on the five-day deadline in response to a written request from the authorization**
13 **holder for an extension that the department determines is reasonable and unlikely to result in harm**
14 **to the public health, safety, or welfare.**

15 **(4) Any request for an extension must be submitted:**

16 **(A) prior to the department's deadline for the updated or current**
17 **document; and**

18 **(B) to the designated address listed in the department's request to the**
19 **authorization holder for an updated or current document.**

20 **(5) Any request for an extension must contain an explanation regarding the**
21 **following:**

22 **(A) why five days is not reasonable;**

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1 (B) why the authorization holder needs more time and the specific deadline
2 the authorization holder is requesting; and

3 (C) whether the authorization holder's requested deadline is likely to result
4 in harm to the public health, safety, or welfare.

5
6 §220.28. Computation of Time.

7 (a) Any time period prescribed or allowed by this chapter or Transportation Code, §545.456 and
8 §545.459 shall be computed in accordance with Government Code, §311.014.

9 (b) Time shall be computed using calendar days rather than business days, unless otherwise
10 specified in statute.

11
12 §220.30. Signature Requirement on Written Statement and Certification.

13 A written statement and certification required by Transportation Code, §545.456 must be signed by
14 the applicant or authorization holder or its authorized representative.

15
16 **SUBCHAPTER C. ADMINISTRATIVE SANCTIONS**

17
18 **STATUTORY AUTHORITY.** The department adopts this new section under Transportation Code, §545.456,
19 as added by SB 2807, which requires the department to prescribe the form and manner by which an
20 authorization holder must update a document described by Transportation Code, §545.456(b);
21 Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are
22 necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code,
23 §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements

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1 of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the
2 board to adopt rules that are necessary and appropriate to implement the powers and duties of the
3 department; and the statutory authority referenced throughout this preamble and in the rule text, which
4 is incorporated herein by reference.

5 **CROSS REFERENCE TO STATUTE.** The adopted new section implements Transportation Code, Chapter
6 545, Subchapter J, and §1002.001; and Government Code, Chapter 2001.

7
8 Text.

9 §220.50. Administrative Sanctions.

10 The department may take action against the authorization holder in accordance with Chapter 224 of
11 this title (relating to Adjudicative Practice and Procedure) and Transportation Code, §545.456 and
12 §545.459.



August 14, 2025

Ms. Laura Moriarty
General Counsel
Texas Department of Motor Vehicles
Re: City of Austin Comments [TRD-202502341]
Submitted via email to: rules@txdmv.gov

Ms. Moriarty,

On behalf of the City of Austin, thank you for the opportunity to provide comments on the proposed rules published in the [Texas Register on July 25, 2025](#), to implement Senate Bill 2807 relating to the regulation of fully autonomous vehicles (AV) operating on Texas roadways. As an early adopter of AVs, the City of Austin is uniquely positioned to provide insight. We are committed to ensuring that the implementation of these rules supports public safety, local coordination, infrastructure readiness, and regulatory clarity.

To proactively manage AV integration, the City of Austin established an Autonomous Vehicle Safety Working Group, which brings together public safety agencies, the transportation department, and mobility planners to coordinate emergency response planning, train personnel, standardize documentation, and facilitate cross-department communication. Through this group and our citywide AV monitoring efforts, we have developed protocols for AV-related incident tracking, geofence management during emergencies, and direct engagement with AV vendors.

Additional background on Austin's AV preparedness and operational data is provided in our July 17, 2025 Mobility Committee briefing, available [here](#).

The following comments represent a consolidated response from multiple departments, including the Austin Transportation and Public Works Department, Austin Police Department, Austin Fire Department, Austin-Travis County EMS, Aviation, the Office of Innovation, the City Law Department, and Austin Intergovernmental Relations Office.

General Comments

- **Clarification on Human Driver Presence and Teleoperation:** The City recommends clarifying whether the rules (220.1) apply to vehicles operated by a remote human (teleoperator) by explicitly defining “without a human driver” to mean “without a human driver present in the vehicle.” This distinction is critical to ensure regulatory certainty and enforcement consistency.
- **Municipal Participation in Permitting Decisions:** The City requests clarification on whether municipalities can be parties to the adjudication process for AV permit issuance, suspension, or cancellation. Clarify whether AV companies that are new to Texas or have not yet deployed must obtain authorization before testing and mapping on Texas roadways. Cities should have a voice in these decisions given their public safety responsibilities and local infrastructure investments. This is especially true because permitting is one of the remaining levers cities have to protect public safety.

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- **Disclosure of Autonomy Level:** The City recommends requiring AV operators to disclose the Society of Automotive Engineers (SAE) automation level (Levels 3–5) as part of the application process. Additionally, the City recommends that AV operators disclose when passenger and commercial vehicles do not have driver controls. This information is critical to inform law enforcement, fire, and EMS response protocols and ensure appropriate classification of vehicle capabilities.
- **Coordination with Emergency Responders:** The City requests that the rules establish a clear process requiring AV authorization holders to coordinate with local emergency responders to provide classroom, hands-on, and simulated incident and cybersecurity training prior to deployment. The City recommends that emergency plans submitted to DPS be required to be shared with local public safety departments to ensure operational readiness, training, and interoperability. Furthermore, the City recommends AV operators provide a 24-hour emergency contact email and phone number to City public safety personnel to assist with establishing AV exclusions zones in times of emergencies.
- **Citation and Complaint Process:** The City recommends the rules (220.23 (b)(1)(A)) require the name and local address of the company’s registered agent as part of the application, in addition to the name of the applicant. This would streamline the ability of municipal law enforcement to serve complaints and citations when violations occur. Additionally, the City recommends requiring a visible, tamper-resistant sticker or placard on each AV, displaying key enforcement information (e.g., registered agent contact) to assist officers in the field when issuing citations or initiating a complaint.
- **Requirement to Update Based on Material Changes:** We recommend that 220.26 (a) provide examples of material changes that would trigger this requirement, such as significant changes to operational design domain (ODD), vehicle speed capability, or removal of driver control systems in the vehicle.
- **Data Sharing & Transparency:** The proposed rules should clarify what data, if any, must be reported to local jurisdictions, including information related to AV routes, collisions per National Highway Traffic Safety Administration’s [Standing General Order](#), incidents, operational design domain (ODD) parameters, fleet size and local counts, and emergency response interactions. Transparent data protocols are vital for planning, safety coordination, and public accountability.
- **Implementation Timeline:** The compliance timeline should allow for flexibility, particularly for jurisdictions with existing AV pilot programs. Transitional provisions should protect ongoing coordination between local agencies and AV operators.

Specific Comments by Section

Section	Summary of Rule	Comments/Recommendations
43 TAC §220.1	Establishes application requirements for AV operating authorization	Require disclosure of SAE autonomy level (3–5) during application to aid enforcement and incident response. Clarify “without a human driver” to mean no human driver in the vehicle, ensuring consistency for teleoperation cases.
43 TAC §220.23	Requires application information	Require identifier (e.g., sticker or placard) to be displayed on each permitted autonomous vehicle. Should include the vehicle’s permit number, registered agent name and contact information, and a QR code linking to the first responder interaction plan. This would aid enforcement,

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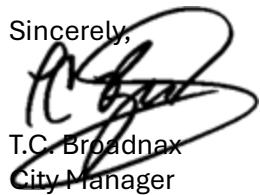
Section	Summary of Rule	Comments/Recommendations
		enhance accountability, and support public safety during incident response.
43 TAC <u>§220.23(b)(1)(A)</u>	Requires application information	Require <i>registered agent</i> 's name and address in addition to the applicant's name to streamline complaint and citation service by law enforcement.
43 TAC <u>§220.26(a)</u>	Requires AV operators to notify TxDMV of "material" changes	Clarify whether this rule requires updates for every added vehicle or only major changes. Recommend specifying reporting for: (1) major changes to fleet size; (2) major changes to operational design domain (ODD); (3) removal of human driver controls, addition of new vehicle types (e.g. large delivery vans, buses); and (4) changes in AV speed capabilities.
43 TAC <u>§224.292 (e)</u>	Director has sole authority to revoke or cancel permits	Clarify how the director makes determinations and if local input is considered. Recommend process for exigent circumstances that would immediately cease an AV company's operations, as opposed to going through the notice of intent and adjudicative process.
43 TAC <u>§224.294</u>	Provides overview of contested case procedures	Clarify expedited case criteria for public health/safety; outline how law enforcement complaints are prioritized, handled, and whether officer testimony is required.

Conclusion

The City of Austin appreciates TxDMV's efforts to implement SB 2807 in a way that fosters transportation innovation while safeguarding public safety and supporting local coordination. We encourage TxDMV to incorporate these recommendations into the final rule to promote the safe, transparent, and coordinated deployment of AVs across Texas. We welcome continued collaboration and respectfully submit these comments for your consideration.

Should you have any questions, please reach out to Carrie Rogers, Government Relations Officer, at carrie.rogers@austintexas.gov or 512.923.7577.

Sincerely,



T.C. Broadnax
 City Manager
 City of Austin

cc: Honorable Mayor and City Council Members
 Erika Brady, City Clerk
 Corrie Stokes, City Auditor
 Mary Jane Grubb, Municipal Court Clerk
 Judge Sherry Statman, Municipal Court
 CMO Executive Team & Department Directors
 Carrie Rogers, Intergovernmental Relations Officer, City of Austin
 Jonathan Sierra-Ortega, Office and Senator Robert Nichols

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Kevin Yawn, Director of Government Relations, Texas Department of Motor Vehicles
Corie Thompson, Director of Enforcement, Texas Department of Motor Vehicles
Kevin Cooper, Office of Government Relations, Texas Department of Public Safety
Evan Samon, Office of Government Relations, Texas Department of Public Safety
Lt. Oscar Luna, Texas Department of Public Safety

From: [Seth Whaland](#)
To: [Zz - Resource - GCO Rules](#)
Subject: Autonomous Vehicles
Date: Friday, August 15, 2025 12:19:24 PM

ATTENTION: This email originated from outside of TxDMV. Malicious software, such as viruses, worms, and ransomware can be transmitted via email attachments and links. Do not click any links or open any attachments unless you recognize the sender and have confirmed the content is safe.

To Whom It May Concern,

I believe that the autonomous vehicles should be heavily regulated and the companies should be heavily taxed.

I think each individual vehicle should have to pass a driving test. Just as each individual person has to pass a driving test. If there is a single flawed autonomous vehicle, it could cause significant injury or death. Therefore, each one should be tested by the state, just like a driver would be, and it should have to pass to get its license.

Also, since the companies are profiting off of the county, city, state and federal roads that they use, they should be charged a significant yearly fee to operate each vehicle, as well as an income tax percentage per ride. These companies may be owned by a company from out of state or even another country. If they aren't charged fees and given taxes, all of that profit will leave the cities and the state.

What benefit will I get, as a Texas citizen, to have autonomous vehicles driving all over the roads?

Please tax these companies. Please hold them to the same standards that I'm held to as a driver, if not an even higher standard.

Thank you,

Seth Whaland
Austin, TX 78702



August 25, 2025

Submitted Electronically via rules@txdmv.gov

Office of General Counsel

Texas Department of Motor Vehicles

4000 Jackson Avenue

Austin, Texas 78731

Re: Alliance for Automotive Innovation Comments on Automated Vehicles Proposed Regulations

To Whom It May Concern:

The Alliance for Automotive Innovation (Auto Innovators) appreciates the opportunity to comment on the Texas Department of Motor Vehicles' (the Department) proposed rules relating to Automated Motor Vehicles. At a high-level, we support the Department's proposed regulations to implement Senate Bill 2807, and believe they are an appropriate step for advancing automated vehicle (AV) deployment in a safe and sensible manner. As you will see below, we encourage the Department to consider providing additional time with respect to requests for updated information under §220.26 of the proposed regulations.

By way of background, Auto Innovators represents the full auto industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to maintain U.S. competitiveness in cutting-edge automotive technology. Representing over 5 percent of the country's GDP, responsible for supporting nearly 11 million jobs, and driving \$1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

Automated vehicles have the potential to bring about numerous benefits to Texans, including improving roadway safety and decreasing collisions, reducing congestion and pollution, improving accessibility for underserved communities, and creating new jobs. AVs are also integral to cementing the United States—and Texas—as a leader in mobility innovation, emerging technologies, and applied artificial intelligence.

Auto Innovators and its members worked collaboratively with Senate leadership and committee staff on Senate Bill 2807. The bill struck the appropriate balance of ensuring automated vehicle safety, transparency, and accountability, while advancing innovation and providing regulatory certainty to the AV industry. We support the Department's proposed rules on automated vehicles, which also strike the correct balance between transparent oversight, regulatory clarity, and ease of compliance. We appreciate the additional guidance to industry on the application requirements,

update process, computation of time, and administrative sanctions. We believe the information requested is generally reasonable and consistent with the statute.

With respect to the timeline for responding to Department requests for updated information under §220.26 of the proposed regulations, Auto Innovators is concerned that a five-day submission period may not give companies adequate lead time to respond appropriately. While we appreciate the option to request an extension, we encourage the Department to consider making the default submission period 10 business days instead of five calendar days, and giving the Department the ability to expedite urgent requests to a period of five days. In addition, we strongly recommend that §545.459 (b) “computation of time” be modified to reference “business days” rather than “calendar days.”

Thank you again for the opportunity to provide feedback. We support the Department’s efforts to implement SB 2807 and to create a transparent and predictable regulatory framework for automated vehicles in Texas. Please reach out with any questions or concerns. We are happy to serve as a resource.

Sincerely,



Nick Steingart
Director, State Affairs
Alliance for Automotive Innovation

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

August 22, 2025

Dear Ms. Moriarty,

Torc Robotics (“Torc”) writes to express our support for the Texas Department of Motor Vehicles’ (“Department”) proposed regulations concerning automated motor vehicles (“AVs”), specifically, the proposed new Chapter 220 and the proposed amendments to Chapter 224. These proposed regulations implement S.B. 2807 (2025), which represents updated automated motor vehicle legislation in Texas that strikes the right balance between promoting public safety and fostering innovation. Torc appreciates the Department’s effort on AVs and believes the proposed regulations enable the autonomous vehicle industry—and companies like Torc—to continue to grow and flourish in Texas.

Torc is developing autonomous technologies to improve roadway safety, enhance freight efficiency, and drive innovation in the long-haul trucking industry. Torc has been advancing self-driving technology for nearly two decades and has been safely testing and operating autonomous trucks on public roads in several states, including Texas, New Mexico, Arizona, and Virginia. As an independent subsidiary of Daimler Truck, a global manufacturer of commercial motor vehicles, Torc is developing production-ready autonomous trucks with safety at its core.

We are proud to operate in Texas and are currently expanding our footprint in the state. In May 2025, Torc opened a new state-of-the-art autonomous trucking hub in the Fort Worth Alliance area. This 18-acre facility features 22,000 square feet and serves as a central hub for our autonomous testing efforts, customer freight activity, and includes control centers for our fleet and logistics operations. This investment underscores our long-term commitment to the Great State of Texas and to the advancement of safe, efficient autonomous freight transportation.

We support the proposed regulations and look forward to collaborating with the Department in the future.

Sincerely,

Anita Kim
Director of Government Affairs and Policy
TORC Robotics



August 25, 2025

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty,

Every day in Texas, riders depend on Lyft to get to work, visit family, make healthcare appointments, or simply connect with their communities. As we look to the future, autonomous vehicles ("AVs") offer the potential to make those daily trips more reliable, more accessible, and just as safe. For that reason, we are writing in support of the Department's proposed regulations, including the new Chapter 220 and amendments to Chapter 224, which implement S.B. 2807 (2025).

Texas has already shown how forward-thinking policy can attract innovation. The state has become home to AV testing and deployment, bringing new jobs, investment, and transportation choices. Starting as early as next year, Lyft will build on that momentum through our Dallas-based partnership with Mobileye and Marubeni, expanding access to autonomous rides in one of the state's largest cities. By creating a thoughtful framework for AVs, Texas isn't just advancing technology—it's shaping the future of mobility for families, workers, and communities across the state.

The Department's proposed regulations matter because they build public trust. By ensuring AVs are deployed responsibly, they give riders confidence to embrace new technology while providing companies like Lyft with a clear and consistent framework to operate. In turn, that clarity will allow innovation to deliver on its promise: safer roads, stronger communities, and greater economic opportunity.

We thank the Department for its leadership and respectfully urge swift adoption of these regulations so Texans can continue to benefit from both innovation and safety.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Kent". The signature is fluid and cursive, with the first name "Brent" being more prominent than the last name "Kent".

Brent Kent
Director, Policy Development



Stack AV Co.
1001 Technology Drive
Mount Pleasant, PA 15666

stackav.com
info@stackav.com

August 24, 2025

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty:

Stack AV Co. ("Stack") writes to express its support for the Department's proposed regulations concerning automated motor vehicles ("AVs"), with special regard for proposed new Chapter 220 and the proposed amendments to Chapter 224. These regulations implement S.B. 2807 (2025) which updated the Texas automated motor vehicle framework and reflected nearly 10 months of stakeholder engagement.

Stack is a Pittsburgh, Pennsylvania-based autonomous trucking solutions company. We upfit Peterbilt 579s with our hardware and software to make them Level 4-capable trucks. Level 4 means a vehicle can drive itself within a given set of geographic, weather, and other conditions. Right now, Stack has approximately 250 employees and is running commercial routes through Texas, New Mexico, and Arizona using our Level 4-capable trucks.

Like other autonomous vehicle developers, Stack chose to come to Texas for a variety of reasons, but one of the biggest is the state's welcoming environment for business. Texas has been a leader in autonomous vehicle policy since at least 2017, when it enacted one of the first state AV laws in the country. That law appropriately balanced stakeholder interests, and the results show: Texas is now a leader in autonomous trucking and robotaxi testing and deployment.

With respect to S.B. 2807, we believe the law incorporates lessons learned from several years of AV operations in Texas and proposes common-sense changes to the state's existing requirements. Likewise, we believe the Department's proposed regulations will improve the state's ability to protect public safety, while also making sure that compliance obligations for industry are reasonable, appropriate, and practicable. For that reason, Stack supports the proposed regulations and urges the Department to finalize them in short order. We appreciate the Department's focus on AVs and look forward to further collaboration in the future.

Respectfully yours,

Liz Fishback
Director of State and Local Affairs





August 25, 2025

Laura Moriarty, General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty,

The Autonomous Vehicle Industry Association (“AVIA”) writes to express our support for the Department’s proposed regulations concerning automated motor vehicles (“AVs”), specifically, the proposed new Chapter 220 and the proposed amendments to Chapter 224. These regulations implement S.B. 2807 (2025) which updated the Texas automated motor vehicle framework and reflected nearly 10 months of stakeholder engagement. We appreciate the Department’s attention to AVs and ongoing collaboration to ensure this lifesaving technology can continue to thrive in Texas.

AVIA is comprised of the world’s leading technology, ridesharing, trucking, and automotive companies. Our mission is to realize the benefits of autonomous vehicles (*i.e.*, SAE Levels 4- and 5-capable vehicles equipped with automated driving systems that are capable of driving the vehicle without human intervention). Numerous members of AVIA have heavily invested in Texas—establishing commercial partnerships, operating AVs across the state, and supporting hundreds of Texas-based employees over the last eight years.

Texas is currently a leader in AV testing and deployment, and in large part due to its welcoming regulatory environment, Texas has attracted significant AV investment. The state has become the epicenter of the autonomous trucking industry, and robotaxis have recently deployed in Austin, with expansion plans in Dallas. As AV technology continues to advance and deploy, Texas is poised to increase road safety and grow the economy through AV technology with the right legal framework in place.

By implementing S.B. 2807, the proposed regulations will help to ensure that AVs can safely thrive in Texas for years to come. For that reason, AVIA supports the proposed regulations and we encourage the DMV to swiftly finalize the regulations.

Sincerely,

Jeff Farrah
Chief Executive Officer
Autonomous Vehicle Industry Association



August 25, 2025

Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Ave.
Austin, TX 78731

Re: Chapter 220
City of Dallas Comments / Automated Motor Vehicles – Implementation of Senate Bill
2807, 89th Legislature, Regular Session (2025).

On behalf of the City of Dallas, thank you for the opportunity to provide comments in response to the proposed rules published in the Texas Register on July 25, 2025, regarding 43 TAC Chapter 220, Automated Motor Vehicles (AV). My comments focus on three key areas: safety transparency, first responder coordination, and consumer protection.

In October 2023, the City of Dallas' Public Safety Committee highlighted the importance of proactive engagement and accountability in this space. The city places a high priority on ensuring that authorizations are not viewed as a mere formality, but rather as an ongoing responsibility tied to performance and public trust. AV operations should not proceed unless there is clear evidence of safety and accountability. We encourage the TxDMV to require robust safety documentation, including crash history and proof of community stakeholder coordination, and to make information about approved operators publicly accessible. Transparency in approvals is essential for residents to have confidence that operators have been thoroughly vetted.

Furthermore, effective coordination between AV companies and local first responders is imperative, and it is essential that law enforcement and emergency personnel retain full authority to manage and control the scene of any incident involving autonomous vehicles. This coordination should include timely notification to local authorities of any incident or system malfunction, clear protocols for safely disabling or moving a vehicle, and standardized communication procedures to ensure that all responders are aware of the vehicle's operational status and any potential hazards. The Dallas City Council has consistently emphasized that law enforcement, fire, and EMS personnel must have clear, standardized procedures to identify, disable, or move AV during emergencies. Establishing a statewide standard for First Responder Interaction Plans would help ensure consistent readiness across Texas while addressing local needs, including training for first responders, integration with local emergency dispatch systems, and regular drills with AV operators to practice incident response.

Lastly, the city believes there must be strong safeguards to quickly suspend or revoke authorization when safety is compromised. As expressed in past discussions, Dallas leaders do

not want unsafe vehicles operating on city streets and expect clear triggers, such as repeated incidents or failure to comply with safety obligations, to be identified, enabling the state to act swiftly. While due process for operators is important, the city also stresses that the public should be notified whenever a suspension or revocation occurs to ensure transparency and maintain community trust. Additionally, operators should be required to present corrective action plans before authorization is restored.

The City of Dallas appreciates the state's efforts to provide a clear and consistent framework for the regulation of automated vehicle operations. We encourage the state to maintain rigorous safety standards, enforce accountability measures, and promote transparency to protect residents and communities. Equally important, we urge that ongoing coordination with local law enforcement and fire departments remain a central component of this framework to ensure that first responders are fully prepared to manage incidents effectively. By ensuring that operators are thoroughly vetted and held to high performance expectations, Texas can advance the responsible deployment of automated vehicle technology while fostering public trust.

Sincerely,

Dr. Ghassan Khankarli
Director of Transportation and Public Works

Cc: Kimberly Bizer Tolbert, City Manager
Jake Anderson, Interim Director of Government Affairs
Honorable Mayor and Members of the City Council

August 25, 2025

Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue,
Austin, Texas 78731

**Re: Texas Department of Motor Vehicles; 43 Texas Administrative Code (TAC)
Chapter 220, Automated Motor Vehicles**

To Whom It May Concern:

I am reaching out on behalf of May Mobility to provide its input to the Texas Department of Motor Vehicles' (TxDMV) notice of proposed rulemaking in connection with SB 2807, which amends Chapter 220 of the Transportation Code regarding the operation of automated motor vehicles. May Mobility's autonomous vehicles have been operated in multiple communities across the US, including in Texas, and globally. The State of Texas, the Texas State Legislature, and the TxDMV have remained at the cutting edge of mobility technologies, and we appreciate the TxDMV promoting policies and practices that prioritize the safety of the traveling public along with the promotion of mobility innovation. Our comments below address the various sections outlined in the proposed rules.

Subchapter A. General Provisions

May Mobility noted that there is a slight discrepancy between the definition of "automated driving system" referenced in this proposed rulemaking and the definition referenced in SB 2807. For consistency's sake, we propose that the definitions be consistent in both places. Our preference is for the definition stated in SB 2807.

Subchapter B. Authorization to Operate an Automated Motor Vehicle

May Mobility recommends that clear protocols be established for circumstances in which the authorized representative identified in an application must be changed. Alternatively, applicants should have the option to designate two authorized representatives at the time of application. To ensure consistent and timely governance, May Mobility further recommends that the TxDMV require each applicant to designate at least two (2) authorized representatives for administrative purposes. Likewise, applicants should be provided with at least two (2) authorized representatives from TxDMV for ongoing communications. In addition, May Mobility recommends that a protocol be established for adding or removing vehicles from the fleet originally proposed in the application.



Subchapter C. Administrative Sanctions

May Mobility recommends that specific protocols be established for circumstances in which a company's authorization to operate autonomous vehicles is suspended, revoked, cancelled, or otherwise restricted. In addition, May Mobility recommends that any hearing, and adjudication process be completed within 30 days, absent extenuating circumstances, to ensure timely resolution and minimize disruption and that any administrative process be subject to a right of timely rehearing and appeal. Finally, given the highly technical and competitive nature of May Mobility's industry, appropriate procedures regarding the confidentiality of both submitted evidence and administrative outcomes, May Mobility proposes the inclusion of appropriate measures for the protection of confidential information. Finally, May Mobility proposes an affirmative statement of intention that the TxDMV administrative provisions be the primary administrative mechanism for autonomous vehicle operations in the State of Texas to reduce the potential of other agencies interposing potentially overlapping or conflicting procedures.

May Mobility believes that innovative mobility solutions can help solve many of our nation's transportation challenges and improve safety on our roadways overall, and we applaud the state of Texas for continuing to be a supportive and inviting business environment for AVs. We appreciate the opportunity to provide feedback on these matters and also to partner with the TxDMV on all of its statewide AV initiatives. We are pleased to see TxDMV's leadership in committing to mobility innovation and to the many possibilities that AVs technology might bring to communities. We hope to continue working in partnership with the TxDMV as AV technologies continue to develop.

If you have any questions, please do not hesitate to contact me at Nicole.Dupuis@maymobility.com or 304-433-6654.

Regards,

Nicole DuPuis



Policy and Advocacy Lead

May Mobility, Inc.
650 Avis Drive, Suite 100
Ann Arbor, Michigan 48108



Board Meeting Date: 9/18/2025
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Corrie Thompson, Enforcement Division Director
Agenda Item: 13
Subject: Chapter 224, Adjudicative Practice and Procedure
Amendments: Subchapters A, D, E, and F
New: Subchapters H and I
(Relating to Implementation of SB 2807, 89th Legislative Session, and Cleanup)

RECOMMENDATION

Action Item. Adopt proposed amendments and new sections in 43 Texas Administrative Code Chapter 224 with an effective date of February 27, 2026.

PURPOSE AND EXECUTIVE SUMMARY

The adopted revisions implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025); provide procedures regarding a special public meeting at which the director of the department's Motor Carrier Division is authorized to review a contested case; and clean up the rule text, primarily to address the process and requirements when the director of the department's Motor Carrier Division is the final order authority for certain contested cases.

FINANCIAL IMPACT

No significant fiscal impact to state or local governments as a result of the enforcement or administration of revisions to Chapter 224. Negligible costs of compliance with revisions to Chapter 224.

BACKGROUND AND DISCUSSION

SB 2807 amends Transportation Code, Chapter 545, Subchapter J regarding the operation of automated motor vehicles. The SB 2807 amendments include a requirement for a person to receive and maintain authorization from the department to operate an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in Texas without a human driver.

The adopted rules are necessary to implement SB 2807, including the processes and requirements regarding administrative sanctions against an automated motor vehicle authorization holder for violating a provision in statute or administrative rule. The adopted rules include the following processes and requirements under the following sections in Transportation Code, Chapter 545, Subchapter J:

1. Transportation Code, Section 545.456(f) and (g) - the process and requirements for the following due to the authorization holder's failure to update a document that the authorization holder submitted to the department:
 - a. the suspension, revocation, or cancellation of the authorization; and
 - b. the rescission of the suspension, revocation, or cancellation.

2. Transportation Code, Section 545.459 - the process and requirements for the following if the department determines that an automated motor vehicle is not in safe operational condition and the operation of the vehicle on a highway or street in this state endangers the public:
 - a. the suspension, revocation, or cancellation of the authorization; and the rescission of the suspension, revocation, or cancellation;
 - b. the imposition of a restriction on the operation of the automated motor vehicle; and the removal of the restriction on the operation of the automated motor vehicle; and
 - c. the following steps the authorization holder may take if the department suspends, revokes, or cancels the authorization holder's authorization; or if the department imposes a restriction on the operation of the automated motor vehicle:
 - i. request the department to review the decision and issue a final determination; and
 - ii. request a hearing at the State Office of Administrative Hearings if the authorization holder is aggrieved by an action of the department regarding the final determination.

The proposed revisions to Chapter 224 were published for comment in the July 25, 2025, issue of the *Texas Register*. The comment period closed on August 25, 2025. The department received eight timely written comments (attached) on the proposal. Each of the following submitted a written comment: the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility). The department considered all written comments that were timely received during the public comment period regarding the proposed revisions to Chapter 224 and is not recommending changes to the rule text at adoption in response to the comments.

SB 2807 became effective on September 1, 2025. A portion of SB 2807 amends Transportation Code, Chapter 545, Subchapter J (Operation of Automated Motor Vehicles). SB 2807 requires the board and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The department anticipates that the computer programming to implement SB 2807 will be completed in late April of 2026. The department recommends an effective date of February 27, 2026, for these revisions to Chapter 224 based on the programming required to implement SB 2807. If the effective date of the revisions to Chapter 224 is February 27, 2026, a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, and the revisions to Chapter 224 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

Adopted amendments also provide procedures regarding a special public meeting at which the director of the department's Motor Carrier Division is authorized to review a contested case. These procedures are based on the board's procedures at board meetings. Adopted amendments also clean up the rule text, primarily to address the process and requirements when the director of the department's Motor Carrier Division is the final order authority for certain contested cases.

If the board adopts these revisions to Chapter 224 at the September 18, 2025, open meeting, staff anticipates publication of the adoption in the October 3, 2025, issue of the *Texas Register*.

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Chapter 224 – Adjudicative Practice and Procedure

ADOPTION OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §§224.1, 224.5, 224.27, AND 224.29****SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT****§224.110****SUBCHAPTER E. CONTESTED CASES REFERRED TO SOAH****43 TAC §§224.150, 224.152, 224.164, AND 224.166****SUBCHAPTER F. BOARD PROCEDURES IN CONTESTED CASES****43 TAC §§224.190, 224.194, 224.198, 224.200, AND 224.204****PROPOSAL OF NEW****SUBCHAPTER H. AUTOMATED MOTOR VEHICLE AUTHORIZATIONS****43 TAC §§224.290, 224.292, AND 224.294****SUBCHAPTER I. MOTOR CARRIER DIVISION DIRECTOR PROCEDURES IN CONTESTED CASES****43 TAC §§224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, AND 224.326**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 224, Adjudicative Practice and Procedure; Subchapter A, General Provisions, §§224.1, 224.5, 224.27, and 224.29; adopts amendments to Subchapter D, Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement, §224.110; adopts amendments to Subchapter E, Contested Cases Referred to SOAH, §§224.150, 224.152, 224.164, and 224.166; adopts amendments to Subchapter F, Board Procedures in Contested Cases, §§224.190, 224.194, 224.198, 224.200, and 224.204; adopts new Subchapter H, Automated Motor Vehicle Authorizations, §§224.290, 224.292, and 224.294; and adopts new Subchapter I, Motor Carrier Division Director Procedures in Contested Cases, §§224.310,

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Chapter 224 – Adjudicative Practice and Procedure

224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326, concerning adjudicative practice and procedure.

The department adopts the following sections without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will not be republished: §§224.1, 224.5, 224.27, 224.110, 224.150, 224.152, 244.190, 224.194, and 224.290. The department adopts the following sections with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will be republished: §§224.29, 224.164, 224.166, 224.198, 224.200, 224.204, 224.292, 224.294, 224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The changes at adoption are described in the Reasoned Justification section below.

Adopted revisions to Chapter 224 are necessary to implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025) regarding administrative sanctions against an automated motor vehicle authorization holder; to provide the requirements when the director of the department's Motor Carrier Division is the final order authority; to provide procedures regarding a special public meeting at which the director of the department's Motor Carrier Division is authorized to review a contested case; and to clean up the rule text.

A portion of SB 2807 amends Transportation Code, Chapter 545, Subchapter J regarding the operation of automated motor vehicles. The SB 2807 amendments include a requirement for a person to receive and maintain an authorization from the department to operate an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in Texas without a human driver (authorization).

SB 2807 requires the Board of the Texas Department of Motor Vehicles (board) and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor

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Chapter 224 – Adjudicative Practice and Procedure

vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The effective date of these revisions to Chapter 224 is February 27, 2026; however, a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, and these revisions to Chapter 224 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

The department considered all written comments that were timely received during the public comment period regarding the proposed revisions to Chapter 224 and did not make changes to the rule text at adoption in response to the comments.

REASONED JUSTIFICATION.**EXPLANATION.****Subchapter A. General Provisions**

Adopted amendments to §224.1 implement SB 2807 by expanding the scope of the subchapter to include the adjudication of a contested case arising under Transportation Code, §545.459(k) regarding the suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456; the imposition of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k); and the rescission of a suspension, revocation, or cancellation of an authorization, or the removal of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k). Adopted amendments to §224.1 also modify punctuation and language to address the added reference to Transportation Code, §545.459(k).

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Chapter 224 – Adjudicative Practice and Procedure

1 Adopted amendments to §224.5 add references to the department's final order authority in
2 subsections (a) and (b) to clarify that §224.5 also applies to the department's Motor Carrier Division
3 Director in contested cases for which this division director's authority does not result from a board
4 delegation. The term "final order authority" is defined in §224.3 as the person with authority under
5 statute or a board rule to issue a final order. Although §224.5(a) and (b) also refer to a board delegate,
6 the authority of the department's Motor Carrier Division Director to issue final orders under
7 Transportation Code, §643.2525 was provided by the department's executive director under
8 Transportation Code, §643.001(2), rather than by delegation of the board. These amendments clarify that
9 Government Code, §2001.061, regarding the prohibition against ex parte communications concerning a
10 contested case, apply to a contested case under Transportation Code, Chapter 643 for which the
11 department's Motor Carrier Division Director has final order authority by a designation from the
12 department's executive director, rather than by delegation from the board.

13 Under adopted amendments to §224.27 and §224.29, and under adopted new §224.294(j), the
14 final order authority for contested cases under Transportation Code, §545.459(k) is the department's
15 Motor Carrier Division Director or the board, depending on whether the administrative law judge from
16 the State Office of Administrative Hearings (SOAH) issued a proposal for decision and whether the
17 proposal for decision is for a default proceeding under 1 TAC §155.501. If the SOAH administrative law
18 judge issued a proposal for decision that is not based on a default proceeding at SOAH, the board is the
19 final order authority for the contested case. If the proposal for decision is based on a default proceeding
20 at SOAH or if there is not a proposal for decision, the department's Motor Carrier Division Director is the
21 final order authority for the contested case, including contested cases resolved under 1 TAC §155.503
22 (Dismissal) or Government Code, §2001.056 (Informal Disposition of Contested Case).

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Chapter 224 – Adjudicative Practice and Procedure

1 An adopted amendment to §224.27(b) implements SB 2807 by stating that the board has final
2 order authority under a contested case filed under Transportation Code, §545.459(k), except as provided
3 by §224.29. Adopted amendments to §224.27 also modify language and punctuation due to the added
4 reference to Transportation Code, §545.459(k).

5 An adopted amendment to §224.29(c) deletes a reference to “any power relating to a contested
6 case” because §224.29 is specifically about delegation of final order authority. Other sections in Chapter
7 224 govern other authority regarding a contested case, such as §224.13, which sets out the authority for
8 certain department staff to issue a subpoena or commission to take a deposition in a contested case. An
9 adopted amendment to §224.29(c) also deletes a comma due to the adopted deletion of language from
10 this subsection.

11 The department adopts §224.29(c) with changes at adoption to clarify that the board’s delegation
12 of final order authority under this subsection in a contested case under Subchapter D of Chapter 224 does
13 not include contested cases for which the department’s director, as defined by Transportation Code,
14 §643.001, is expressly authorized to issue the final order under Transportation Code, Chapter 643. The
15 department’s executive director previously designated the department’s Motor Carrier Division Director
16 as the director under Transportation Code, Chapter 643 who is authorized to issue a final order in a
17 contested case under Transportation Code, §643.2525.

18 Adopted amendments to §224.29 add new subsection (d) to delegate authority to the
19 department’s Motor Carrier Division Director to issue a final order under Transportation Code,
20 §545.459(k) in a contested case in which the administrative law judge at SOAH has not submitted a
21 proposal for decision to the department for consideration by the final order authority, and a contested
22 case in which the administrative law judge at SOAH submitted a proposal for decision regarding a default
23 proceeding to the department for consideration by the final order authority, as explained above. This

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delegation is authorized by Transportation Code, §1003.005. In addition, adopted amendments to §224.29 re-letter prior subsection (d) to subsection (e), and update references in that subsection due to the adoption of new subsection (d).

Subchapter D. Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement

An adopted amendment to §224.110 regarding the purpose and scope of Subchapter D replaces the reference to Subchapter F with a reference to adopted new Subchapter I of this title (relating to Motor Carrier Division Director Procedures in Contested Cases). Under the adopted revisions to Chapter 224, adopted new Subchapter I governs the procedures in contested cases in which the director of the department's Motor Carrier Division, rather than the board, is the final order authority; Subchapter F is expressly not relevant to such cases.

Subchapter E. Contested Cases Referred to SOAH

An adopted amendment to §224.150(a) adds a reference to adopted new §224.294, relating to suspension, revocation, or cancellation of authorization under Transportation Code, §545.459 to operate one or more automated motor vehicles. The amendments to §224.150(a) modify the scope of Subchapter E of Chapter 224 to include contested cases involving authorizations to operate automated motor vehicles. This change is necessary to implement SB 2807 because Transportation Code, §545.459(k) states that an authorization holder who is aggrieved by an action of the department under Transportation Code, §545.459(h) may submit a written request for a hearing at SOAH. Also, Transportation Code, §545.459(l) states that the contested case provisions of Government Code, Chapter 2001 apply to a proceeding under Transportation Code, §545.459(k).

An adopted amendment to §224.150(c) adds a reference to new Subchapter I of Chapter 224, regarding procedures in contested cases for which the Motor Carrier Division Director is the final order authority, rather than the board. The language in Subchapter F regarding board procedures in contested

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1 cases includes certain terms, such as “board chair,” as well as certain references, such as a reference to a
2 board meeting under 43 TAC §206.22, that do not apply to the Motor Carrier Division Director under
3 Chapter 224 or Transportation Code, Chapter 643. Adopted new Subchapter I includes modified language
4 from current Subchapter F to address the procedures in contested cases when the board is not the final
5 order authority, so it is necessary to adopt amendments to §224.150(c) to reference adopted new
6 Subchapter I of Chapter 224.

7 An adopted amendment to §224.152(a) implements SB 2807 by adding a reference to
8 Transportation Code, §545.459(k) regarding the department’s requirement to refer contested cases to
9 SOAH when an authorization holder timely submits a written request for a hearing.

10 Adopted amendments to §224.164(d) authorize a party to a contested case to raise an issue
11 regarding a final proposal for decision before the department’s Motor Carrier Division Director during oral
12 presentation at a special public meeting, if any, under adopted new Subchapter I of Chapter 224. These
13 amendments allow parties in contested cases that are decided by the Motor Carrier Division Director the
14 same right to raise issues with a final proposal for decision as parties in a case decided by the board if a
15 special public meeting is held. For clarity, the department adopts §224.164(d) with a change at adoption
16 to replace the term “final order authority” with “Motor Carrier Division Director.”

17 The adopted amendment to §224.166(b) adds “or other final order authority” to include
18 contested cases for which the department’s Motor Carrier Division Director is authorized as the “director”
19 to issue a final order under Transportation Code, §643.2525. “Director” is defined under Transportation
20 Code, §643.001 to include a department employee designated by the department’s executive director to
21 decide motor carrier cases; the department’s executive director has designated the department’s Motor
22 Carrier Division Director as the “director” for this purpose. While the word “board” in §224.166(b) is
23 defined under §224.3 to include department staff to whom the board delegated final order authority

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1 under §224.29, it does not include a department employee whom the department’s executive director
2 designated as the “director.” The adopted amendment to §224.166(b) therefore clarifies that its
3 provisions apply both to cases decided by the board, and cases decided by the Motor Carrier Division
4 Director. For these same reasons, the department adopts §224.166(c) with a change at adoption to delete
5 the words “board delegate with” and to replace those words with the word “other,” to refer to “other
6 final order authority.”

7 An adopted amendment to §224.166(d) refers to new Subchapter I of Chapter 224 regarding the
8 transfer of jurisdiction from SOAH to the Motor Carrier Division Director. These changes are necessary to
9 create similar processes for contested cases decided by the Motor Carrier Division Director as already
10 exist for cases decided by the board.

11 The department adopts §224.166(d) with a change at adoption to replace the proposed reference
12 to “the department’s director of the Motor Carrier Division” with a reference to “the Motor Carrier
13 Division Director” for consistency with the terminology in the other adopted amendments in §224.166(b)
14 and (c).

15 Subchapter F. Board Procedures in Contested Cases

16 An adopted amendment to §224.190 clarifies that Subchapter F does not apply to a contested
17 case in which a SOAH administrative law judge has submitted a final proposal for decision for
18 consideration by the department in a case in which the department’s Motor Carrier Division Director is
19 the final order authority as provided in adopted new §224.310. Although the Motor Carrier Division
20 Director is a board delegate under Chapter 224 for certain contested cases, Subchapter I of this title
21 (relating to Motor Carrier Division Director Procedures in Contested Cases) governs the procedures for
22 certain contested cases in which the Motor Carrier Division Director is the final order authority.

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1 An adopted amendment to §224.194 removes prior subsection (b) because the department's
2 executive director, rather than the board, designated the Motor Carrier Division Director as the director
3 under Transportation Code, §643.001 to issue the final order in certain contested cases under
4 Transportation Code, Chapter 643. Also, adopted new Subchapter I includes language regarding a special
5 public meeting during which the Motor Carrier Division Director may review a contested case for which
6 that director is the final order authority, so removing subsection (b) prevents confusion and redundancy.
7 An adopted amendment to §224.194 also removes the subsection letter for prior subsection (a) due to
8 the adopted deletion of prior subsection (b).

9 Adopted amendments to §§224.198, 224.200, and 224.204 implement SB 2807 by adding a
10 reference to the scope of the board's authority to act under Transportation Code, §545.459(k). Adopted
11 amendments to §§224.198, 224.200, and 224.204 also modify language and punctuation due to the
12 adopted reference to Transportation Code, §545.459(k). In addition, an adopted amendment to
13 §224.200(a) corrects a grammatical error by changing the word "Chapter" to "Chapters."

14 The department adopts §§224.198(b), 224.200(a), and 224.204(a) through (c) with changes at
15 adoption to delete references to Transportation Code, Chapters 502, 621 through 623, 643, and 645
16 because the contested cases under these statutes now fall under adopted new Subchapter I of Chapter
17 224, rather than Subchapter F of Chapter 224.

Subchapter H. Automated Motor Vehicle Authorizations

19 Adopted revisions to Chapter 224 implement SB 2807 by adding new Subchapter H regarding
20 automated motor vehicle authorizations under Transportation Code, §545.456 and §545.459. Adopted
21 new §224.290 provides the purpose and scope of adopted new Subchapter H for clarity.

22 Adopted new §224.292 provides the procedures, authority, and requirements regarding the
23 suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456(f), as

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1 well as the rescission of a suspension, revocation, or cancellation under Transportation Code, §545.456(g).
2 A determination under Transportation Code, §545.456(f) is not a contested case under Government Code,
3 Chapter 2001, according to Transportation Code, §545.456(h), so adopted new §224.292(a) states that no
4 other section in Chapter 224 applies to this section, other than §224.290 regarding the purpose and scope
5 of Subchapter H. Adopted new §224.292(b) and (c) require the department to notify the authorization
6 holder of certain actions by email because the word “immediately” in Transportation Code, §545.456(f)
7 and the word “promptly” in Transportation Code, §545.456(g) require these processes to be done quickly.
8 Adopted new §224.292(b) and (c) also state that the action or the rescission, respectively, is effective when
9 the notice is emailed by the department to avoid any delay to the process that mail might cause. Adopted
10 new §224.292(d) requires the department to also mail the notification to the authorization holder by first-
11 class mail to ensure that the authorization holder receives notice. Adopted new §224.292(e) grants the
12 department’s Motor Carrier Division Director the authority to decide suspensions, revocations and
13 cancellations under Transportation Code, §545.456(f) and the rescissions of those same decisions under
14 Transportation Code, §545.456(g).

15 The department adopts §224.292 with changes at adoption by deleting the unnecessary
16 subsections (f) and (g) as published in the rule proposal regarding the computation of time under
17 Government Code, §311.014 and the use of calendar days rather than business days in the computation.
18 Although adopted new §224.292 includes the words “immediately” and “promptly,” §224.292 does not
19 require the computation of a period of days as specified in Government Code, §311.014. Also, the
20 department adopted new §220.28, which includes language regarding the computation of any time period
21 prescribed or allowed by adopted new §220.26 regarding the deadline to provide the department with
22 any updates under Transportation Code, §545.456. The department adopted new §220.26 and §220.28 to
23 implement SB 2807; that adoption is also published in this issue of the *Texas Register*. If an authorization

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holder violates new §220.26 regarding the deadline to provide the department with any updates under Transportation Code, §545.456, the procedures and requirements regarding the suspension, revocation, or cancellation of the authorization are provided under §224.292.

The department also adopts §224.292 with changes at adoption by re-lettering subsection (h) as published in the rule proposal to subsection (f) due to the deletions of proposed subsections (f) and (g).

In addition, the department adopts §224.292(f) and §224.294(l) with changes at adoption to reword portions of the language for clarity regarding a reference to an “authorization holder.” Adopted new §224.292(f) and §224.294(l) clarify that a reference in a department rule or communication to an “authorization holder,” when the authorization is currently suspended, revoked, or cancelled, does not rescind or invalidate the suspension, revocation, or cancellation of the authorization. Transportation Code, §545.456(d) states that an authorization does not expire, and it remains active unless suspended, revoked, or canceled by the department. Also, Transportation Code, §545.459(k) refers to an “authorization holder,” even though the authorization has been suspended, revoked, or cancelled under §545.459(h). In addition, the suspension, revocation, or cancellation of an authorization may be rescinded under Transportation Code, §545.456(g) and §545.459(j).

Adopted new §224.294 implements SB 2807 by providing the procedures, authority, and requirements regarding the suspension, revocation, or cancellation of an authorization under Transportation Code, §545.459, as well as the imposition of one or more restrictions on the operation of the automated motor vehicle under Transportation Code, §545.459. For clarity and ease of reference, adopted new §224.294(a) states which Chapter 224 subchapters apply to contested cases before SOAH and the board or the department’s Motor Carrier Division Director under Transportation Code, §545.459.

Adopted new §224.294(b) specifies that the notice of intent to sanction, required by Transportation Code, §545.459, shall be sent by certified mail, return receipt requested so that it can also

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1 serve as the notice to an authorization holder of an intended suspension, revocation, or cancellation
2 required by Government Code, §2001.054. Adopted new §224.294(b) also requires the department to
3 send the notice of intent by email to the authorization holder's email address on file in the department's
4 designated system, so the authorization holder receives notice as quickly as possible due to public safety
5 concerns as described in Transportation Code, §545.459(a) and (b).

6 The department adopts §224.294(b) with a change at adoption to delete the citations to
7 subsections (a) and (c) in the citation to Transportation Code, §545.459 regarding the notice of intent. It
8 is not necessary to cite the specific subsections of this statute. By deleting the citations to these
9 subsections, this will eliminate any requirement to amend §224.294 in the future if the Legislature amends
10 Transportation Code, §545.459 in a way that changes the lettering of current §545.459(a) or (c).

11 Adopted new §224.294(c) requires the authorization holder to submit any request for an
12 extension of the department's deadline for corrective action and certification under Transportation Code,
13 §545.459(c)(2) and (e) prior to the department's deadline listed in the department's notice of intent.
14 Adopted new §224.294(c) also requires the authorization holder's request for an extension to include an
15 explanation regarding why the department's deadline is not reasonable, why the authorization holder
16 needs more time (including the specific deadline the authorization holder is requesting), and whether the
17 authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare.
18 This information will allow the department to analyze the authorization holder's request and determine
19 whether the request is reasonable and whether it is appropriate under the circumstances to grant the
20 extension. When determining whether an authorization holder's request for an extension is reasonable,
21 the department must consider the public health, safety, and welfare. The department will only send a
22 notice of intent if the department determines that an authorization holder's automated motor vehicle is
23 not in safe operational condition and the operation of the vehicle on a highway or street in Texas

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1 endangers the public—and under these circumstances, time will be of the essence to get the issue
2 resolved. Although the department will consider the nature of the issues the authorization holder must
3 correct, it is incumbent on the authorization holder to timely request an extension. A request for an
4 extension after the deadline has passed is not a reasonable request under Transportation Code,
5 §545.459(e).

6 Adopted new §224.294(d) requires the department to send notice to the authorization holder of
7 a department decision that suspended, revoked, or cancelled the authorization or imposed a restriction
8 on the operation of the automated motor vehicle by both email and first-class mail, to ensure that the
9 authorization holder is as likely as possible to actually receive the notice. The date of the decision issuance
10 is the date the department sends the email, to avoid any delay or uncertainty that might arise from waiting
11 for the arrival of the regular mail. Adopted new §224.294(e) specifies that the department will designate
12 the address for the authorization holder to submit requests under Transportation Code, §545.459 to
13 extend the compliance period, for review of the decision, for removal or rescission of a sanction, or for a
14 hearing. This will allow the department flexibility in determining how best to staff and monitor
15 communications with authorization holders.

16 Adopted new §224.294(f) allows the department to request proof that a representative has
17 authority to represent the authorization holder, to prevent confusion, miscommunication, or fraud.
18 Adopted new §224.294(g) requires authorization holders to electronically file certifications under
19 Transportation Code, §545.459(d) by following the requirements of §224.11, relating to Filing and Service
20 of Documents, to ensure uniform evidence of when and what was filed, as well as service to all parties
21 involved.

22 Adopted new §224.294(h) makes the department's Motor Carrier Division Director the decision
23 authority for determinations under Transportation Code, §545.459(g). Adopted new §224.294(i) also

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1 makes the Motor Carrier Division Director the decision authority for final determinations under
2 Transportation Code, §545.459(h) following a timely request to review the decision, similar to the
3 exceptions process under Government Code, §2001.062 and SOAH rules. Adopted new §224.294(j) makes
4 the department's board the final order authority for contested cases under Transportation Code,
5 §545.459(k) when the SOAH administrative law judge issued a proposal for decision, but empowers the
6 Motor Carrier Division Director to make decisions regarding the rescission of a sanction or the removal of
7 a restriction under Transportation Code, §545.459(j) to allow for faster decision-making in those situations
8 without the need to call a public meeting of the board.

9 Adopted new §224.294(k) sets the process the department shall follow to dismiss the case and
10 notify the authorization holder if the SOAH hearing is not held within 60 days of the Motor Carrier Division
11 Director's final determination under Transportation Code, §545.459(h). Notice will be sent by email for
12 expediency in that situation. Adopted new §224.294(m) exempts certifications or communications
13 regarding a rescission or removal of a sanction under Transportation Code, §545.459(j) from the filing
14 requirements of §224.11(a) through (g), relating to Filing and Service of Documents, so that the
15 authorization holder can simply send the documents and request to the designated email address, as
16 prescribed by adopted new §224.294(e), to make the process as efficient and expedited as possible
17 without unnecessary formal requirements.

18 Subchapter I. Motor Carrier Division Director Procedures in Contested Cases

19 Adopted amendments add new Subchapter I regarding contested cases for which the
20 department's Motor Carrier Division Director is the final order authority, rather than the board. Adopted
21 new Subchapter I includes modified language from current Subchapter F, which addresses board
22 procedures in contested cases. Adopted new §224.310 provides the purpose and scope of adopted new
23 Subchapter I. The department adopts §224.310 with changes at adoption to indicate that the

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1 department's director of the Motor Carrier Division will be referred to as the Motor Carrier Division
2 Director throughout Subchapter I.

3 For clarity, the department adopts the following sections with changes at adoption to replace the
4 term "final order authority" with the term "Motor Carrier Division Director" in the rule text: §§224.312,
5 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The department also adopts the
6 following sections with changes at adoption to replace the term "Final Order Authority" with the term
7 "Motor Carrier Division Director" in the title to the rule: §224.320 and §224.322. In addition, the
8 department adopts §224.314(c) with changes at adoption to replace the reference to the term "Final
9 Order Authority" with the term "Motor Carrier Division Director" in the cross-reference to the title of
10 §224.320.

11 Adopted new §224.312 provides an overview of the process for the contested case review by the
12 Motor Carrier Division Director, including the Motor Carrier Division Director's discretion to schedule a
13 special public meeting to review the contested case. Public meetings may be appropriate in matters of
14 great public interest that do not require expedited decisions, but they will be inappropriate when a
15 decision is routine or must be made quickly to protect public health or safety.

16 Adopted sections throughout adopted new Subchapter I regarding a special public meeting only
17 apply if the Motor Carrier Division Director schedules a special public meeting. Adopted new §224.314
18 provides the procedure and deadlines regarding a request for oral presentation, if there is a special public
19 meeting. Adopted new §224.314(a) requires the department to provide notice by email to the parties 20
20 days before a special public meeting, to allow the parties time to prepare any oral presentations and
21 written materials for the special public meeting. Adopted new §224.314(b) requires a party to notify the
22 department and all other parties of its intent to make an oral presentation at least seven days in advance
23 of the special public meeting, to allow both the parties and the department time to prepare accordingly.

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1 Adopted new §224.314(c) allows parties that are not affected by the proposal for decision to have
2 flexibility to agree to the order of their presentations, but sets the order of presentations in adopted new
3 §224.320, relating to Order of Oral Presentations to the Motor Carrier Division Director, as the default
4 order if the parties do not file their agreed order of presentations at the same time they file their intent
5 to make oral presentation under adopted new §224.314(b). Adopted new §224.314(d) clarifies that a
6 party that fails to make a timely written request for oral presentation under adopted new §224.314(b)
7 will not be allowed to make an oral presentation at the special public meeting, to ensure predictability in
8 procedure during the meeting and an opportunity for all parties to prepare in advance of the meeting.
9 Adopted new §224.314(e) specifies that non-parties are not allowed to give an oral presentation or
10 provide public comment to the Motor Carrier Division Director at a special public meeting. This will help
11 to prevent extraneous information that is not in the SOAH record from influencing the Motor Carrier
12 Division Director in violation of Government Code, Chapter 2001, and will allow for more efficient
13 meetings.

14 Adopted new §224.316 provides the procedure and deadline for the provision of written materials
15 for a special public meeting. Adopted new §224.316(a) requires a party that wants to provide written
16 materials to the Motor Carrier Division Director at a special public meeting to file the written materials
17 with the department at least 14 days prior to the meeting and provide copies to the other parties. This
18 requirement allows both the parties and the department adequate time to prepare in advance of the
19 special meeting.

20 The department adopts §224.316(a) with a change at adoption to delete the last sentence in
21 proposed §224.316(a) that said non-parties are not authorized to provide written materials to the final
22 order authority because the substance of this sentence also appears in adopted new §224.316(e). Also,

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§224.316(e) is a more appropriate location for this sentence because subsection (a) focuses on requirements for a party to the contested case.

Adopted new §224.316(b) specifies that written materials can only contain information from the SOAH record. This requirement will help to prevent the Motor Carrier Division Director from being exposed to information that is not in the SOAH record, which information could influence the Motor Carrier Division Director in violation of Government Code, Chapter 2001. Similarly, adopted new §224.316(e) specifies that non-parties are not authorized to provide written materials to the Motor Carrier Division Director at a special public meeting, to prevent extraneous information that is outside the SOAH record from influencing the Motor Carrier Division Director. Adopted new §224.316(c) requires the parties to provide citations to the SOAH record for all written materials, so that the parties and the department can verify that the written materials are all within the SOAH record. Adopted new §224.316(d) sets size, font, and page count limitations for the written materials, to require parties to streamline their documentary presentations so that the presentations during the special public meeting are both efficient and effective.

Adopted new §224.318 provides the requirements for an oral presentation at a special public meeting. Adopted new §224.318(a) limits oral presentations to information within the SOAH record and to the scope of the Motor Carrier Division Director's powers under Government Code, §2001.058(e), so as to prevent the Motor Carrier Division Director from violating Government Code, Chapter 2001 by relying on evidence that is not in the record or taking action that is not within the department's jurisdiction. Adopted new §224.318(b) allows a party during oral presentation to recommend that the Motor Carrier Division Director remand the case to SOAH, to the extent allowed under the SOAH rules in 1 TAC Chapter 155 and Government Code, Chapter 2001. Remand to SOAH can be necessary when the administrative law judge failed to make findings regarding specific allegations. Adopted new §224.318(c)

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requires the parties to object when another party goes outside the SOAH record, so that the Motor Carrier Division Director will be able to identify and disregard information that is outside the record. Adopted new §224.318(d) sets a 15-minute time limit for each party's oral presentation, clarifies that additional rebuttal statements or a closing statement are not allowed, and clarifies that time spent responding to questions or making objections does not count against the 15 minutes. These guidelines help to ensure that oral presentations in special public meetings proceed efficiently and fairly.

Adopted new §224.320 provides the order of presentation for an oral presentation at a special public meeting. Adopted new §224.320(a) requires the department to provide a presentation of the procedural history and summary of the contested case. Adopted new §224.320(b) requires that the adversely affected party present first, but allows the Motor Carrier Division Director to determine the order of presentations if it is not clear which party is adversely affected or if it appears that there is more than one adversely affected party. This language parallels the current order of presentation for parties making an oral presentation at board meetings under §224.202, regarding Order of Oral Presentations to the Board. Adopted new §224.320(c) requires the parties that are not adversely affected to present in alphabetical order, assuming they had not previously agreed to an order under adopted new §224.314.

Adopted new §224.322 describes the Motor Carrier Division Director's conduct and the limits on any discussions when reviewing a contested case. Adopted new §224.322(a) specifies the legal limitations of the Motor Carrier Division Director's review. Adopted new §224.322(b) allows the Motor Carrier Division Director to ask the parties questions, but only within the relevant legal limitations.

The department adopts §224.322(a) with a change at adoption to replace the word "its" with the word "the." The department adopts §224.322(b) with a change at adoption to replace the reference to "board" with a reference to the "Motor Carrier Division Director" because Subchapter I of Chapter 224 does not apply to contested cases for which the board is the final order authority. New Subchapter I

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1 applies to the contested cases for which the Motor Carrier Division Director is the final order authority.

2 Subchapter F of Chapter 224 applies when the board is the final order authority for the contested case.

3 The department adopts §224.322 with a change at adoption to delete proposed subsection (c)
4 because it is not relevant to the Motor Carrier Division Director. The language in proposed §224.322 (c)
5 was based on the language in current §224.204(c), which only applies to board members and does not
6 apply to department staff with delegated authority. The language in current §224.204(c) is required by
7 Occupations Code, §2301.709(d), which requires the board to adopt rules and policies that establish
8 standards for the board to review a contested case under Subchapter O of Chapter 2301 of the
9 Occupations Code. Occupations Code, §2301.709(d)(5) requires the board's rules to distinguish between
10 using industry expertise and representing or advocating for an industry when the board reviews a
11 contested case under Subchapter O of Chapter 2301 of the Occupations Code. Because certain board
12 member positions are appointed based on specific industries or occupations under Transportation Code,
13 §1001.021(b) and because of certain issues raised by the Sunset Advisory Commission in its *Staff Report*
14 *with Final Results* in 2019, the Legislature amended Occupations Code, §2301.709 to add the rulemaking
15 requirement in current subsection (d)(5). This requirement is not relevant to the Motor Carrier Division
16 Director, who is hired by the department to work as a full-time employee. Also, the Motor Carrier Division
17 Director is not required by statute to work in a specific industry or occupation prior to being hired by the
18 department or as a continuing requirement for employment as the Motor Carrier Division Director.

19 Adopted new §224.324 provides the requirements regarding a final order issued by the
20 department's Motor Carrier Division Director under adopted new Subchapter I. Adopted new §224.324(a)
21 requires that the Motor Carrier Division Director sign a written final order, in keeping with the
22 requirements of Government Code, §2001.141(a). The department adopts §224.324(a) with changes at
23 adoption to reword the sentence for clarity and to delete the reference to a decision because subsections

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(b) and (c) refer to a final order. Adopted new §224.324(b) requires the department to send the final order to the parties in the contested case by email and certified mail, return receipt requested, to maximize the opportunities for the parties to receive notice of the final order and allow the department to ascertain whether and on what date an impacted party received the final order for purposes of Government Code, §2001.142(c). Adopted new §224.324(c) and (d) clarify that the Government Code governs the issuance of a final order by the Motor Carrier Division Director, the parties' motions for rehearing, and when the decision becomes final. The department adopts §224.324(d) with changes at adoption to delete the reference to a decision because subsections (b) and (c) refer to a final order.

Adopted new §224.326 addresses public access to a special public meeting. Adopted new §224.326 contains modified versions of portions of 43 TAC §206.22, regarding Public Access to Board Meetings, which only applies to board meetings. Adopted new §224.326(a) requires persons in need of special accommodations who plan to attend the special public meeting to send a request to the department two days in advance, to allow the department time to arrange the accommodation. Adopted new §224.326(b) specifies that members of the public may not question parties or the Motor Carrier Division Director in a contested case, to maintain decorum in the meeting and to avoid exposing the Motor Carrier Division Director to information that is outside the SOAH record. Adopted new §224.326(c) requires a person who disrupts a special public meeting to leave the premises, to maintain decorum and safety in the meeting.

SUMMARY OF COMMENTS.

The department received eight timely written comments on the proposal. Each of the following submitted a written comment: the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility).

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1 **Comment:** The City of Austin requests clarification on whether municipalities can be parties to the
2 adjudication process for the suspension or cancellation of an authorization to operate automated motor
3 vehicles.

4 **Response:** The department disagrees with this comment because it is outside the scope of the
5 department's rulemaking authority. The legislature specified that the department, rather than a political
6 subdivision, has the authority to administer the laws regarding an automated motor vehicle authorization
7 under Transportation Code, §545.456 and §545.459.

8 **Comment:** Auto Innovators stated that they appreciate the additional guidance to the industry on the
9 administrative sanctions.

10 **Response:** The department agrees with this comment.

11 **Comment:** Torc, Lyft, Stack, and AVIA support the department's proposed rules.

12 **Response:** The department agrees with these comments.

13 **Comment:** The City of Dallas believes there must be strong safeguards to quickly suspend or revoke an
14 authorization when safety is compromised. The City of Dallas expects clear triggers, such as repeated
15 incidents or failure to comply with safety obligations to be identified, enabling the state to act swiftly.

16 **Response:** The department disagrees with this comment to the extent that it is outside of the scope of
17 the department's rulemaking authority, that the issue is already addressed in statute, and that the
18 department needs to maintain flexibility to take the appropriate action to address different scenarios. The
19 department also disagrees with this comment because it is premature for the department to adopt an
20 administrative rule to define certain triggers until the department gains experience with enforcement
21 actions under Transportation Code, §545.459.

22 Transportation Code, §545.459 provides the framework, including many of the deadlines, for the
23 suspension, revocation, or cancellation when the department determines that an automated motor

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1 vehicle operating under an authorization is not in safe operational condition and the operation of the
2 vehicle on a highway or street in Texas endangers the public. Transportation Code, §545.459 also states
3 that the operation of an automated motor vehicle endangers the public when the operation has resulted
4 in or is likely to result in serious bodily injury as defined by Penal Code, §1.07.

5 There could be many different scenarios in which an automated motor vehicle operating under
6 an authorization is not in safe operational condition. The department needs to maintain flexibility to take
7 the appropriate action under different scenarios that may arise under adopted new §224.294 and
8 Transportation Code, §545.459. Once the department gains experience with enforcement actions under
9 Transportation Code, §545.459, the department may propose revisions to these rules. The department
10 also responded to this comment in the preamble for the adoption of new Chapter 220, which is published
11 in this issue of the *Texas Register*, regarding the timeline for an authorization holder to submit the updated
12 or current documents to the department under §220.26 and Transportation Code, §545.456(b).

13 **Comment:** The City of Dallas recommends that the public should be notified whenever a suspension or
14 revocation occurs to ensure transparency and maintain community trust.

15 **Response:** The department disagrees to the extent that it is outside of the scope of the department's
16 rulemaking authority. Also, it is not necessary to make an administrative rule regarding the department's
17 procedures for public communications.

18 **Comment:** The City of Dallas stated that operators should be required to present corrective action plans
19 before authorization is restored.

20 **Response:** The department disagrees. The restoration of authorization is specifically addressed in statute,
21 and it is not necessary to repeat statutory language in rule. Transportation Code, §545.459(j) requires the
22 department to rescind a suspension, revocation, or cancellation or to remove a restriction after the
23 authorization holder fulfills the conditions of Transportation Code, §545.459(d), by ensuring the issues

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1 identified by the department in the notice of intent are corrected, and providing the department with a
2 certification acknowledging that the issues identified by the department in the notice of intent have been
3 corrected.

4 **Comment:** May Mobility recommends that specific protocols be established for circumstances in which a
5 company's authorization to operate autonomous vehicles is suspended, revoked, cancelled, or otherwise
6 restricted.

7 **Response:** The department disagrees. The department provided the relevant protocols in these revisions
8 to Chapter 224, which flesh out the protocols established by the legislature under Transportation Code,
9 §545.456 and §545.459.

10 **Comment:** May Mobility recommends that any hearing and adjudication process be completed within 30
11 days, absent extenuating circumstances, to ensure timely resolution and minimize disruption. May
12 Mobility also recommends that any administrative process be subject to a right of timely rehearing and
13 appeal.

14 **Response:** The department disagrees with this comment to the extent that it is outside the scope of the
15 department's rulemaking authority, that the issue is already addressed in statute, and that the
16 department must maintain flexibility because certain matters may take longer than others based on the
17 facts. Transportation Code, §545.459 includes some of the relevant timelines, including the requirement
18 for an expedited hearing at SOAH to be held not later than the 60th day after the date of the department's
19 final determination under Transportation Code, §545.459(h) if the authorization holder submits a written
20 request to the department for a hearing at SOAH. Once a contested case is docketed at SOAH, the process
21 is governed by the following: 1) SOAH's procedures and staff; and 2) other laws, including SOAH's
22 administrative rules (1 TAC Chapter 155) and Government Code, Chapter 2001.

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Transportation Code, §545.459(l) states that the contested case provisions of Government Code, Chapter 2001, including the right to judicial review, apply to a proceeding under Transportation Code, §545.459(k). Government Code, §2001.146 addresses the procedures for a motion for rehearing, and Subchapter G of Government Code, Chapter 2001 provides for judicial review of a final decision.

Comment: May Mobility recommends that appropriate procedures should be included to protect the confidentiality of both submitted evidence and administrative outcomes.

Response: The department disagrees with this comment to the extent that it is outside the scope of the department's rulemaking authority and that the issue is already addressed in law. Government Code, Chapter 552 governs the disclosure of information that is held by a governmental body to the public. If the contested case is docketed with SOAH, SOAH's administrative rules (1 TAC Chapter 155) also govern this issue, including sections such as §155.103 regarding confidential information.

§224.292(a)

Comment: The City of Austin recommends that the department clarify how the director makes determinations and if local input is considered. The City of Austin also recommends a process for exigent circumstances that would immediately cease an automated motor vehicle company's operations, as opposed to going through the notice of intent and adjudication process.

Response: The department disagrees. For a suspension, revocation, or cancellation under adopted new §224.292, the department's Motor Carrier Division Director will make the decision based on the facts and the law, including §224.292 and Transportation Code, §545.456. There is no need to further clarify how the Motor Carrier Division Director will make determinations or whether local input is considered. The department needs to maintain flexibility to take the appropriate action under different scenarios that may arise under adopted new §224.292 and Transportation Code, §545.456. The Motor Carrier Division Director may consider local input, depending on the situation.

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1 The process under adopted new §224.292 and Transportation Code, §545.456 does not include a
2 notice of intent and is not governed by Government Code, Chapter 2001. Also, Transportation Code,
3 §545.456(f) authorizes the department to immediately suspend, revoke, or cancel the authorization if the
4 authorization holder fails to comply with the requirements. The process under Transportation Code,
5 §545.456 is different than the process under Transportation Code, §545.459.

§224.294

7 **Comment:** The City of Austin recommends that the department clarify expedited case criteria for public
8 health/safety, outline how law enforcement complaints are prioritized and handled, and clarify whether
9 officer testimony is required.

10 **Response:** The department disagrees. Every case that falls within the scope of adopted new §224.294 and
11 Transportation Code, §545.459 involves a department determination that an automated motor vehicle
12 operating under an authorization issued by the department is not in safe operational condition and the
13 operation of the vehicle on a highway or street in Texas endangers the public. Transportation Code,
14 §545.459 states that the operation of an automated motor vehicle endangers the public when the
15 operation has resulted in or is likely to result in serious bodily injury as defined by Penal Code, §1.07. Also,
16 the timelines under Transportation Code, §545.459(c)(2) and (e) will be based on the facts of each case.

17 The department needs to maintain flexibility to take the appropriate action under different
18 scenarios that may arise under adopted new §224.294 and Transportation Code, §545.459. Depending on
19 the facts, the department may prioritize law enforcement complaints. Also, the facts may dictate how a
20 law enforcement complaint is handled. Depending on the facts, it is possible that officer testimony is
21 required if the authorization holder submits a written request for a hearing at SOAH under Transportation
22 Code, §545.459(k). Once the department gains experience with enforcement actions under
23 Transportation Code, §545.459, the department may propose revisions to these rules.

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SUBCHAPTER A. GENERAL PROVISIONS.

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025)), which authorizes the Board of the Texas Department of Motor Vehicles (board) to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; §1002.001, and §1003.005; and Government Code, Chapter 2001.

Text.

§224.1. Purpose and Scope.

This subchapter describes the procedures by which the department will adjudicate a contested case arising under Occupations Code, Chapters 2301 or 2302; ~~[-or]~~ Transportation Code, Chapters 502, 503, 621-623, 643, 645, or 1001-1005; or Transportation Code, §545.459(k),

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1 consistent with the requirements of Government Code, Chapter 2001. Unless expressly excluded or
2 limited, this subchapter applies to every contested case in which the department has jurisdiction.

3
4 §224.5. Prohibited Communication.

5 (a) No person, party, attorney of record, or authorized representative in any contested case
6 shall violate Government Code, §2001.061 by directly or indirectly engaging in ex parte
7 communication concerning a contested case with an ALJ, board member, board delegate, final order
8 authority, or a hearings examiner assigned to render a decision or make findings of fact and
9 conclusions of law in a contested case.

10 (b) Unless prohibited by Government Code, §2001.061, department staff who did not
11 participate in the hearing may advise a board member, a board delegate, a final order authority, or a
12 hearings examiner, regarding a contested case and any procedural matters.

13 (c) Department staff shall not recommend a final decision to the board unless the
14 department is a party to the contested case.

15 (d) A violation of this section shall be promptly reported to the board chair or chief hearings
16 examiner, as applicable, and the general counsel of the department.

17 (e) The general counsel shall ensure that a copy or summary of the ex parte communication
18 is included with the record of the contested case and that a copy is forwarded to all parties or their
19 authorized representatives.

20 (f) The general counsel may take any other appropriate action otherwise provided by law.

21
22 §224.27. Final Order; Motion for Rehearing.

23 (a) The provisions of Government Code, Chapter 2001, Subchapter F, govern the issuance of

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1 a final order issued under this subchapter and a motion for rehearing filed in response to a final
2 order.

3 (b) Except as provided by subsection (c) of this section and §224.29 of this title (relating to
4 Delegation of Final Order Authority), the board has final order authority in a contested case filed
5 under Occupations Code, Chapters 2301 or 2302; ~~[-or under]~~ Transportation Code, Chapters 502,
6 503, 621-623, 643, 645, and 1001-1005; or Transportation Code, §545.459(k).

7 (c) The hearings examiner has final order authority in a contested case filed under
8 Occupations Code, §2301.204 or Occupations Code Chapter 2301, Subchapter M.

9 (d) A department determination and action denying access to the license plate system
10 becomes final within 26 days of the date of the notice denying access to a database, unless the
11 dealer:

12 (1) requests a hearing regarding the denial of access, or

13 (2) enters into a settlement agreement with the department.

14 (e) Unless a timely motion for rehearing is filed with the appropriate final order authority as
15 provided by law, an order shall be deemed final and binding on all parties. All administrative
16 remedies are deemed to be exhausted as of the effective date of the final order.

17 (f) If a timely motion for rehearing is not filed, the final order shall be deemed final and
18 binding in accordance with the provisions of Government Code, §2001.144.

19 (g) If a final and binding order includes an action on a license, the department may act on
20 the license on the date the final order is deemed final and binding, unless the action is stayed by a
21 court order.

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§224.29. Delegation of Final Order Authority.

(a) In accordance with Occupations Code, §2301.154(c) and Transportation Code, §1003.005(b), except as provided by subsection (b) of this section, the director of the division that regulates the distribution and sale of motor vehicles is authorized to issue, where there has not been a decision on the merits, a final order in a contested case under Subchapters B and C, including, but not limited to a contested case resolved:

(1) by settlement;

(2) by agreed order;

(3) by withdrawal of the complaint;

(4) by withdrawal of a protest;

(5) by dismissal for want of prosecution including:

(A) failure of a complaining or protesting party to participate in scheduling mediation or to appear at mediation as required under Subchapter C of this chapter (relating to Contested Cases Between Motor Vehicle Industry License Holders or Applicants);

(B) failure of a complaining or protesting party to respond to department requests for information or scheduling matters;

(C) failure of a complaining or protesting party to dismiss a contested case that has been resolved by the parties;

(6) by dismissal for want of jurisdiction;

(7) by summary judgment or summary disposition;

(8) by default judgment; or

(9) when a party waives opportunity for a contested case hearing.

(b) In accordance with Occupations Code, §2301.704 and §2301.711, a hearings examiner is

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1 authorized to issue a final order in a contested case brought under Occupations Code, §2301.204 or
2 §§2301.601-2301.613.

3 (c) In accordance with Transportation Code, §1003.005, the director of the department's
4 Motor Carrier Division is delegated ~~[any power relating to a contested case, including]~~ the authority
5 to issue a final order[,], in contested cases under Subchapter D of this chapter excluding contested
6 cases for which the department's director, as defined by Transportation Code, §643.001, is expressly
7 authorized to issue the final order under Transportation Code, Chapter 643. [to the extent that
8 delegation of such authority is not already provided by statute.]

9 (d) In accordance with Transportation Code, §1003.005, the director of the department's
10 Motor Carrier Division is authorized to issue a final order in a contested case under §224.294 of this
11 title (relating to Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization
12 under Transportation Code, §545.459) when:

13 (1) a SOAH ALJ has not submitted a proposal for decision to the department for
14 consideration by the final order authority; or

15 (2) a SOAH ALJ submits a proposal for decision regarding a default proceeding to the
16 department for consideration by the final order authority.

17 (e) ~~[(d)]~~ In a contested case in which the board has delegated final order authority under
18 subsection (a), (c) or (d) ~~[or (e)]~~ of this section, a motion for rehearing shall be filed with and decided
19 by the final order authority delegate.

20
21 **SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD**

22 **ENFORCEMENT**

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1 **STATUTORY AUTHORITY.** The department adopts amendments under Government Code, §2001.004,
2 which requires state agencies to adopt rules of practice stating the nature and requirements of all
3 available formal and informal procedures; Transportation Code, §502.0021, which authorizes the
4 department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code,
5 §502.091(b), which authorizes the department to adopt and enforce rules to carry out the
6 International Registration Plan (IRP); Transportation Code, §621.008, which authorizes the board to
7 adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621;
8 Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to
9 implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which
10 authorizes the board to adopt rules that are necessary to implement and enforce Transportation
11 Code, Chapter 623; Transportation Code, §643.003, which authorizes the department to adopt rules
12 to administer Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes
13 an applicant to appeal the denial of an application for registration, renewal of registration, or
14 reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to
15 appeal the revocation or suspension of a registration or placement on probation of the motor carrier
16 as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b);
17 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
18 appropriate to implement the powers and duties of the department; Transportation Code, §1003.001,
19 which states that the department is subject to Government Code, Chapter 2001, except as specifically
20 provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any
21 power relating to a contested case, including the power to issue a final order, to certain department
22 staff; and the statutory authority referenced throughout this preamble and in the rule text, which is
23 incorporated herein by reference.

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CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapter 2001; and Transportation Code, Chapters 502, 621, 622, 623, 643, and 645; Transportation Code, §§1002.001, 1003.001, and 1003.005.

Text.

§224.110. Purpose and Scope.

This subchapter and Subchapters A, E, and ~~I~~ [F] of this chapter describe the procedures by which the department will adjudicate alleged violations and claims under Transportation Code, Chapters 502, 621-623, 643, and 645. These contested cases involve registrants under the International Registration Plan, motor carriers, motor carrier leasing businesses, motor transportation brokers, and household goods carriers. Contested cases involving persons operating oversize or overweight vehicles or moving oversize or overweight loads are also included.

SUBCHAPTER E. CONTESTED CASES REFERRED TO SOAH

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b), which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code,

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§621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 623; Transportation Code, §623.271, which states that the notice and hearing requirements under Transportation Code, §643.2525 apply to the imposition of an administrative penalty or the revocation of a permit under §623.271; Transportation Code, §623.272, which states that the notice and hearing requirements under Transportation Code, §643.2525 apply to the imposition of an administrative penalty under §623.272; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.2525, which provides the process for an administrative hearing under Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes an applicant to appeal the denial of an application for registration, renewal of registration, or reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to appeal the revocation or suspension of a registration or placement on probation of the motor carrier as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b); Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

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CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, Chapters 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

Text.

§224.150. Purpose and Scope.

(a) This subchapter describes department practice and procedures for referring a contested case to SOAH for a hearing, including a contested case under Subchapter B (relating to Motor Vehicle, Salvage Vehicle, and Trailer Industry Enforcement), Subchapter C (relating to Contested Cases Between Motor Vehicle Industry License Holders or Applicants), and Subchapter D (Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement) of this chapter, as well as §224.294 of this title (relating to Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under Transportation Code, §545.459).

(b) When SOAH accepts a referral from the department, jurisdiction of the contested case transfers to SOAH, and practice and procedure in contested cases heard by SOAH are addressed in:

(1) 1 TAC Chapter 155, and

(2) subchapter A and this subchapter, where not in conflict with SOAH rules.

(c) When SOAH disposes of a contested case, jurisdiction transfers from SOAH back to the department. The department will issue a final order under §224.29 of this title (relating to Delegation of Final Order Authority), ~~under~~ under Subchapter F of this chapter (relating to Board

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Procedures in Contested Cases), or under Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

§224.152. Referral to SOAH.

(a) The department shall refer contested cases to SOAH upon determination that a hearing is appropriate under Occupations Code, Chapter 2301 or 2302; ~~[, or]~~ Transportation Code, Chapters 502, 503, 621-623, 643, 645, or 1001-1005; or Transportation Code, §545.459(k), including contested cases relating to:

(1) an enforcement complaint on the department's own initiative;

(2) a notice of protest that has been timely filed in accordance with §215.106 of this title (relating to Time for Filing Protest);

(3) a protest filed under Occupations Code, §2301.360 or a protest or complaint filed under Occupations Code, Chapter 2301, Subchapters I or J;

(4) a department-issued cease and desist order; or

(5) any other contested matter that meets the requirements for a hearing at SOAH.

(b) The department will follow SOAH procedures to file a Request to Docket Case and related documents and request a setting of a hearing.

(c) SOAH will provide the department with the date, time, and place of the initial hearing.

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§224.164. Issuance of a Proposal for Decision.

(a) After a hearing on the merits, the ALJ shall submit a proposal for decision in a contested case to the department and all parties.

(b) The parties may submit to the ALJ exceptions to the proposal for decision and replies to exceptions to the proposal for decision in accordance with the SOAH rules.

(c) The ALJ will review all exceptions and replies and notify the department and parties whether the ALJ recommends any changes to the proposal for decision.

(d) The parties are not entitled to file exceptions or briefs in response to a final [an amended] proposal for decision but may raise an issue regarding the final proposal for decision before the following:

(1) the board as allowed at the time of oral presentation under Subchapter F of this chapter; or

(2) the Motor Carrier Division Director as allowed at the time of an oral presentation at a special public meeting, if any, under Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

§224.166. Transfer of Jurisdiction for Final Decision.

(a) A party may appeal an interlocutory order issued under Occupations Code, Chapter 2301 to the board under §224.192 of this title (relating to Appeal of an Interlocutory Order). SOAH retains jurisdiction on all other pending matters in the contested case, except as provided otherwise in this chapter.

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(b) If a contested case includes a hearing on the merits, SOAH's jurisdiction transfers to the board or other final order authority when the ALJ confirms that the proposal for decision is final.

(c) Once jurisdiction transfers, no new testimony, witnesses, or information may be considered by the board or other ~~board delegate with~~ final order authority.

(d) After SOAH transfers the SOAH administrative record to the department, the board or the Motor Carrier Division Director ~~[or board delegate with final order authority]~~ will consider the contested case under the provisions of Subchapter F of this chapter (relating to Board Procedures in Contested Cases) or Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

SUBCHAPTER F. BOARD PROCEDURES IN CONTESTED CASES

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case,

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including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

Text.

§224.190. Purpose and Scope.

This subchapter describes procedures for the board to review and issue a final order in a contested case in which:

(1) a SOAH ALJ has submitted a final proposal for decision for consideration by the board or board delegate with final order authority, except as stated otherwise in §224.310 of this title (relating to Purpose and Scope),

(2) a party has appealed an interlocutory cease-and-desist order issued by an ALJ, or

(3) a party affected by a statutory stay order issued by an ALJ requested a hearing to modify, vacate, or clarify the extent and application of the statutory stay order.

§224.194. Contested Case Review.

~~[(a)]~~ After SOAH submits a final proposal for decision and transfers SOAH's administrative record to the department, the board has jurisdiction and the record required to issue a final order

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1 and will review the contested case during the public session of a board meeting, in accordance with
2 the APA.

3 ~~[(b) For a contested case in which the board has delegated final order authority to the~~
4 ~~Director of the Motor Carrier Division, a special public meeting may be scheduled.]~~

5
6 §224.198. Written Materials and Evidence.

7 (a) If a party wants to provide written materials at the board meeting, the party must
8 provide the written materials to the department and all other parties in accordance with §224.11 of
9 this title (relating to Filing and Service of Documents) at least 21 days prior to the date of the board
10 meeting. If a party fails to timely provide written materials to the department or any other party, the
11 department shall not provide the written materials to the board and the party shall not provide the
12 written materials to the board at the board meeting. Non-parties are not authorized to provide
13 written materials to the board.

14 (b) For the purposes of this section, written materials are defined as language or images
15 including photographs or diagrams, that are contained in the SOAH administrative record and
16 recorded in paper form except as stated otherwise in this subsection. The language or images in the
17 written materials must be taken without changes from the SOAH administrative record; however,
18 proposed final orders and draft motions for possible board action are allowed to be included in a
19 party's written materials even if they contain arguments or requests that are not contained in the
20 SOAH administrative record. Written materials shall be limited to evidence contained in the SOAH
21 administrative record and consistent with the scope of the board's authority to act under
22 Government Code, §2001.058(e); ~~and~~ Occupations Code, Chapters 2301 and 2302; ~~and~~

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1 Transportation Code, Chapters ~~[502,]~~ 503 ~~[-621-623, 643, 645,]~~ or 1001-1005; and Transportation
2 Code, §545.459(k), as applicable.

3 (c) All information in the written materials shall include a citation to the SOAH administrative
4 record on all points to specifically identify where the information is located. The citations may be
5 provided in an addendum to the written materials that is not counted against the 15-page limit
6 under subsection (d) of this section; however, the addendum must not include any information other
7 than a heading that lists the name of the party, the caption for the contested case, and text that lists
8 the citations and page numbers.

9 (d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials
10 must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15
11 pages per party. If a party provides the department with written materials that contain more pages
12 than the maximum allowed, the department shall not provide the written materials to the board and
13 a party shall not provide the written materials to the board at the board meeting.

14

15 §224.200. Oral Presentation Limitations and Responsibilities.

16 (a) A party to a contested case under review by the board shall limit oral presentation and
17 discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion
18 shall be consistent with the scope of the board's authority to act under Government Code,
19 §2001.058(e); Occupations Code, Chapters 2301 and 2302; ~~[and]~~ Transportation Code Chapters
20 [Chapter 502,] 503 ~~[-621-623, 643, 645,]~~ or 1001-1005; and Transportation Code, §545.459(k), as
21 applicable.

22 (b) A party may argue that the board should remand the contested case to SOAH.

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(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the board is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The board chair may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

(3) An intervenor of record from the SOAH proceeding supporting another party shall share that party's time.

(4) Time spent by a party responding to a board question is not counted against their presentation time.

(5) During an oral presentation, a party to the contested case before the board may object that a party presented material or argument that is not in the SOAH administrative record. Time spent discussing such objections is not counted against the objecting party's time.

§224.204. Board Conduct and Discussion When Reviewing a Contested Case or Interlocutory Order.

(a) The board shall conduct its contested case review in compliance with Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2302; ~~and~~ Transportation Code Chapters ~~[502,] 503 [621, 623, 643, 645,]~~ or 1001-1005; and Transportation Code, §545.459(k), as applicable, including the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the prohibition on considering evidence outside of the SOAH administrative record.

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(b) A board member may question a party or the department on any matter that is relevant to the proposal for decision; however, a question shall be consistent with the scope of the board's authority to take action under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; ~~and~~ Transportation Code, Chapters ~~[502,] 503 [-621-623, 643, 645,]~~ or 1001-1005; and Transportation Code, §545.459(k), as applicable; a question must be limited to evidence contained in the SOAH administrative record; and the communication must comply with §224.5 of this title (relating to Prohibited Communication). In considering a contested case, a board member is authorized to ask a question regarding a request to remand the case to SOAH, including a remand to SOAH for further consideration of the evidence.

(c) A board member may use personal expertise in the industry to understand a contested case and make effective decisions, consistent with the scope of the board's authority to act under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; ~~and~~ Transportation Code Chapters ~~[502,] 503 [-621-623, 643, 645,]~~ or 1001-1005; and Transportation Code, §545.459(k), as applicable. However, a board member is not an advocate for a particular industry. A board member is an impartial public servant who takes an oath to preserve, protect, and defend the Constitution and laws of the United States and Texas.

SUBCHAPTER H. AUTOMATED MOTOR VEHICLE AUTHORIZATIONS

STATUTORY AUTHORITY. The department adopts new sections under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available

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1 formal and informal procedures; Government Code, §2001.054, which specifies the requirements
2 regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license;
3 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
4 appropriate to implement the powers and duties of the department; Transportation Code, §1003.001,
5 which states that the department is subject to Government Code, Chapter 2001, except as specifically
6 provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any
7 power relating to a contested case, including the power to issue a final order, to certain department
8 staff; and the statutory authority referenced throughout this preamble and in the rule text, which is
9 incorporated herein by reference.

10 **CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapter
11 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government
12 Code, Chapter 2001.

13
14 Text.

15 §224.290. Purpose and Scope.

16 This subchapter prescribes the procedures for:

17 (1) the suspension, revocation, or cancellation of an automated motor vehicle
18 authorization issued under Transportation Code, §545.456;

19 (2) the imposition of a restriction on the operation of the automated motor vehicle
20 under Transportation Code, §545.459;

21 (3) the rescission of a suspension, revocation, or cancellation of an automated motor
22 vehicle authorization under Transportation Code, §545.456 or §545.459; and

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1 (4) the removal of a restriction on the operation of the automated motor vehicle
2 under Transportation Code, §545.459.

3
4 §224.292. Immediate Suspension, Revocation, or Cancellation of an Automated Motor Vehicle
5 Authorization under Transportation Code, §545.456(f).

6 (a) No other section in this chapter applies to a suspension, revocation, or cancellation of an
7 automated motor vehicle authorization under Transportation Code, §545.456(f), except for §224.290
8 of this title (relating to Purpose and Scope).

9 (b) The department may immediately suspend, revoke, or cancel an automated motor
10 vehicle authorization under Transportation Code, §545.456(f) by sending notice to the authorization
11 holder's email address on file in the department's designated system referenced in §220.23 of this
12 title (relating to Application Requirements). The action described in the notice is effective when the
13 notice is emailed by the department.

14 (c) The department shall promptly notify the authorization holder of a rescission of a
15 suspension, revocation, or cancellation of an automated motor vehicle authorization under
16 Transportation Code, §545.456(g) by sending notice to the authorization holder's email address on
17 file in the department's designated system referenced in §220.23 of this title. The rescission
18 described in the notice is effective when the notice is emailed by the department.

19 (d) In addition to emailing a notice to the authorization holder under this section, the
20 department shall also mail a notice to an authorization holder by first-class mail using the authorization
21 holder's mailing address on file in the department's designated system referenced in §220.23 of this
22 title.

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1 (e) The director of the department’s Motor Carrier Division is authorized to make the decisions
2 under this section regarding a suspension, revocation, cancellation, or rescission.

3 (f) A reference in a department rule or communication to an “authorization holder” whose
4 authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the
5 suspension, revocation or cancellation of the authorization.

6
7 §224.294. Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under
8 Transportation Code, §545.459.

9 (a) Subchapters A, E, F, and I of this chapter apply to a suspension, revocation, or
10 cancellation of an authorization under Transportation Code, §545.459, and the imposition of one or
11 more restrictions on the operation of the automated motor vehicle under Transportation Code,
12 §545.459.

13 (b) The department shall send the notice of intent required under Transportation Code,
14 §545.459 to the authorization holder by certified mail, return receipt requested consistent with
15 Government Code, §2001.054. The department shall also send the notice of intent to the
16 authorization holder’s email address on file in the department’s designated system referenced in
17 §220.23 of this title (relating to Application Requirements).

18 (c) Any request for an extension on the department’s deadline for corrective action and
19 certification under Transportation Code, §545.459(c)(2) and (e) must be submitted prior to the
20 department’s deadline listed in the department’s notice of intent and must contain an explanation
21 regarding the following:

22 (1) why the department’s deadline is not reasonable;

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1 (2) why the authorization holder needs more time, and the specific deadline the
2 authorization holder is requesting; and

3 (3) whether the authorization holder's requested deadline is likely to result in harm
4 to the public health, safety, or welfare.

5 (d) The department shall promptly provide notice to the authorization holder of the
6 department's action under this section and Transportation Code, §545.459, using the authorization
7 holder's email address on file in the department's designated system referenced in §220.23 of this
8 title, except as otherwise provided by statute or rule, including §224.154 of this title (relating to
9 Notice of Hearing) and §224.206 of this title (relating to Final Orders). The department shall also
10 promptly mail such notice by first-class mail to an authorization holder using the authorization
11 holder's mailing address on file in the department's designated system referenced in §220.23. The
12 date the department emails a decision or final determination is the date the department issues a
13 decision or final determination for the purposes of Transportation Code, §545.459(g), (h), and (i), as
14 applicable.

15 (e) The authorization holder shall submit any requests to the department under
16 Transportation Code, §545.459 to the designated address listed in the department's notice to the
17 authorization holder.

18 (f) A representative of an authorization holder may be required to provide written proof to the
19 department of authority to act on behalf of the authorization holder.

20 (g) An authorization holder shall electronically file any certification under Transportation Code,
21 §545.459(d) in the department's designated system and include an authorized signature on the
22 certification, in accordance with §224.11 of this title (relating to Filing and Service of Documents).

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1 (h) The director of the department’s Motor Carrier Division is authorized to issue a decision
2 under Transportation Code, §545.459(g).

3 (i) The director of the department’s Motor Carrier Division shall review the decision and
4 issue a final determination under Transportation Code, §545.459(h) if the authorization holder
5 timely submits a written request to the department for review.

6 (j) Except as otherwise provided under §224.29 of this title (relating to Delegation of Final
7 Order Authority), the board has final order authority in a contested case under Transportation Code,
8 §545.459(k). However, the director of the department’s Motor Carrier Division shall take the actions
9 required under Transportation Code, §545.459(j) regarding the rescission of a suspension,
10 revocation, or cancellation, or the removal of a restriction, regardless of whether the board issued
11 the final order.

12 (k) If a hearing is not timely held as required by Transportation Code, §545.459(k), the
13 department shall take the following actions:

14 (1) request the State Office of Administrative Hearings to dismiss the contested case;
15 and

16 (2) promptly notify the authorization holder that the authorization is automatically
17 reinstated and that any restriction is automatically removed, using the authorization holder’s email
18 address on file in the department’s designated system referenced in §220.23 of this title.

19 (l) A reference in a department rule or communication to an “authorization holder” whose
20 authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the
21 suspension, revocation, or cancellation of the authorization.

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1 (m) Unless otherwise requested by the department in writing, §224.11(a) through (g) of this title
2 do not apply to a certification or communication from the authorization holder to the department
3 regarding the following under Transportation Code, §545.459(j):

4 (1) a potential rescission of a suspension, revocation, or cancellation; or

5 (2) a potential removal of a restriction.

6
7 **SUBCHAPTER I. MOTOR CARRIER DIVISION DIRECTOR PROCEDURES IN CONTESTED CASES**

8
9 **STATUTORY AUTHORITY.** The department adopts new sections under Government Code, §2001.004,
10 which requires state agencies to adopt rules of practice stating the nature and requirements of all
11 available formal and informal procedures; Transportation Code, §545.453 (as added by SB 2807),
12 which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter
13 545 of the Transportation Code; Transportation Code, §502.0021, which authorizes the department
14 to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b),
15 which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code,
16 §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce
17 Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to
18 adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622;
19 Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to
20 implement and enforce Transportation Code, Chapter 623; Transportation Code, §643.003, which
21 authorizes the department to adopt rules to administer Transportation Code, Chapter 643;
22 Transportation Code, §643.2525, which addresses the final order issued by the department for a
23 contested case under Transportation Code, Chapter 643; Transportation Code, §1002.001, which

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1 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and
2 duties of the department; Transportation Code, §1003.001, which states that the department is
3 subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation
4 Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested
5 case, including the power to issue a final order, to certain department staff; and the statutory
6 authority referenced throughout this preamble and in the rule text, which is incorporated herein by
7 reference.

8 **CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapters
9 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005;
10 and Government Code, Chapter 2001.

11
12 Text.

13 §224.310. Purpose and Scope.

14 This subchapter describes the procedures for the department’s director of the Motor Carrier Division
15 (Motor Carrier Division Director) to review and issue a final order in a contested case in which the
16 following conditions are met:

17 (1) the Motor Carrier Division Director is the final order authority pursuant to a delegation
18 under this chapter or as designated under Transportation Code, §643.001(2); and

19 (2) a SOAH ALJ has submitted a final proposal for decision for consideration by a person with
20 such final order authority.

21
22 §224.312. Contested Case Review.

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1 (a) After SOAH submits a final proposal for decision and transfers SOAH's administrative
2 record to the department, the Motor Carrier Division Director has jurisdiction and the record
3 required to issue a final order and will review the contested case in accordance with the APA.

4 (b) The Motor Carrier Division Director may schedule a special public meeting to review the
5 contested case, as specified under this subchapter; however, the Motor Carrier Division Director may
6 also review SOAH's administrative record in a contested case and issue a final order without holding
7 a special public meeting. The provisions in this subchapter regarding a special public meeting only
8 apply if the Motor Carrier Division Director schedules a special public meeting.

9
10 §224.314. Request for Oral Presentation.

11 (a) At least 20 days prior to the scheduled date of a special public meeting, the department
12 shall notify the parties regarding the opportunity to attend and provide an oral presentation
13 concerning a proposal for decision before the Motor Carrier Division Director. The department will
14 deliver notice electronically to the last known email address provided to the department by the
15 party or party's authorized representative in accordance with §224.11 of this title (relating to Filing
16 and Service of Documents).

17 (b) If a party intends to make an oral presentation at the special public meeting, a party must
18 submit a written request for an oral presentation to the department's contact listed in the notice
19 provided under subsection (a) of this section and copy all other parties in accordance with §224.11
20 of this title at least seven days prior to the date of the special public meeting at which the party's
21 contested case will be reviewed.

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1 (c) If more than one party was not adversely affected by the proposal for decision, such
2 parties may agree on the order of their presentations in lieu of the order prescribed under §224.320
3 of this title (relating to Order of Oral Presentations to the Motor Carrier Division Director). These
4 parties must submit the agreed order of their presentations along with their requests to make an
5 oral presentation under subsection (b) of this section. The order of presentations will be determined
6 under §224.320 of this title if the parties who were not adversely affected by the proposal for
7 decision do not timely provide the department and the other parties with notice regarding their
8 agreed order of presentation.

9 (d) If a party timely submits a written request for an oral presentation, that party may make
10 an oral presentation before the Motor Carrier Division Director at the special public meeting. If a
11 party fails to submit a written request for an oral presentation timely, that party shall not make an
12 oral presentation at the special public meeting.

13 (e) Non-parties are not authorized to provide an oral presentation or public comment to the
14 Motor Carrier Division Director at a special public meeting.

15
16 §224.316. Written Materials and Evidence.

17 (a) If a party wants to provide written materials at the special public meeting, the party
18 must provide the written materials to the department and all other parties in accordance with
19 §224.11 of this title (relating to Filing and Service of Documents) at least 14 days prior to the date of
20 the special public meeting. If a party fails to timely provide written materials to the department or
21 any other party, the department shall not provide the written materials to the Motor Carrier Division

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1 Director and the party shall not provide the written materials to the Motor Carrier Division Director
2 at the special public meeting.

3 (b) For the purposes of this section, written materials are defined as language or images
4 including photographs or diagrams, that are contained in the SOAH administrative record and
5 recorded in paper form except as stated otherwise in this subsection. The language or images in the
6 written materials must be taken without changes from the SOAH administrative record; however,
7 proposed final orders are allowed to be included in a party's written materials even if they contain
8 arguments or requests that are not contained in the SOAH administrative record. Written materials
9 shall be limited to evidence contained in the SOAH administrative record and consistent with the
10 scope of the Motor Carrier Division Director's authority to act under Government Code,
11 §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as
12 Transportation Code, Chapters 621-623, 643, or 645.

13 (c) All information in the written materials shall include a citation to the SOAH administrative
14 record on all points to specifically identify where the information is located. The citations may be
15 provided in an addendum to the written materials that is not counted against the 15-page limit
16 under subsection (d) of this section; however, the addendum must not include any information other
17 than a heading that lists the name of the party, the caption for the contested case, and text that lists
18 the citations and page numbers.

19 (d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials
20 must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15
21 pages per party. If a party provides the department with written materials that contain more pages
22 than the maximum allowed, the department shall not provide the written materials to the Motor

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Carrier Division Director and a party shall not provide the written materials to the Motor Carrier Division Director at the special public meeting.

(e) Non-parties are not authorized to provide written materials to the Motor Carrier Division Director at a special public meeting.

§224.318. Oral Presentation Limitations and Responsibilities.

(a) A party to a contested case under review by the Motor Carrier Division Director shall limit oral presentation and discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion shall be consistent with the scope of the Motor Carrier Division Director's authority to act under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645.

(b) A party may argue that the Motor Carrier Division Director should remand the contested case to SOAH.

(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the Motor Carrier Division Director is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The Motor Carrier Division Director may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

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1 (3) An intervenor of record from the SOAH proceeding supporting another party
2 shall share that party's time.

3 (4) Time spent by a party responding to a question from the Motor Carrier Division
4 Director is not counted against such party's presentation time.

5 (5) During an oral presentation, a party to the contested case before the Motor
6 Carrier Division Director may object that a party presented material or argument that is not in the
7 SOAH administrative record. Time spent discussing such objections is not counted against the
8 objecting party's time.

9
10 §224.320. Order of Oral Presentation to the Motor Carrier Division Director.

11 (a) The department will present the procedural history and summary of the contested case.

12 (b) The party that is adversely affected may present first. However, the Motor Carrier
13 Division Director is authorized to determine the order of each party's presentation if:

14 (1) it is not clear which party is adversely affected;

15 (2) it appears that more than one party is adversely affected; or

16 (3) different parties are adversely affected by different portions of the contested
17 case under review.

18 (c) The other party or parties not adversely affected will then have an opportunity to make a
19 presentation. If more than one party is not adversely affected, each party will have an opportunity to
20 respond in alphabetical order based on the name of the party in the pleadings in the SOAH

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1 administrative record, except as stated otherwise in §224.314 of this title (relating to Request for
2 Oral Presentation).

3
4 §224.322. Motor Carrier Division Director Conduct and Discussion When Reviewing a Contested
5 Case.

6 (a) The Motor Carrier Division Director shall conduct the contested case review in
7 compliance with Government Code, Chapter 2001; and the applicable law that governs the subject
8 matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645, including
9 the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the
10 prohibition on considering evidence outside of the SOAH administrative record.

11 (b) The Motor Carrier Division Director may question a party or the department on any
12 matter that is relevant to the proposal for decision; however, a question shall be consistent with the
13 scope of the Motor Carrier Division Director's authority to take action under Government Code,
14 §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as
15 Transportation Code, Chapters 621-623, 643, or 645; a question must be limited to evidence
16 contained in the SOAH administrative record; and the communication must comply with §224.5 of
17 this title (relating to Prohibited Communication). In considering a contested case, the Motor Carrier
18 Division Director is authorized to ask a question regarding a request to remand the case to SOAH,
19 including a remand to SOAH for further consideration of the evidence.

20
21 §224.324. Final Orders.

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1 (a) The Motor Carrier Division Director shall sign a written final order in a contested case
2 under this subchapter.

3 (b) The department shall email a copy of the final order to the parties in the contested case
4 and send a copy of the final order by certified mail, return receipt requested.

5 (c) The provisions of Government Code, Chapter 2001, Subchapter F govern:

6 (1) the issuance of a final order issued under this subchapter; and

7 (2) motions for rehearing filed in response to a final order.

8 (d) An order in a contested case is final in accordance with Government Code, §2001.144.

9
10 §224.326. Public Access to Special Public Meetings.

11 (a) Persons who have special communication or accommodation needs and who plan to
12 attend a special public meeting may contact the department's contact listed in the posted meeting
13 agenda for the purpose of requesting auxiliary aids or services. Requests shall be made at least two
14 days before a special public meeting. The department shall make every reasonable effort to
15 accommodate these needs.

16 (b) Members of the public are not authorized to question the parties to the contested case
17 or the Motor Carrier Division Director regarding the contested case.

18 (c) A person who disrupts a special public meeting shall leave the meeting room and the
19 premises if ordered to do so by the Motor Carrier Division Director.
20



August 14, 2025

Ms. Laura Moriarty
General Counsel
Texas Department of Motor Vehicles
Re: City of Austin Comments [TRD-202502341]
Submitted via email to: rules@txdmv.gov

Ms. Moriarty,

On behalf of the City of Austin, thank you for the opportunity to provide comments on the proposed rules published in the [Texas Register on July 25, 2025](#), to implement Senate Bill 2807 relating to the regulation of fully autonomous vehicles (AV) operating on Texas roadways. As an early adopter of AVs, the City of Austin is uniquely positioned to provide insight. We are committed to ensuring that the implementation of these rules supports public safety, local coordination, infrastructure readiness, and regulatory clarity.

To proactively manage AV integration, the City of Austin established an Autonomous Vehicle Safety Working Group, which brings together public safety agencies, the transportation department, and mobility planners to coordinate emergency response planning, train personnel, standardize documentation, and facilitate cross-department communication. Through this group and our citywide AV monitoring efforts, we have developed protocols for AV-related incident tracking, geofence management during emergencies, and direct engagement with AV vendors.

Additional background on Austin's AV preparedness and operational data is provided in our July 17, 2025 Mobility Committee briefing, available [here](#).

The following comments represent a consolidated response from multiple departments, including the Austin Transportation and Public Works Department, Austin Police Department, Austin Fire Department, Austin-Travis County EMS, Aviation, the Office of Innovation, the City Law Department, and Austin Intergovernmental Relations Office.

General Comments

- **Clarification on Human Driver Presence and Teleoperation:** The City recommends clarifying whether the rules (220.1) apply to vehicles operated by a remote human (teleoperator) by explicitly defining “without a human driver” to mean “without a human driver present in the vehicle.” This distinction is critical to ensure regulatory certainty and enforcement consistency.
- **Municipal Participation in Permitting Decisions:** The City requests clarification on whether municipalities can be parties to the adjudication process for AV permit issuance, suspension, or cancellation. Clarify whether AV companies that are new to Texas or have not yet deployed must obtain authorization before testing and mapping on Texas roadways. Cities should have a voice in these decisions given their public safety responsibilities and local infrastructure investments. This is especially true because permitting is one of the remaining levers cities have to protect public safety.

PAGE: 2 of 4
DATE: Thursday, August 14, 2025
SUBJECT: City of Austin Comments / Senate Bill 2807 TxDMV Rulemaking

- **Disclosure of Autonomy Level:** The City recommends requiring AV operators to disclose the Society of Automotive Engineers (SAE) automation level (Levels 3–5) as part of the application process. Additionally, the City recommends that AV operators disclose when passenger and commercial vehicles do not have driver controls. This information is critical to inform law enforcement, fire, and EMS response protocols and ensure appropriate classification of vehicle capabilities.
- **Coordination with Emergency Responders:** The City requests that the rules establish a clear process requiring AV authorization holders to coordinate with local emergency responders to provide classroom, hands-on, and simulated incident and cybersecurity training prior to deployment. The City recommends that emergency plans submitted to DPS be required to be shared with local public safety departments to ensure operational readiness, training, and interoperability. Furthermore, the City recommends AV operators provide a 24-hour emergency contact email and phone number to City public safety personnel to assist with establishing AV exclusions zones in times of emergencies.
- **Citation and Complaint Process:** The City recommends the rules (220.23 (b)(1)(A)) require the name and local address of the company’s registered agent as part of the application, in addition to the name of the applicant. This would streamline the ability of municipal law enforcement to serve complaints and citations when violations occur. Additionally, the City recommends requiring a visible, tamper-resistant sticker or placard on each AV, displaying key enforcement information (e.g., registered agent contact) to assist officers in the field when issuing citations or initiating a complaint.
- **Requirement to Update Based on Material Changes:** We recommend that 220.26 (a) provide examples of material changes that would trigger this requirement, such as significant changes to operational design domain (ODD), vehicle speed capability, or removal of driver control systems in the vehicle.
- **Data Sharing & Transparency:** The proposed rules should clarify what data, if any, must be reported to local jurisdictions, including information related to AV routes, collisions per National Highway Traffic Safety Administration’s [Standing General Order](#), incidents, operational design domain (ODD) parameters, fleet size and local counts, and emergency response interactions. Transparent data protocols are vital for planning, safety coordination, and public accountability.
- **Implementation Timeline:** The compliance timeline should allow for flexibility, particularly for jurisdictions with existing AV pilot programs. Transitional provisions should protect ongoing coordination between local agencies and AV operators.

Specific Comments by Section

Section	Summary of Rule	Comments/Recommendations
43 TAC §220.1	Establishes application requirements for AV operating authorization	Require disclosure of SAE autonomy level (3–5) during application to aid enforcement and incident response. Clarify “without a human driver” to mean no human driver in the vehicle, ensuring consistency for teleoperation cases.
43 TAC §220.23	Requires application information	Require identifier (e.g., sticker or placard) to be displayed on each permitted autonomous vehicle. Should include the vehicle’s permit number, registered agent name and contact information, and a QR code linking to the first responder interaction plan. This would aid enforcement,

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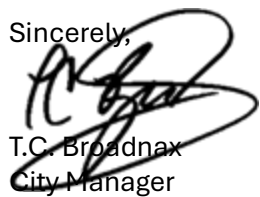
Section	Summary of Rule	Comments/Recommendations
		enhance accountability, and support public safety during incident response.
43 TAC §220.23(b)(1)(A)	Requires application information	Require <i>registered agent</i> 's name and address in addition to the applicant's name to streamline complaint and citation service by law enforcement.
43 TAC §220.26(a)	Requires AV operators to notify TxDMV of "material" changes	Clarify whether this rule requires updates for every added vehicle or only major changes. Recommend specifying reporting for: (1) major changes to fleet size; (2) major changes to operational design domain (ODD); (3) removal of human driver controls, addition of new vehicle types (e.g. large delivery vans, buses); and (4) changes in AV speed capabilities.
43 TAC §224.292 (e)	Director has sole authority to revoke or cancel permits	Clarify how the director makes determinations and if local input is considered. Recommend process for exigent circumstances that would immediately cease an AV company's operations, as opposed to going through the notice of intent and adjudicative process.
43 TAC §224.294	Provides overview of contested case procedures	Clarify expedited case criteria for public health/safety; outline how law enforcement complaints are prioritized, handled, and whether officer testimony is required.

Conclusion

The City of Austin appreciates TxDMV's efforts to implement SB 2807 in a way that fosters transportation innovation while safeguarding public safety and supporting local coordination. We encourage TxDMV to incorporate these recommendations into the final rule to promote the safe, transparent, and coordinated deployment of AVs across Texas. We welcome continued collaboration and respectfully submit these comments for your consideration.

Should you have any questions, please reach out to Carrie Rogers, Government Relations Officer, at carrie.rogers@austintexas.gov or 512.923.7577.

Sincerely,



T.C. Broadnax
 City Manager
 City of Austin

cc: Honorable Mayor and City Council Members
 Erika Brady, City Clerk
 Corrie Stokes, City Auditor
 Mary Jane Grubb, Municipal Court Clerk
 Judge Sherry Statman, Municipal Court
 CMO Executive Team & Department Directors
 Carrie Rogers, Intergovernmental Relations Officer, City of Austin
 Jonathan Sierra-Ortega, Office and Senator Robert Nichols

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Kevin Yawn, Director of Government Relations, Texas Department of Motor Vehicles
Corie Thompson, Director of Enforcement, Texas Department of Motor Vehicles
Kevin Cooper, Office of Government Relations, Texas Department of Public Safety
Evan Samon, Office of Government Relations, Texas Department of Public Safety
Lt. Oscar Luna, Texas Department of Public Safety



August 25, 2025

Submitted Electronically via rules@txdmv.gov

Office of General Counsel

Texas Department of Motor Vehicles

4000 Jackson Avenue

Austin, Texas 78731

Re: Alliance for Automotive Innovation Comments on Automated Vehicles Proposed Regulations

To Whom It May Concern:

The Alliance for Automotive Innovation (Auto Innovators) appreciates the opportunity to comment on the Texas Department of Motor Vehicles' (the Department) proposed rules relating to Automated Motor Vehicles. At a high-level, we support the Department's proposed regulations to implement Senate Bill 2807, and believe they are an appropriate step for advancing automated vehicle (AV) deployment in a safe and sensible manner. As you will see below, we encourage the Department to consider providing additional time with respect to requests for updated information under §220.26 of the proposed regulations.

By way of background, Auto Innovators represents the full auto industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to maintain U.S. competitiveness in cutting-edge automotive technology. Representing over 5 percent of the country's GDP, responsible for supporting nearly 11 million jobs, and driving \$1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

Automated vehicles have the potential to bring about numerous benefits to Texans, including improving roadway safety and decreasing collisions, reducing congestion and pollution, improving accessibility for underserved communities, and creating new jobs. AVs are also integral to cementing the United States—and Texas—as a leader in mobility innovation, emerging technologies, and applied artificial intelligence.

Auto Innovators and its members worked collaboratively with Senate leadership and committee staff on Senate Bill 2807. The bill struck the appropriate balance of ensuring automated vehicle safety, transparency, and accountability, while advancing innovation and providing regulatory certainty to the AV industry. We support the Department's proposed rules on automated vehicles, which also strike the correct balance between transparent oversight, regulatory clarity, and ease of compliance. We appreciate the additional guidance to industry on the application requirements,

update process, computation of time, and administrative sanctions. We believe the information requested is generally reasonable and consistent with the statute.

With respect to the timeline for responding to Department requests for updated information under §220.26 of the proposed regulations, Auto Innovators is concerned that a five-day submission period may not give companies adequate lead time to respond appropriately. While we appreciate the option to request an extension, we encourage the Department to consider making the default submission period 10 business days instead of five calendar days, and giving the Department the ability to expedite urgent requests to a period of five days. In addition, we strongly recommend that §545.459 (b) “computation of time” be modified to reference “business days” rather than “calendar days.”

Thank you again for the opportunity to provide feedback. We support the Department’s efforts to implement SB 2807 and to create a transparent and predictable regulatory framework for automated vehicles in Texas. Please reach out with any questions or concerns. We are happy to serve as a resource.

Sincerely,



Nick Steingart
Director, State Affairs
Alliance for Automotive Innovation

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

August 22, 2025

Dear Ms. Moriarty,

Torc Robotics (“Torc”) writes to express our support for the Texas Department of Motor Vehicles’ (“Department”) proposed regulations concerning automated motor vehicles (“AVs”), specifically, the proposed new Chapter 220 and the proposed amendments to Chapter 224. These proposed regulations implement S.B. 2807 (2025), which represents updated automated motor vehicle legislation in Texas that strikes the right balance between promoting public safety and fostering innovation. Torc appreciates the Department’s effort on AVs and believes the proposed regulations enable the autonomous vehicle industry—and companies like Torc—to continue to grow and flourish in Texas.

Torc is developing autonomous technologies to improve roadway safety, enhance freight efficiency, and drive innovation in the long-haul trucking industry. Torc has been advancing self-driving technology for nearly two decades and has been safely testing and operating autonomous trucks on public roads in several states, including Texas, New Mexico, Arizona, and Virginia. As an independent subsidiary of Daimler Truck, a global manufacturer of commercial motor vehicles, Torc is developing production-ready autonomous trucks with safety at its core.

We are proud to operate in Texas and are currently expanding our footprint in the state. In May 2025, Torc opened a new state-of-the-art autonomous trucking hub in the Fort Worth Alliance area. This 18-acre facility features 22,000 square feet and serves as a central hub for our autonomous testing efforts, customer freight activity, and includes control centers for our fleet and logistics operations. This investment underscores our long-term commitment to the Great State of Texas and to the advancement of safe, efficient autonomous freight transportation.

We support the proposed regulations and look forward to collaborating with the Department in the future.

Sincerely,

Anita Kim
Director of Government Affairs and Policy
TORC Robotics



August 25, 2025

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty,

Every day in Texas, riders depend on Lyft to get to work, visit family, make healthcare appointments, or simply connect with their communities. As we look to the future, autonomous vehicles ("AVs") offer the potential to make those daily trips more reliable, more accessible, and just as safe. For that reason, we are writing in support of the Department's proposed regulations, including the new Chapter 220 and amendments to Chapter 224, which implement S.B. 2807 (2025).

Texas has already shown how forward-thinking policy can attract innovation. The state has become home to AV testing and deployment, bringing new jobs, investment, and transportation choices. Starting as early as next year, Lyft will build on that momentum through our Dallas-based partnership with Mobileye and Marubeni, expanding access to autonomous rides in one of the state's largest cities. By creating a thoughtful framework for AVs, Texas isn't just advancing technology—it's shaping the future of mobility for families, workers, and communities across the state.

The Department's proposed regulations matter because they build public trust. By ensuring AVs are deployed responsibly, they give riders confidence to embrace new technology while providing companies like Lyft with a clear and consistent framework to operate. In turn, that clarity will allow innovation to deliver on its promise: safer roads, stronger communities, and greater economic opportunity.

We thank the Department for its leadership and respectfully urge swift adoption of these regulations so Texans can continue to benefit from both innovation and safety.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Kent". The signature is fluid and cursive, with the first name "Brent" being more prominent than the last name "Kent".

Brent Kent
Director, Policy Development



Stack AV Co.
1001 Technology Drive
Mount Pleasant, PA 15666

stackav.com
info@stackav.com

August 24, 2025

Laura Moriarty
General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty:

Stack AV Co. ("Stack") writes to express its support for the Department's proposed regulations concerning automated motor vehicles ("AVs"), with special regard for proposed new Chapter 220 and the proposed amendments to Chapter 224. These regulations implement S.B. 2807 (2025) which updated the Texas automated motor vehicle framework and reflected nearly 10 months of stakeholder engagement.

Stack is a Pittsburgh, Pennsylvania-based autonomous trucking solutions company. We upfit Peterbilt 579s with our hardware and software to make them Level 4-capable trucks. Level 4 means a vehicle can drive itself within a given set of geographic, weather, and other conditions. Right now, Stack has approximately 250 employees and is running commercial routes through Texas, New Mexico, and Arizona using our Level 4-capable trucks.

Like other autonomous vehicle developers, Stack chose to come to Texas for a variety of reasons, but one of the biggest is the state's welcoming environment for business. Texas has been a leader in autonomous vehicle policy since at least 2017, when it enacted one of the first state AV laws in the country. That law appropriately balanced stakeholder interests, and the results show: Texas is now a leader in autonomous trucking and robotaxi testing and deployment.

With respect to S.B. 2807, we believe the law incorporates lessons learned from several years of AV operations in Texas and proposes common-sense changes to the state's existing requirements. Likewise, we believe the Department's proposed regulations will improve the state's ability to protect public safety, while also making sure that compliance obligations for industry are reasonable, appropriate, and practicable. For that reason, Stack supports the proposed regulations and urges the Department to finalize them in short order. We appreciate the Department's focus on AVs and look forward to further collaboration in the future.

Respectfully yours,

Liz Fishback
Director of State and Local Affairs





August 25, 2025

Laura Moriarty, General Counsel
Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Dear Ms. Moriarty,

The Autonomous Vehicle Industry Association (“AVIA”) writes to express our support for the Department’s proposed regulations concerning automated motor vehicles (“AVs”), specifically, the proposed new Chapter 220 and the proposed amendments to Chapter 224. These regulations implement S.B. 2807 (2025) which updated the Texas automated motor vehicle framework and reflected nearly 10 months of stakeholder engagement. We appreciate the Department’s attention to AVs and ongoing collaboration to ensure this lifesaving technology can continue to thrive in Texas.

AVIA is comprised of the world’s leading technology, ridesharing, trucking, and automotive companies. Our mission is to realize the benefits of autonomous vehicles (*i.e.*, SAE Levels 4- and 5-capable vehicles equipped with automated driving systems that are capable of driving the vehicle without human intervention). Numerous members of AVIA have heavily invested in Texas—establishing commercial partnerships, operating AVs across the state, and supporting hundreds of Texas-based employees over the last eight years.

Texas is currently a leader in AV testing and deployment, and in large part due to its welcoming regulatory environment, Texas has attracted significant AV investment. The state has become the epicenter of the autonomous trucking industry, and robotaxis have recently deployed in Austin, with expansion plans in Dallas. As AV technology continues to advance and deploy, Texas is poised to increase road safety and grow the economy through AV technology with the right legal framework in place.

By implementing S.B. 2807, the proposed regulations will help to ensure that AVs can safely thrive in Texas for years to come. For that reason, AVIA supports the proposed regulations and we encourage the DMV to swiftly finalize the regulations.

Sincerely,

Jeff Farrah
Chief Executive Officer
Autonomous Vehicle Industry Association



August 25, 2025

Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Ave.
Austin, TX 78731

Re: Chapter 220
City of Dallas Comments / Automated Motor Vehicles – Implementation of Senate Bill
2807, 89th Legislature, Regular Session (2025).

On behalf of the City of Dallas, thank you for the opportunity to provide comments in response to the proposed rules published in the Texas Register on July 25, 2025, regarding 43 TAC Chapter 220, Automated Motor Vehicles (AV). My comments focus on three key areas: safety transparency, first responder coordination, and consumer protection.

In October 2023, the City of Dallas' Public Safety Committee highlighted the importance of proactive engagement and accountability in this space. The city places a high priority on ensuring that authorizations are not viewed as a mere formality, but rather as an ongoing responsibility tied to performance and public trust. AV operations should not proceed unless there is clear evidence of safety and accountability. We encourage the TxDMV to require robust safety documentation, including crash history and proof of community stakeholder coordination, and to make information about approved operators publicly accessible. Transparency in approvals is essential for residents to have confidence that operators have been thoroughly vetted.

Furthermore, effective coordination between AV companies and local first responders is imperative, and it is essential that law enforcement and emergency personnel retain full authority to manage and control the scene of any incident involving autonomous vehicles. This coordination should include timely notification to local authorities of any incident or system malfunction, clear protocols for safely disabling or moving a vehicle, and standardized communication procedures to ensure that all responders are aware of the vehicle's operational status and any potential hazards. The Dallas City Council has consistently emphasized that law enforcement, fire, and EMS personnel must have clear, standardized procedures to identify, disable, or move AV during emergencies. Establishing a statewide standard for First Responder Interaction Plans would help ensure consistent readiness across Texas while addressing local needs, including training for first responders, integration with local emergency dispatch systems, and regular drills with AV operators to practice incident response.

Lastly, the city believes there must be strong safeguards to quickly suspend or revoke authorization when safety is compromised. As expressed in past discussions, Dallas leaders do

not want unsafe vehicles operating on city streets and expect clear triggers, such as repeated incidents or failure to comply with safety obligations, to be identified, enabling the state to act swiftly. While due process for operators is important, the city also stresses that the public should be notified whenever a suspension or revocation occurs to ensure transparency and maintain community trust. Additionally, operators should be required to present corrective action plans before authorization is restored.

The City of Dallas appreciates the state's efforts to provide a clear and consistent framework for the regulation of automated vehicle operations. We encourage the state to maintain rigorous safety standards, enforce accountability measures, and promote transparency to protect residents and communities. Equally important, we urge that ongoing coordination with local law enforcement and fire departments remain a central component of this framework to ensure that first responders are fully prepared to manage incidents effectively. By ensuring that operators are thoroughly vetted and held to high performance expectations, Texas can advance the responsible deployment of automated vehicle technology while fostering public trust.

Sincerely,

Dr. Ghassan Khankarli
Director of Transportation and Public Works

Cc: Kimberly Bizer Tolbert, City Manager
Jake Anderson, Interim Director of Government Affairs
Honorable Mayor and Members of the City Council

August 25, 2025

Office of General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue,
Austin, Texas 78731

**Re: Texas Department of Motor Vehicles; 43 Texas Administrative Code (TAC)
Chapter 220, Automated Motor Vehicles**

To Whom It May Concern:

I am reaching out on behalf of May Mobility to provide its input to the Texas Department of Motor Vehicles' (TxDMV) notice of proposed rulemaking in connection with SB 2807, which amends Chapter 220 of the Transportation Code regarding the operation of automated motor vehicles. May Mobility's autonomous vehicles have been operated in multiple communities across the US, including in Texas, and globally. The State of Texas, the Texas State Legislature, and the TxDMV have remained at the cutting edge of mobility technologies, and we appreciate the TxDMV promoting policies and practices that prioritize the safety of the traveling public along with the promotion of mobility innovation. Our comments below address the various sections outlined in the proposed rules.

Subchapter A. General Provisions

May Mobility noted that there is a slight discrepancy between the definition of "automated driving system" referenced in this proposed rulemaking and the definition referenced in SB 2807. For consistency's sake, we propose that the definitions be consistent in both places. Our preference is for the definition stated in SB 2807.

Subchapter B. Authorization to Operate an Automated Motor Vehicle

May Mobility recommends that clear protocols be established for circumstances in which the authorized representative identified in an application must be changed. Alternatively, applicants should have the option to designate two authorized representatives at the time of application. To ensure consistent and timely governance, May Mobility further recommends that the TxDMV require each applicant to designate at least two (2) authorized representatives for administrative purposes. Likewise, applicants should be provided with at least two (2) authorized representatives from TxDMV for ongoing communications. In addition, May Mobility recommends that a protocol be established for adding or removing vehicles from the fleet originally proposed in the application.



Subchapter C. Administrative Sanctions

May Mobility recommends that specific protocols be established for circumstances in which a company's authorization to operate autonomous vehicles is suspended, revoked, cancelled, or otherwise restricted. In addition, May Mobility recommends that any hearing, and adjudication process be completed within 30 days, absent extenuating circumstances, to ensure timely resolution and minimize disruption and that any administrative process be subject to a right of timely rehearing and appeal. Finally, given the highly technical and competitive nature of May Mobility's industry, appropriate procedures regarding the confidentiality of both submitted evidence and administrative outcomes, May Mobility proposes the inclusion of appropriate measures for the protection of confidential information. Finally, May Mobility proposes an affirmative statement of intention that the TxDMV administrative provisions be the primary administrative mechanism for autonomous vehicle operations in the State of Texas to reduce the potential of other agencies interposing potentially overlapping or conflicting procedures.

May Mobility believes that innovative mobility solutions can help solve many of our nation's transportation challenges and improve safety on our roadways overall, and we applaud the state of Texas for continuing to be a supportive and inviting business environment for AVs. We appreciate the opportunity to provide feedback on these matters and also to partner with the TxDMV on all of its statewide AV initiatives. We are pleased to see TxDMV's leadership in committing to mobility innovation and to the many possibilities that AVs technology might bring to communities. We hope to continue working in partnership with the TxDMV as AV technologies continue to develop.

If you have any questions, please do not hesitate to contact me at Nicole.Dupuis@maymobility.com or 304-433-6654.

Regards,

Nicole DuPuis

A handwritten signature in dark ink, appearing to read 'ND', followed by a horizontal line.

Policy and Advocacy Lead

May Mobility, Inc.
650 Avis Drive, Suite 100
Ann Arbor, Michigan 48108



**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025**ACTION ITEM**

To: Texas Department of Motor Vehicles Board
From: Corrie Thompson, Enforcement Division Director
Agenda Item: 14
Subject: Chapter 224, Adjudicative Practice and Procedure
Amendments: §224.116 and §224.124
New: §224.121
Withdrawal of Emergency Version of Amendments to §224.116 and §224.124, and New §224.121
(Relating to Implementation of HB 1672, 89th Legislative Session, and Cleanup)

RECOMMENDATION

Action Item. Adopt proposed amendments and new section in 43 Texas Administrative Code Chapter 224. Also, authorize the department to publish notice that the emergency version of these revisions to Chapter 224 is withdrawn on the effective date of the regular version of these revisions.

PURPOSE AND EXECUTIVE SUMMARY

The adopted revisions implement House Bill (HB) 1672, 89th Legislature, Regular Session (2025). Because HB 1672 became effective on May 24, 2025, the department adopted similar revisions to Chapter 224 through emergency rules with an immediate effective date of July 10, 2025. Because emergency rules can only last for up to 180 days, the department proposed similar revisions through the regular rulemaking process and requests board approval to adopt the regular version of these revisions. The department also requests board approval to publish a notice that the emergency version of these revisions to Chapter 224 are withdrawn on the effective date of the regular version of these revisions, so there is only one version of these revisions to Chapter 224 in effect at the same time.

FINANCIAL IMPACT

For each year of the first five years the revisions will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the revisions.

BACKGROUND AND DISCUSSION

The revisions are necessary to implement HB 1672, which became effective on May 24, 2025. HB 1672 amended Transportation Code, §643.2526 to require the department to adopt rules to create the requirements and procedures for the following under Transportation Code, §643.2526: 1) the revocation or suspension of a motor carrier's registration; 2) the placement of a motor carrier on probation whose registration is suspended; and 3) the motor carrier's appeal of the revocation, suspension, or probation.

If Transportation Code, Chapter 643 applies to the motor carrier, it must be registered with the department to transport persons or cargo over a road or highway in Texas. The term "registered" means authority to operate as a motor carrier, rather than vehicle registration under Transportation Code, Chapter 502.

At the July 10, 2025, board meeting, the board authorized the department to adopt similar revisions to implement HB 1672 through emergency rules, with an effective date of July 10, 2025. Under Government Code §2001.034, emergency rules may not be effective for longer than 120 days and may be renewed for not longer than 60 days. At the July 10, 2025, board meeting, the board also authorized the department to propose similar revisions in the *Texas Register* for comment under the normal rulemaking process, so the revisions could become permanent. The department requests board approval to publish a notice that the emergency version of these revisions to Chapter 224 are withdrawn on the effective date of the regular version of these revisions, so there is only one version of these revisions to Chapter 224 in effect at the same time.

The revisions state that upon request by the Texas Department of Public Safety (DPS), the department will revoke a motor carrier's registration if the Federal Motor Carrier Safety Administration (FMCSA) or DPS issued an order stating the motor carrier has an unsatisfactory safety rating under the applicable laws cited in Transportation Code, §643.252(b) if the requirements under §643.252(b) are met. FMCSA's order is called an out-of-service order, which prohibits the motor carrier from engaging in interstate transportation. The DPS order is called an order to cease, which prohibits the motor carrier from operating a commercial motor vehicle in intrastate transportation. If DPS requests the department to revoke the motor carrier's registration and the applicable requirements under Transportation Code, §643.252(b) are met, Transportation Code, §643.2526 authorizes the department to revoke the motor carrier's registration prior to providing the motor carrier with notice and an opportunity for hearing because the motor carrier should have received full due process from either FMCSA or DPS under the laws that govern those governmental entities.

The revisions also state that if the motor carrier resolves its unsatisfactory safety rating and is no longer subject to the order to cease or out-of-service order after the department revokes the motor carrier's registration, the department will not rescind the revocation of the motor carrier's registration on appeal to the department because this scenario does not show any error regarding the department's revocation. However, an appeal of a revocation to the department may result in a rescission of the revocation if the underlying order from DPS or FMCSA, as applicable, was issued in violation of the motor carrier's due process rights or was issued to the motor carrier in error.

When determining whether to request the department to revoke the motor carrier's registration under Transportation Code, §643.252(b), it is within DPS's discretion to consider whether the motor carrier's safety rating might change from unsatisfactory to satisfactory or conditional after the department revokes the motor carrier's registration. Once the department receives the request from DPS to revoke the motor carrier's registration under Transportation Code, §643.252(b), the department will immediately revoke the registration if the applicable requirements under Transportation Code, §643.252(b) are met.

If the motor carrier takes corrective action to change its unsatisfactory safety rating and is no longer subject to an out-of-service order or an order to cease after the department revoked the motor carrier's registration under Transportation Code, §643.252(b), the department will consider this fact when reviewing the motor carrier's application for reregistration or registration.

The proposed revisions to Chapter 224 were published for comment in the July 25, 2025, issue of the *Texas Register*. The comment period closed on August 25, 2025. The department did not receive any comments regarding the proposed revisions.

If the board adopts these revisions to Chapter 224 at the September 18, 2025, open meeting, staff anticipates publication of the adoption in the October 3, 2025, issue of the *Texas Register* with an effective date of October 9, 2025.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 224 – Adjudicative Practice and Procedure

ADOPTION OF REVISIONS TO**SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT****43 TAC §224.116 AND §224.124****AND****NEW §224.121**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 224, Subchapter D, Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement, §224.116 and §224.124, and adopts new §224.121, regarding the requirements and procedures under Transportation Code, §643.2526.

The department adopts the following rules without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4406), and these rules will not be republished: §224.116 and §224.124. The department adopts §224.121 with a change to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4406), and this rule will be republished. The change at adoption to §224.121 is described in the Reasoned Justification section below.

REASONED JUSTIFICATION.

The amendments and new section are necessary to implement House Bill (HB) 1672, 89th Legislature, Regular Session (2025), which requires that the department adopt rules to create the requirements and procedures for the following, in part, under Transportation Code, §643.2526: 1) the revocation or suspension of a motor carrier's registration; 2) the placement of a motor carrier on probation whose registration is suspended; and 3) the motor carrier's appeal of the revocation, suspension, or probation. Adopted amendments are also necessary to clean up the rule text.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 2 of 8

Chapter 224 – Adjudicative Practice and Procedure

As stated above, the department published a proposal to revise Chapter 224 to implement HB 1672 in the July 25, 2025, issue of the *Texas Register*. Because HB 1672 became effective on May 24, 2025, the department also adopted similar amendments to revise Chapter 224 through emergency rules with an immediate effective date of July 10, 2025, as stated in the Emergency Rules section of the July 25, 2025, issue of the *Texas Register* (50 TexReg 4139). However, emergency rules may not be effective for longer than 120 days and may not be renewed for longer than 60 days according to Government Code, §2001.034. In the Withdrawn Rules section of this issue of the *Texas Register*, the department published a notice to withdraw the emergency rules on the date that the adopted revisions to Chapter 224 that are referenced in this adoption order become effective, so there will only be one version of these revisions to Chapter 224 in effect at the same time.

Adopted amendments to §224.116 implement HB 1672 by modifying the title of the section and adding new subsection (h) to clarify that these administrative procedures do not apply to a proceeding under Transportation Code, §643.2526. Section 224.116 provides the administrative procedures for a proceeding under laws that require the department to provide written notice to the person and an opportunity for the person to request a hearing before the department takes an administrative action against the person. Because Transportation Code, §643.2526 states that a department action under §643.2526 is not required to be preceded by notice and an opportunity for hearing, the adopted amendments to §224.116 clarify that this section does not apply to a proceeding under §643.2526. Adopted amendments to §224.116(a) also clean up the rule text by adding a hyphen to the term “first class mail” to read “first-class mail.”

Adopted new §224.121 and adopted amendments to §224.124 are necessary to implement amendments made by HB 1672 to Transportation Code, §643.2526. These revisions to Chapter 224 govern the requirements and procedures under Transportation Code, §643.2526, which authorizes the department to deny an application for registration, renewal of registration, or reregistration under

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

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1 Transportation Code, Chapter 643 (Motor Carrier Registration) prior to providing the person with notice
2 and an opportunity for hearing. Upon request by the Texas Department of Public Safety (DPS) under
3 Transportation Code, §643.252(b) and prior to providing the person with notice and an opportunity for
4 hearing, the department is also authorized under Transportation Code, §643.2526 to revoke or suspend
5 the registration of a motor carrier or to place a motor carrier on probation whose registration is
6 suspended, if either of the following occur: 1) the motor carrier has an unsatisfactory safety rating under
7 49 C.F.R. Part 385 (Safety Fitness Procedures), which is determined by the Federal Motor Carrier Safety
8 Administration (FMCSA); or 2) the motor carrier committed multiple violations under Transportation
9 Code, Chapter 644 (Commercial Motor Vehicle Safety Standards), a rule adopted under Chapter 644, or
10 Subtitle C (Rules of the Road) of Transportation Code, Title 7 (Vehicles and Traffic), which is determined
11 by DPS. The references to registration under Transportation Code, Chapter 643 are references to
12 operating authority to operate as a motor carrier, rather than vehicle registration under Transportation
13 Code, Chapter 502.

14 Adopted new §224.121 provides the requirements and procedures regarding the department's
15 action under Transportation Code, §643.2526. Adopted new §224.121(a) states that the department will
16 only revoke a motor carrier's registration under Transportation Code, §643.2526 pursuant to a request
17 from DPS under Transportation Code, §643.252(b). Although Transportation Code, §643.252(b)
18 authorizes DPS to request the department to suspend or revoke a registration issued to a motor carrier
19 under Transportation Code, Chapter 643, or to place on probation a motor carrier whose registration is
20 suspended, the department will only revoke the registration of a motor carrier under Transportation
21 Code, §643.252(b). The department's current system is not programmed to suspend a motor carrier's
22 registration, so revocation is the only option at this time.

23 Also, the DPS administrative rule regarding DPS's request to the department under Transportation
24 Code, §643.252(b) only refers to a revocation of the motor carrier's registration. See 37 TAC §4.19(a).

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1 Transportation Code, §644.051(b) states that a DPS rule adopted under Transportation Code, Chapter 644
2 must be consistent with federal regulations. Section 4.19(a), which was adopted under the DPS
3 rulemaking authority in Transportation Code, §644.051, is consistent with 49 C.F.R. §385.13(e), which
4 states that if an interstate motor carrier has a final unsatisfactory safety rating, FMCSA will provide notice
5 to the motor carrier and issue an order revoking the motor carrier's interstate registration, which is also
6 known as operating authority to operate as a motor carrier in interstate transportation. Because DPS does
7 not administer Transportation Code, Chapter 643, DPS must request the department to revoke a motor
8 carrier's registration for intrastate transportation.

9 Adopted new §224.121(a) also states that the department will not take action under
10 Transportation Code, §643.252(b) until FMCSA or DPS, as applicable, issues an order regarding the laws
11 referenced in §643.252(b). This requirement is necessary to help protect the person's due process rights
12 because Transportation Code, §643.2526 authorizes the department to take action against the person
13 prior to providing notice and an opportunity for a hearing. FMCSA and DPS are required to comply with
14 the due process requirements under the laws that govern their actions when issuing an order under the
15 laws referenced in Transportation Code, §643.252(b). The process set out in new §224.121(a) ensures
16 that while a motor carrier may not receive notice and an opportunity for a hearing from the department
17 before the department revokes the motor carrier's registration, the motor carrier should have received
18 full due process on the same factual and legal allegations from either FMCSA or DPS.

19 The FMCSA order under 49 C.F.R. §385.13(d)(1) is called an out-of-service order, which prohibits
20 the motor carrier from engaging in interstate transportation. See 49 U.S.C. §31144(c) and 49 C.F.R.
21 §385.1(a) and §385.13(d)(1). The FMCSA procedures and proceedings regarding an out-of-service order
22 are governed by 49 U.S.C. §31144, 49 C.F.R. Part 385 (Safety Fitness Procedures), and 49 C.F.R. Part 386
23 (Rules of Practice for FMCSA Proceedings).

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1 The DPS order under Transportation Code, §644.155 and 37 TAC §4.15 is called an order to cease,
2 which prohibits the motor carrier from operating a commercial motor vehicle in intrastate transportation.
3 The DPS proceedings regarding an order to cease are governed by 37 TAC §4.15 and §4.18. The DPS order
4 to cease tells the motor carrier that it must immediately cease all intrastate transportation until such time
5 as DPS determines the motor carrier's safety rating is no longer unsatisfactory.

6 Adopted new §224.121(b) states that the department will issue notice of the department's action
7 under Transportation Code, §643.2526 to the person by email and first-class mail using the person's last
8 known address in the department's records. The notice requirements under Government Code,
9 §2001.054(c) do not apply to the department's notice regarding the department's action under
10 Transportation Code, §643.2526 because Transportation Code, §643.2526(a) says that the department's
11 action under Transportation Code, §643.252(b) is not required to be preceded by notice and an
12 opportunity for hearing, notwithstanding other law. Also, the motor carrier should have already received
13 due process under the DPS or FMCSA proceeding that resulted in an order to cease or out-of-service order,
14 respectively.

15 The department adopts §224.121(b) with a change at adoption to include a hyphen between the
16 words "first" and "class" because the word "first-class" is a compound modifier for the word "mail."

17 Adopted amendments to §224.124 implement HB 1672 by expanding the scope of the rule to be
18 consistent with the expanded scope of Transportation Code, §643.2526 as amended by HB 1672. An
19 adopted amendment to §224.124 modifies the title of the section to refer to an appeal of a department
20 action under Transportation Code, §643.2526 because §643.2526 is no longer limited to an appeal of a
21 denial of an application for registration, renewal of registration, or reregistration. An adopted amendment
22 to §224.124 also deletes prior subsection (a) because it unnecessarily repeated language in Transportation
23 Code, §643.2526 and did not cover the expanded scope of §643.2526 as amended by HB 1672. In addition,

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adopted amendments to §224.124 re-letter prior subsections (b), (c), and (d) due to the deletion of prior subsection (a).

An adopted amendment to re-lettered §224.124(a) clarifies that Subchapter E of Chapter 224 of this title is not the only subchapter in Chapter 224 that applies to an appeal to the department under Transportation Code, §643.2526. Adopted amendments to re-lettered §224.124(b) expand the scope of the rule to be consistent with the expanded scope of Transportation Code, §643.2526 as amended by HB 1672.

Adopted new §224.124(d) states that on appeal under Transportation Code, §643.2526, the department will not rescind a revocation under Transportation Code, §643.252(b) based on the motor carrier taking corrective action that results in an upgrade to its unsatisfactory safety rating after the department has issued notice to the motor carrier that the department revoked the motor carrier's registration. DPS wants the department to immediately revoke a motor carrier's registration under Transportation Code, Chapter 643 once DPS requests the department to revoke under Transportation Code, §643.252(b). The department will not wait to see if the motor carrier takes either of the following actions prior to revoking the motor carrier's registration: 1) requests DPS or FMCSA, as applicable, to change the final safety rating or to conduct a review regarding the final safety rating; or 2) appeals their final safety rating to a court under the laws that govern the DPS or FMCSA order, as applicable.

FMCSA's regulation states that a motor carrier that has taken action to correct the deficiencies that resulted in a final rating of "unsatisfactory" may request a rating change at any time. *See* 49 C.F.R. §385.17(a). Another FMCSA regulation states as follows: 1) that a motor carrier may request FMCSA to conduct an administrative review if it believes that FMCSA committed an error in assigning the final safety rating; 2) that FMCSA's decision under the administrative review constitutes the final agency action; and 3) that a motor carrier may request a rating change under the provisions of 49 C.F.R. §385.17. *See* 49 C.F.R. §385.15. In addition, federal law authorizes the motor carrier to appeal FMCSA's final order to the

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1 applicable United States Court of Appeals under 49 U.S.C. §521(b)(9) and 49 C.F.R. §386.67. Therefore, it
2 is possible that FMCSA could change a motor carrier's safety rating from unsatisfactory to satisfactory or
3 conditional after FMCSA issued the out-of-service order to the motor carrier and after the department
4 revoked the motor carrier's registration pursuant to DPS's request under Transportation Code,
5 §643.252(b).

6 The DPS administrative rule states that a motor carrier that has taken action to correct the
7 deficiencies that resulted in a final rating of "unsatisfactory" may request a rating change at any time. *See*
8 37 TAC §4.15(b)(3)(G). The DPS rule also states that the motor carrier may request DPS to conduct a
9 departmental review if the motor carrier believes that DPS has committed error in assigning the final
10 safety rating, that the final safety rating under the DPS departmental review constitutes a final agency
11 decision, and that any judicial review of the DPS final agency decision is subject to Government Code,
12 Chapter 2001. *See* 37 TAC §4.15(b)(3)(H) and (I). Therefore, it is possible that DPS could change a motor
13 carrier's safety rating from unsatisfactory to satisfactory or conditional after DPS issued the order to cease
14 to the motor carrier and after the department revoked the motor carrier's registration pursuant to DPS's
15 request under Transportation Code, §643.252(b).

16 Once the department issues a revocation under Transportation Code, §643.2526, the revocation
17 is effective and cannot be rescinded unless the motor carrier submits a timely appeal under §643.2526. If
18 the motor carrier timely submits an appeal under Transportation Code, §643.2526, if the underlying order
19 from DPS or FMCSA was issued to the correct motor carrier in compliance with the motor carrier's due
20 process rights, and if the applicable requirements under Transportation Code, §643.252(b) were met at
21 the time DPS requested the department to revoke the motor carrier's registration, the department's
22 revocation will not be rescinded on appeal to the department. If the motor carrier resolves its
23 unsatisfactory safety rating and is no longer subject to the order to cease or out-of-service order after the
24 department revokes the motor carrier's registration, the evidence on appeal will not show any error

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regarding the department's revocation. However, an appeal of a revocation under Transportation Code, §643.2526 may result in a rescission of the revocation if the underlying order from DPS or FMCSA, as applicable, was issued in violation of the motor carrier's due process rights or was issued to the motor carrier in error.

When determining whether to request the department to revoke the motor carrier's registration under Transportation Code, §643.252(b), it is within DPS's discretion to consider whether the motor carrier's unsatisfactory safety rating might change to a satisfactory or conditional safety rating after the issuance of an order to cease or an out-of-service order. Once the department receives the request from DPS to revoke the motor carrier's registration under Transportation Code, §643.252(b), the department will immediately revoke the registration if the applicable requirements under §643.252(b) were met. If the department revoked a motor carrier's registration pursuant to DPS's request under Transportation Code, §643.252(b), and the motor carrier later improves its safety rating and is no longer subject to an out-of-service order or an order to cease, the department will consider this fact when reviewing the motor carrier's application for reregistration under Transportation Code, §643.0585 or the motor carrier's application for registration under Transportation Code, §643.052.

Adopted new §224.124(e) requires the person who submits an appeal to the department under Transportation Code, §643.2526 to state why the person claims the department's action is erroneous, as well as the legal and factual basis for the claimed error. This information is necessary to enable the department to comply with a requirement to docket the contested case with the State Office of Administrative Hearings under 1 TAC §155.53(a)(1), which requires the Request to Docket Case form to be submitted together with the complaint or other pertinent documents describing the agency action giving rise to the contested case.

SUMMARY OF COMMENTS.

No comments on the proposed revisions were received.

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SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §643.2526(d), as amended by House Bill (HB) 1672, 89th Legislature, Regular Session (2025), which requires the department to adopt rules as necessary to implement §643.2526, including rules governing the requirements and procedures under §643.2526; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.252, which authorizes the department to suspend, revoke, or deny a registration issued under Transportation Code, Chapter 643 or place on probation a motor carrier whose registration is suspended; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapter 2001; and Transportation Code, §§643.252(b), 643.2526, and 1002.001.

TEXT.

§224.116. Administrative Proceedings, Excluding Proceedings Under Transportation Code, §643.2526.

(a) If the department decides to take an enforcement action under §218.16 of this title (relating to Insurance Requirements) for the revocation of self-insured status, §218.64 of this title (relating to Rates), §218.71 of this title (relating to Administrative Penalties), §219.121 of this title (relating to Administrative Penalties and Sanctions under Transportation Code, §623.271), §218.72 of this title

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(relating to Administrative Sanctions), or §219.126 of this title (relating to Administrative Penalty for

False Information on Certificate by a Shipper), the department shall mail a Notice of Department

Decision to the person by first-class ~~[first-class]~~ mail to the last known address as shown in department

records. If the enforcement action falls under the Memorandum of Agreement with the Federal Motor

Carrier Safety Administration (FMCSA) under §218.71, the department shall mail the Notice of

Department Decision to the person by first-class ~~[first-class]~~ mail to the last known address as shown in

FMCSA's records.

(b) The Notice of Department Decision shall include:

(1) a brief summary of the alleged violation or enforcement action being proposed;

(2) a statement describing each sanction, penalty, or enforcement action proposed;

(3) a statement informing the person of the right to request a hearing;

(4) a statement of the procedure a person must use to request a hearing, including the deadline for filing a request with the department and the acceptable methods to request a hearing; and

(5) a statement that a proposed penalty, sanction, or enforcement action will become final and take effect on a specific date if the person fails to request a hearing.

(c) A person must submit to the department a written request for a hearing to the address provided in the Notice of Department Decision not later than the 26th day after the date the notice is mailed by the department; however, this requirement does not apply to a contested case that falls under §218.64 and Transportation Code, §643.154.

(d) If a person submits a timely written request for a hearing or the contested case that falls under §218.64 and Transportation Code, §643.154, the department will contact the person and attempt to informally resolve the contested case. If the person and the department cannot informally resolve the contested case, the department will refer the contested case to SOAH to set a hearing date and will give notice of the time and place of the hearing to the person.

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(e) Except as provided by Transportation Code, §643.154, if the person does not make a timely request for a hearing or agree to settle a contested case within 26 days of the date the Notice of Department Decision was mailed, the allegations are deemed admitted on the 27th day and a final order including sanctions and penalties may be issued by the final order authority.

(f) Except as provided by statute and the applicable provisions of this chapter, any SOAH proceeding is governed by Government Code, Chapter 2001 and 1 TAC Chapter 155, including the authority of the department to informally dispose of the contested case by stipulation, agreed settlement, consent order, or default. The department will follow the process set forth in Transportation Code, §643.2525 and the applicable provisions of this chapter when enforcing the federal laws and regulations cited in §218.71 to the extent authorized by applicable federal laws and regulations.

(g) The department and the person may informally resolve the contested case by entering into a settlement agreement or agreeing to stipulations at any time before the director issues a final order. However, the person must pay any penalty in full prior to the execution of a settlement agreement.

(h) This section does not apply to a department action under Transportation Code, §643.2526.

§224.121. Administrative Proceedings under Transportation Code, §643.2526.

(a) The department will only revoke the registration of a motor carrier under Transportation Code, §643.2526 pursuant to a request from the Texas Department of Public Safety under Transportation Code, §643.252(b) after the issuance of an order by the following, as applicable:

(1) the Federal Motor Carrier Safety Administration regarding an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) the Texas Department of Public Safety regarding multiple violations of the following:

(A) Transportation Code, Chapter 644;

(B) a rule adopted under Transportation Code, Chapter 644; or

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(C) Subtitle C of Title 7 of the Transportation Code.(b) The department will issue notice of the department's action under Transportation Code,\$643.2526 to the person by email and first-class mail using the person's last known address in thedepartment's records.\$224.124. Appeal of Department Action [of Denial] Under Transportation Code, \$643.2526.

~~[(a) Pursuant to Transportation Code, \$643.2526, an applicant may appeal the denial of an application for registration, renewal of registration, or reregistration under Transportation Code, Chapter 643.]~~

(a) [(b)] An [The] appeal to the department under Transportation Code, \$643.2526 will be governed by Chapter 224 [Subchapter E] of this title (relating to Adjudicative Practice and Procedure) [Contested Cases Referred to SOAH].

(b) [(c)] An [The applicant's] appeal will be considered untimely if it is not filed with the department by the 26th day after the date of the department's issuance of notice of the department's action. [denial of the application.] The department will not consider an untimely appeal.

(c) [(d)] An application that is withdrawn under Transportation Code, \$643.055 is not a denial of an application for the purposes of an appeal under Transportation Code, \$643.2526.

(d) On appeal, the department will not rescind a revocation under Transportation Code, \$643.252(b) based on the motor carrier taking corrective action that results in an upgrade to its unsatisfactory safety rating after the department has issued notice to the motor carrier that the department revoked the motor carrier's registration.

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- 1 (e) An appeal under Transportation Code, §643.2526 must state why the person claims the
- 2 department's action is erroneous, as well as the legal and factual basis for the claimed error.
- 3

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025**ACTION ITEM**

To: Texas Department of Motor Vehicles Board
From: Corrie Thompson, Enforcement Division Director
Agenda Item: 15
Subject: Chapter 224, Adjudicative Practice and Procedure
Amendments: §224.58
(Relating to Senate Bill 1902, 89th Legislative Session)

RECOMMENDATION

Action Item. Approval to adopt amendments in 43 Texas Administrative Code, §224.58.

PURPOSE AND EXECUTIVE SUMMARY

The revisions implement Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025).

FINANCIAL IMPACT

No significant impact.

BACKGROUND AND DISCUSSION

House Bill 718, 88th Legislature, Regular Session, replaced the temporary tag database with the license plate database, and amended Transportation Code, §503.0633(f) to allow the department to deny access to the license plate database if a dealer acts fraudulently.

SB 1902 further amended Transportation Code, §503.0633(f) to allow the department to deny access to the license plate database if the dealer has been denied access to the temporary tag database under former Transportation Code, §503.0632(f).

The denial of access is effective when the department sends the notification electronically and by certified mail in both instances, and a dealer who is denied access to the license plate database may request a hearing.

The department received no public comments during the comment period which ended August 25, 2025. If the board adopts the new sections and repeals during its September 18, 2025, open meeting, staff anticipates:

- publication in the October 3, 2025, issue of the Texas Register; and
- an effective date of October 9, 2025.

ADOPTION OF REVISIONS TO**SUBCHAPTER B. MOTOR VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRY ENFORCEMENT****43 TAC §224.58**

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle, Salvage Vehicle, and Trailer Industry Enforcement, §224.58, regarding Denial of Dealer Access to the License Plate System. These amendments implement Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025), which became effective July 1, 2025. In SB 1902, Section 3, the legislature directed the department to adopt implementing rules by October 1, 2025. Transportation Code, §503.0633(f), as amended by SB 1902, allows the department to deny access to the license plate database if a dealer has been denied access to the temporary tag database under former Transportation Code, §503.0632(f).

The department adopts amendments to §224.58 without changes to the adopted text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4405). Accordingly, the text of §224.58 will not be republished.

REASONED JUSTIFICATION.

As the department transitioned from paper temporary tags to metal license plates on July 1, 2025, in accordance with House Bill 718, 88th Legislature, Regular Session (2023), the temporary tag database has been replaced with the license plate database. Under Transportation Code §503.0633(f), as amended by SB 1902, the department may deny a dealer access to the license plate system if the department determines that the dealer has acted fraudulently. An adopted amendment to §224.58(b) would add denial of access to the temporary tag system as a basis for the department to deny a dealer access to the license plate system. This amendment implements SB 1902, which added this basis as one the department could consider in denying access to the license plate database under Transportation Code, §503.0633(f). The adopted amendment would allow the department

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- 1 to deny access to the license plate system if the dealer had been denied access to temporary tag database prior
2 to July 1, 2025, after providing notice to the dealer.

3 **SUMMARY OF COMMENTS.**

- 4 The department received no comments during the public comment period which ended on August 25,
5 2025.

6

SUBCHAPTER B. MOTOR VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRY ENFORCEMENT**43 TAC §224.58**

STATUTORY AUTHORITY. In addition to the rulemaking authority provided in Section 34 of HB 718, the department adopts amendments to §224.58 under Transportation Code, §§503.002, 503.0631, and 1002.001. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code Chapter 503. Transportation Code, §503.0631(e) authorizes the department to adopt rules and prescribe procedures as necessary to implement §503.0631. Transportation Code, §1002.001 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

The department also adopts amendments under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; and Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

CROSS REFERENCE TO STATUTE. These adopted revisions implement Government Code, Chapter 2001; Occupations Code, Chapter 2301; and Transportation Code, Chapters 501-504, and 1002.

Text.

§224.58. Denial of Dealer Access to License Plate System.

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(a) In this section "fraudulently obtained license plates from the license plate system" means misuse by a dealer account user of the license plate system authorized under Transportation Code, §503.063, §503.0631, or §503.065 to obtain or issue:

(1) an excessive number of license plates relative to dealer sales;

(2) a license plate for a vehicle or vehicles not in the dealer's inventory (a vehicle is presumed not to be in the dealer's inventory if the vehicle is not listed in the relevant monthly Vehicle Inventory Tax Statement);

(3) access to the license plate system for a fictitious user or person using a false identity;

(4) a license plate for a vehicle or a motor vehicle when a dealer is no longer operating at a licensed location;

(5) a license plate for a vehicle or a motor vehicle not located at the dealer's licensed location or storage lot; or

(6) a license plate for a vehicle or motor vehicle that is not titled or permitted by law to be operated on a public highway.

(b) The department shall deny a dealer access to the license plate system effective on the date the department sends notice electronically and by certified mail to the dealer that the department has determined, directly or through an account user, that the dealer has fraudulently obtained or issued a license plate in the license plate system or has been denied access to the temporary tag database. A dealer may seek a negotiated resolution with the department by demonstrating the dealer took corrective action or that the department's determination was incorrect.

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1 (c) Notice shall be sent to the dealer's last known mailing address and last known email address in
2 the department-designated licensing system.

3 (d) A dealer may request a hearing on the denial of access to the license plate system, as provided by
4 Subchapter O, Chapter 2301, Occupations Code. The request must be in writing and the dealer must request
5 a hearing under this section. The department must receive the written request for a hearing within 26 days
6 of the date of the notice denying access to the license plate system. The request for a hearing does not stay
7 the denial of access under subsection (b) of this section. A dealer may continue to seek a negotiated
8 resolution with the department after a request for hearing has been submitted under this subsection by
9 demonstrating the dealer took corrective action or that the department's determination was incorrect.

10 (e) The department may also issue a Notice of Department Decision stating administrative violations
11 as provided in §224.56 of this title (relating to Notice of Department Decision) concurrently with the notice
12 of denial of access under this section. A Notice of Department Decision may include notice of any violation,
13 including a violation listed under subsection (a) of this section.

14 (f) A department determination and action denying access to the license plate system becomes final
15 if the dealer does not request a hearing or enter into a settlement agreement with the department within 26
16 days of the date of the notice denying access to the license plate system.

**Texas Department of Motor Vehicles**

HELPING TEXANS GO. HELPING TEXAS GROW.

Board Meeting Date: 9/18/2025**ACTION ITEM**

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 16
Subject: Chapter 217, Vehicle Titles and Registration
Amendments: §217.41
New: §217.10 and §217.87
Repeal: §217.10
(Relating to Implementation of SB 2001 and HB 5436, 89th Legislative Session; and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the rule proposal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed repeal, amendments and new sections would implement Senate Bill (SB) 2001, 89th Legislature, Regular Session (2025), House Bill (HB) 5436, 89th Legislature, Regular Session (2025), and clarify the language in Chapter 217.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the proposed revisions.

BACKGROUND AND DISCUSSION

Amendments are proposed to implement SB 2001, which created Transportation Code, §504.2025, which established the right of qualifying peace officers to obtain disabled peace officer license plates and disabled parking placards.

A new section is proposed to implement HB 5436, which created Transportation Code, §501.098, which provides a process for a used automotive parts recycler to acquire motor vehicles without titles for the purpose of dismantling, scraping and parting them, without incurring the cost and delay of going through the bonded title process.

A repeal and replacement are proposed to eliminate text that is duplicative of statute and to clarify title decisions that are subject to an appeal hearing before a county tax assessor-collector.

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Chapter 217 – Vehicle Titles and Registration

PROPOSAL OF REVISIONS TO**SUBCHAPTER B. MOTOR VEHICLE REGISTRATION****43 TAC §217.41****NEW SECTIONS****SUBCHAPTER A. MOTOR VEHICLE TITLES****43 TAC §217.10****SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES****43 TAC §217.87****REPEAL OF****SUBCHAPTER A. MOTOR VEHICLE TITLES****43 TAC §217.10**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes revisions to 43 Texas Administrative Code (TAC) Chapter 217, Vehicle Titles and Registration. The department proposes the simultaneous repeal of Subchapter A, Motor Vehicle Titles; §217.10, relating to Appeal to the County, and addition of new Subchapter A, Motor Vehicle Titles; §217.10, relating to Department Decisions on Titles and Appeals to the County. The department additionally proposes amendments to Subchapter B, Motor Vehicle Registration; §217.41, relating to Disabled Person License Plates and Disabled Parking Placards. The department further proposes new Subchapter D, Nonrepairable and Salvage Motor Vehicles; §217.87, relating to Requirements for Certain Vehicles Acquired by a Used Automotive Parts Recycler Without a Title. The proposed amendments, new sections, and repeal are necessary to implement legislation, to clarify existing statutory requirements, and to make nonsubstantive grammatical changes to improve readability.

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1 EXPLANATION.

2 The repeal of §217.10, relating to Appeal to the County, is proposed because the current language
3 in the section is duplicative of the statutory requirements in Transportation Code, §501.052, and therefore
4 unnecessary as rule text. To replace the proposed repealed section, the department proposes new
5 §217.10, relating to Department Decisions on Titles and Appeals to the County. Proposed new §217.10(a)
6 would clarify what constitutes evidence of a department title refusal or revocation under Transportation
7 Code, §501.051, for purposes of determining eligibility for a hearing by a tax accessor-collector under
8 Transportation Code, §501.052. The proposed language would specify that for purposes of determining
9 whether a person is eligible for a tax accessor-collector hearing under Transportation Code §501.052, the
10 official record of the department's refusal to issue a title is a written notice of determination from the
11 department. Proposed new §217.10(a) would also clarify that the official record of a revoked title is a
12 revocation remark on the motor vehicle record in the department's Registration and Title System. These
13 proposed new provisions are necessary to clarify and prevent confusion about the official records of
14 department action that demonstrate eligibility for an appeal hearing under Transportation Code,
15 §501.052.

16 Proposed new §217.10(b) would clarify that a department decision that an applicant is ineligible
17 to obtain a bonded title under Transportation Code §501.053 is a not a refusal to issue title under
18 Transportation Code, §501.051, and therefore is not subject to a tax accessor-collector hearing under
19 Transportation Code, §501.052. This proposed new language is necessary to address confusion by
20 some tax accessor-collectors who have incorrectly treated the department's ineligibility
21 determinations under Transportation Code, §501.053 as refusals to title under Transportation Code,
22 §501.051. Proposed new §217.10(b) would also conform the department's rules with recent court

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1 rulings, which held that a notice from the department that a vehicle is ineligible for bonded title is
2 not a refusal by the department to issue title under Transportation Code, §501.051.

3 Proposed amendments to §217.41, relating to Disabled Person License Plates and Disabled
4 Parking Placards, are necessary to implement Senate Bill (SB) 2001, 89th Legislature, Regular Session
5 (2025), which created Transportation Code, §504.2025, relating to Peace Officers with Disabilities. Section
6 504.2025 established the right of qualifying peace officers to obtain disabled peace officer license plates
7 and disabled parking placards. Proposed amendments to §217.41(b)(1), (b)(2)(A), and (b)(3)(A) would add
8 statutory references to Transportation Code, §504.2025, to include qualifying disabled peace officers
9 as “disabled persons” for purposes of the eligibility for and issuance of disabled person license plates
10 and disabled parking placards under §217.41. Proposed new §217.41(b)(2)(D) would clarify
11 Transportation Code, §504.202(h) and §504.2025(h) by explaining that qualifying disabled veterans
12 and disabled peace officers have the option to obtain general issue license plates at no expense, in
13 lieu of disabled veteran or peace officer license plates.

14 A proposed amendment to §217.41(b)(1) would also add a reference to the Transportation
15 Code to the citation to §504.202(b-1).

16 A proposed amendment to §217.41(b)(2)(B) would add the titles to §217.43 and §217.45 for
17 ease of reference to these sections.

18 A proposed amendment to §217.41(c) would add the title to §217.28 for ease of reference
19 to this section.

20 Proposed amendments throughout §217.41 would correct punctuation to statutory citations
21 by inserting commas between the Texas code and section number.

22 Proposed new §217.87, relating to Requirements for Certain Vehicles Acquired by a Used
23 Automotive Parts Recycler Without a Title, would implement House Bill (HB) 5436, 89th Legislature,

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1 Regular Session (2025). Transportation Code, §501.098, relating to Exception to Title Requirement for
2 Certain Vehicles, provides a process for a used automotive parts recycler (recycler) to acquire motor
3 vehicles without titles for the purpose of dismantling, scraping and parting them, without incurring the
4 cost and delay of going through the bonded title process. Proposed new §217.87(a)(1) would inform a
5 recycler of their obligation to determine if a motor vehicle acquired without a title under Transportation
6 Code, §501.098(a) has been reported stolen or is subject to a recorded lien or security interest by
7 submitting a form to the department within the time prescribed by Transportation Code, §501.098(c)
8 and §501.098(g). Proposed new §217.87(a)(2) would require the recycler to separately report this
9 information to the National Motor Vehicle Title Information System (NMVTIS), to comply with
10 Transportation Code, §501.098(c) and to clarify that the department will not be reporting information to
11 NMVTIS on the recycler's behalf.

12 Proposed new §217.87(b) would describe the information that the recycler must submit on a
13 department form to ascertain whether a vehicle was reported stolen or is subject to any recorded liens,
14 consistent with the information specified under 28 C.F.R. §25.56, to implement the requirements
15 provided in Transportation Code, §501.098(c) and §501.098(g). Proposed new §217.87(b)(5) would
16 require recyclers to attest that the vehicle meets the requirements of Transportation Code,
17 §501.098(a)(1) and (2), in order to ensure that the vehicle is eligible for a recycler to purchase without
18 obtaining title, so that the department can avoid wasting resources by processing forms for ineligible
19 vehicles. Proposed new §217.87(c) would specify that a recycler must submit the form in person at one
20 of the department's 16 regional service centers, to allow for an immediate response from the
21 department and to reduce implementation costs for the department by not requiring additional coding
22 in the department's Registration and Title System. Recyclers have previously gone to the department's

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1 regional service centers to process title transactions, so submitting the form in person will take the place
2 of the title transaction with no increased inefficiency for the recycler.

3 Proposed new §217.87(d) would describe the actions the department will take in response to
4 receiving the recycler's form under subsection (b) of this section. Proposed new §217.87(d)(1)(A) would
5 require the department to provide the recycler with notice of whether the motor vehicle has been
6 reported stolen either in person or by email, to assure that the department meets the 48-hour deadline
7 for issuing the notice in accordance with Transportation Code, §501.098(d). Proposed new
8 §217.87(d)(1)(B) would describe the department's method of informing the recycler in person or by
9 email if the vehicle is subject to a recorded lien or security interest in the department's Registration and
10 Title System, to expedite the notice required under Transportation Code, §501.098(g). Proposed new
11 §217.87(d)(1)(B) would also inform the recycler of the process of obtaining from the department the
12 contact information for a recorded lien holder, which is information that Transportation Code,
13 §501.098(h)(2) requires the recycler provide to the county tax accessor-collector. Proposed new
14 §217.87(d)(2) would clarify that if there is a motor vehicle record for the vehicle in the department's
15 Registration and Title System, the department will make a notation in the motor vehicle record that the
16 motor vehicle has been dismantled, scrapped or destroyed, and cancel the title issued by the
17 department for the motor vehicle, in accordance with Transportation Code, §501.098(f).

18 Proposed new §217.87(e) would describe the process for a lienholder or last registered owner of
19 a motor vehicle acquired by a recycler under Transportation Code, §501.098 to request that the
20 department reinstate the title and remove a notation in the department's records for the motor vehicle
21 made under Transportation Code, §501.098(f)(1) and proposed new §217.87(b)(2), indicating that the
22 vehicle had been dismantled, scrapped or destroyed. Proposed new §217.87(e) would describe the

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1 process of making the request to the department by presenting valid proof of identification and
2 submitting a receipt received from the recycler transferring the motor vehicle back to the lienholder or
3 last registered owner. The proposed new provisions for §217.87(e) are necessary to implement and
4 administer Transportation Code, §501.098(j), which provides a lienholder or last registered owner the
5 right to retrieve the motor vehicle acquired by the recycler under Transportation Code, §501.098.
6 Additionally, proposed new §217.87(e) would avoid subjecting the lienholder or last registered owner to
7 any additional costs, such as the bonded title process would require.

8 Proposed new §217.87(f) would describe the form and format for the records a recycler is
9 required to compile under Transportation Code, §501.098(b) and have available for inspection by law
10 enforcement or department personnel under Transportation Code, §501.098(m). Proposed new
11 §217.87(f)(1) would require a recycler to collect and record the information specified under
12 Transportation Code, §501.098(b)(1)-(9) on a department form made available on the department's
13 website, and to maintain that form together with the identification documents under Transportation
14 Code, §501.098(b)(10) and the department's response under proposed new §217.87(d). Proposed new
15 §217.87(f)(2) would allow a recycler the option to maintain the records in an electronic format. The
16 proposed new provisions to §217.87(f) are necessary to implement Transportation Code, §501.098(b),
17 to clarify the manner in which a recycler is to compile and maintain the information specified in
18 Transportation Code, §501.098(b) and (c), for inspection under Transportation Code, §501.098(m).

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

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1 Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined that
2 there will be no measurable effect on local employment or the local economy as a result of the proposal.

3
4 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero and Ms. Bowman have also determined that, for each
5 year of the first five years the proposal is in effect, there are several public benefits anticipated and
6 economic costs for persons required to comply with the rules.

7 Anticipated Public Benefits. The proposed repeal of §217.10 would remove any perceived conflict
8 with Transportation Code, §501.052 by eliminating text that is duplicative of the statute thereby lessening
9 any confusion by the public of the county tax assessor-collector's role in conducting hearings under
10 Transportation Code, §501.052. Proposed new §217.10 would provide clarity to the public on what
11 documents constitute a department decision on a vehicle title for purposes of applying for a hearing with
12 a county assessor-collector's office, preventing any confusion or unnecessary and costly litigation.

13 The proposed amendments to §217.41 would clarify that qualifying disabled veterans and peace
14 officers have the option to select general issue license plates instead of disabled license plates without
15 incurring the three-dollar fee associated with the disabled license plates.

16 Proposed new §217.87 would provide clarity to a recycler on the process for fulfilling their
17 obligations under Transportation Code, §501.098 to thereby allow a recycler to acquire a vehicle for
18 scrapping, dismantling, or parting that would not otherwise be authorized without a title. Proposed new
19 §217.87 would also provide clarity for the public in how to reinstate and correct a title that has been
20 marked dismantled, scrapped or destroyed, when the vehicle was later transferred back to the lienholder
21 or last registered owner.

22 Anticipated Costs to Comply with the Proposal. Ms. Quintero anticipates that proposed new
23 §217.87 will create a cost to comply. Proposed new §217.87 would require a recycler's staff to compile

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1 information and complete forms along with the acquisition of storage equipment to store the
2 documentation if maintained in physical form, or computer equipment to store the documents in an
3 electronic format. While proposed new §217.87(c) would require a recycler to travel to a regional
4 service center to deliver the form necessary to confirm the status of any vehicles purchased for
5 dismantling, scrapping or parting under Transportation Code, §501.098, the travel costs associated with
6 delivering the form to a regional service center would be offset directly by the reduction in costs caused
7 by the elimination of the requirement that a recycler travel to a regional service center to surrender
8 titles for motor vehicles that are dismantled, scrapped or destroyed by the recycler. The proposed
9 repeal of §217.10, proposed new §217.10, and the proposed amendments to §217.41 do not create any
10 costs.

11 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** The department does not
12 anticipate an adverse economic impact to small business, micro-businesses or rural communities as a
13 result of the proposed repeal of §217.10, proposed new §217.10, and the proposed amendments to
14 §217.41. Regarding the proposed new §217.87, the department anticipates an adverse economic effect
15 on small businesses and micro-businesses that operate as recyclers.

16 There are approximately 646 recyclers operating in Texas, according to the Texas Department of
17 Licensing and Regulation Staff Report for the Used Auto Parts Recycling Board Meeting, dated March 6,
18 2025, available at <https://www.tdlr.texas.gov/parts/aprboard.htm#past-meetings>. Of that number, most
19 are likely to be micro-business or small businesses for purposes of Government Code, §2006.002. As noted
20 in the Public Benefit and Cost Note, proposed new §217.87 would require a recycler to travel to a regional
21 service center to submit the form under §217.87(c), use a department form to compile information
22 required by Transportation Code, §501.098(b), and maintain that documentation either in hard-copy or
23 in electronic format for inspection by the department or law enforcement.

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1 Under Government Code, §2006.002, the department must perform a regulatory flexibility
2 analysis for proposed new §217.87. The department considered alternatives to not adopting §217.87,
3 exempting small and micro-businesses from this new section, and adopting separate compliance or
4 reporting requirements for small and micro-businesses. The department rejected all three options.
5 Foregoing the adoption of §217.87 is not acceptable because Transportation Code, §501.098(b), (c) and
6 (m) require that the department codify a process for recyclers to comply with the statutory
7 requirements of compiling, submitting, and maintaining data on vehicle purchases for inspection
8 purposes and to verify a vehicle's stolen or lien status with the department. The statute also requires all
9 recyclers regardless of their business profile to comply with these requirements, so the department
10 would not be authorized to exempt micro or small businesses from these requirements. Finally, the
11 department considered the option of micro or small businesses to compile their vehicle purchase data
12 under Transportation Code, §501.098(b) using their own forms and to submit their requests to the
13 department under §501.098(c) by email or mail as opposed to an in-person visit to a regional service
14 center, but it was determined that department forms available on the department's website are just as
15 economical as a form created by the recycler and that the cost of travelling to a regional service center
16 to submit forms is offset by the efficiency of an immediate response from the department that either
17 email or mail would not permit under the department's current systems. In addition, allowing recyclers
18 to create their own forms would increase the cost to the department significantly, as it would require
19 significantly more department staff time to hunt through each unique form in search of the information
20 required by Transportation Code, §501.098(b). Allowing recyclers to submit their forms under
21 §501.098(c) electronically would significantly increase costs to the department to recode the
22 Registration and Title System or to hire additional staff to monitor and process forms submitted by
23 email or mail. The proposed new rule provides flexibility for recyclers to decide whether to store the

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1 records in hard-copy or electronic form, so recyclers will be able to limit the cost and impact of the
2 proposed rule by choosing between electronic and hard-copy depending on whether hard-copy or
3 electronic format is better and less costly for their particular circumstances. Finally, the travel costs
4 associated with delivering the form under §501.098(c) in person will coincide with the reduction in costs
5 for the recyclers that result from the statutory change to no longer require a title transfer.

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

10 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
11 first five years the proposal is in effect, no government program would be created or eliminated.
12 Implementation of the proposal would not require the creation of new employee positions or
13 elimination of existing employee positions. Implementation would not require an increase or decrease
14 in future legislative appropriations to the department or have a significant impact on fees paid to the
15 department. The proposal repeals an existing regulation, §217.10, that is duplicative of the requirements
16 provided in Transportation Code, §501.052 and creates new regulations, §217.10 and §217.87, that
17 clarify department decisions under Transportation Code, §501.052 and §501.053 and the process for
18 compiling data on vehicle purchases without titles and verifying statuses under Transportation Code,
19 §501.098, respectively. Proposed new §217.87 would limit existing regulations by allowing recyclers a
20 process to avoid titling a vehicle they purchased. The proposed amendments to §217.41 expand an
21 existing regulation and would increase the number of individuals subject to its applicability by including
22 qualifying disabled peace officers as disabled persons under the regulation for purposes of being issued

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1 disabled license plates and disabled parking placards, as is required by Transportation Code, §504.2025.

2 Lastly, the proposal will not affect this state's economy.

3 **REQUEST FOR PUBLIC COMMENT.**

4 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on November

5 3, 2025. The department requests information related to the cost, benefit, or effect of the proposed rule,

6 including any applicable data, research, or analysis, from any person required to comply with the

7 proposed rule or any other interested person. A request for a public hearing must be sent separately from

8 your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov* or by

9 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,

10 Texas 78731. If a hearing is held, the department will consider written comments and public testimony

11 presented at the hearing.

12

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SUBCHAPTER A. MOTOR VEHICLE TITLES**43 TAC §217.10**

STATUTORY AUTHORITY. The department proposes new §217.10 under Transportation Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act; Transportation Code, §501.051, which gives the department authority to refuse, cancel, suspend or revoke a title; Transportation Code, §501.053, which gives the department authority to determine the eligibility for a bonded title; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and the statutory authority referenced throughout the preamble and in the rule text.

CROSS REFERENCE TO STATUTE. The proposed new section would implement Transportation Code, Chapters 501 and 1002.

TEXT.

§217.10. Department Decisions on Titles and Appeals to the County.

(a) Department refusal or revocation of title. For purposes of Transportation Code, §501.052, the official record of the department's refusal to issue a title under its authority in Transportation Code, §501.051 is the department's notice of determination regarding the application. The official record of the department's revocation of a title is the entry of a revocation remark on the motor vehicle record in the department's Registration and Title System.

(b) Department determination of ineligibility for bonded title. A department determination of ineligibility for bonded title is made under the authority of Transportation Code, §501.053 and is not a refusal to issue a title under Transportation Code, §501.051. An applicant that receives a

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notice of ineligibility for bonded title from the department is not eligible to pursue a hearing under Transportation Code, §501.052.

STATUTORY AUTHORITY. The department proposes the repeal of §217.10 under Transportation Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act; Transportation Code, §501.051, which gives the department authority to refuse, cancel, suspend or revoke a title; Transportation Code, §501.052, which provides an interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation under Transportation Code, §501.051, the right to apply for hearing to the county assessor-collector; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The proposed repeal would implement Transportation Code, Chapters 501 and 1002.

TEXT.

~~[217.10. Appeal to the County.]~~

~~[(a) If the department refuses to issue a title, revokes a title, or suspends a title, the applicant may apply to the county for a tax-assessor collector hearing.]~~

~~[(b) The county tax assessor-collector must hold a hearing upon receipt of:]~~

~~[(1) a copy of the department's refusal, revocation, or suspension documents; and]~~

~~[(2) an applicant's request for a hearing.]~~

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1 ~~[(c) A person wishing to appeal the county tax assessor-collector ruling may appeal to a court~~
2 ~~with jurisdiction.]~~

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.41

6 **STATUTORY AUTHORITY.** The department proposes amendments to §217.41 under Transportation
7 Code, §504.0011, which gives the board authority to adopt rules to implement and administer
8 Transportation Code, Chapter 504, License Plates; Transportation Code, §504.010, which authorizes the
9 board to adopt rules governing the placement of license plates on motor vehicles; Transportation Code,
10 §504.202, entitling a qualifying disabled veteran to elect for license plates issued under Transportation
11 Code, Chapter 502 in lieu of disabled veteran license plates; Transportation Code, §504.2025, as created
12 by Senate Bill 2001, 89th Legislature, Regular Session (2025), providing a qualifying peace officer with the
13 option to obtain disabled peace officer license plates and disabled parking placards; Transportation
14 Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to
15 implement the powers and the duties of the department; and the statutory authority referenced
16 throughout the preamble and in the rule text.

17 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Transportation Code,
18 Chapters 504 and 1002.

19 TEXT.

20 §217.41. Disabled Person License Plates and Disabled Parking Placards.

21 (a) Purpose. Transportation Code, Chapters 504 and 681, charge the department with the
22 responsibility for issuing specially designed license plates and disabled parking placards for
23 disabled persons. For the department to perform these duties efficiently and effectively, this

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section prescribes the policies and procedures for the application, issuance, and renewal of disabled person license plates and disabled parking placards.

(b) Issuance.

(1) For purposes of this section, "disabled person" means a person eligible for issuance of a license plate bearing the International Symbol of Access under Transportation Code, §504.201, including a qualifying disabled veteran under Transportation Code, §504.202(b-1) and a qualifying disabled peace officer under Transportation Code, §504.2025.

(2) Disabled person license plates.

(A) Eligibility. In accordance with Transportation Code, §504.201; ~~and~~ §504.202(b-1) and (b-2); and §504.2025, the department will issue specially designed license plates displaying the International Symbol of Access to permanently disabled persons or their transporters instead of general issue license plates. As satisfactory proof of eligibility, an organization that transports disabled veterans who would qualify for license plates issued under Transportation Code, §504.202(b-1) must provide a written statement from the veteran's county service officer of the county in which a vehicle described by Transportation Code, §504.202(c) is registered or by the Department of Veterans Affairs that:

(i) the vehicle is used exclusively to transport veterans of the United States armed forces who have suffered, as a result of military service, a service-connected disability;

(ii) the vehicle regularly transports veterans who are eligible to receive license plates under Subsection (b-1); and

(iii) the veterans are not charged for the transportation.

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1 (B) Specialty license plates. The department will issue disabled person
2 specialty license plates displaying the International Symbol of Access that can accommodate the
3 identifying insignia and that are issued in accordance with §217.43 of this title (relating to Military
4 Specialty License Plates) or §217.45 of this title (relating to Specialty License Plates, Symbols,
5 Tabs, and Other Devices).

6 (C) License plate number. Disabled person license plates will bear a license
7 plate number assigned by the department or will bear a personalized license plate number issued
8 in accordance with §217.43 or §217.45 of this title.

9 (D) General issue license plate option for qualifying disabled veterans and
10 disabled peace officers. In accordance with Transportation Code, §504.202(h) and §504.2025(h),
11 qualifying disabled veterans and disabled peace officers may elect to receive general issue license
12 plates without paying license plate fees.

13 (3) Windshield disabled parking placards.

14 (A) Issuance. The department will issue removable windshield disabled
15 parking placards to temporarily or permanently disabled persons and to the transporters of
16 permanently disabled persons, as provided under Transportation Code, §§504.201, 504.202 (b-1)
17 and (b-2), 504.2025, and 681.004.

18 (B) Display. A person who has been issued a windshield disabled parking
19 placard shall hang the placard from a vehicle's rearview mirror when the vehicle is parked in a
20 disabled person parking space or shall display the placard on the center portion of the dashboard
21 if the vehicle does not have a rearview mirror.

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(c) Renewal of disabled person license plates. Disabled person license plates are valid for a period of 12 months from the date of issuance and are renewable as specified in §§217.28 of this title (relating to Vehicle Registration Renewal), 217.43, and 217.45 of this title.

(d) Replacement.

(1) License plates. If a disabled person metal license plate is lost, stolen, or mutilated, the owner may obtain a replacement metal license plate by applying with a county tax assessor-collector.

(A) Accompanying documentation. To replace disabled person metal license plates, the owner must present the current year's registration receipt and personal identification acceptable to the county tax assessor-collector.

(B) Absence of accompanying documentation. If the current year's registration receipt is not available and the county tax assessor-collector cannot verify that the disabled person metal license plates were issued to the owner, the owner must reapply in accordance with this section.

(2) Disabled parking placards. If a disabled parking placard becomes lost, stolen, or mutilated, the owner may obtain a new disabled parking placard in accordance with this section.

(e) Transfer of disabled person license plates and disabled parking placards.

(1) License plates.

(A) Transfer between persons. Disabled person license plates may not be transferred between persons. An owner who sells or trades a vehicle to which disabled person license plates have been issued shall remove the disabled person license plates from the vehicle. The owner shall return the license plates to the department and shall obtain appropriate replacement license plates to place on the vehicle prior to any transfer of ownership.

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(B) Transfer between vehicles. Disabled person license plates may be transferred between vehicles if the county tax assessor-collector or the department can verify the plate ownership and the owner of the vehicle is a disabled person or the vehicle is used to transport a disabled person.

(i) Plate ownership verification may include:

- (I) a Registration and Title System (RTS) inquiry;
- (II) a copy of the department application for disabled person license plates; or

(III) the owner's current registration receipt.

(ii) An owner who sells or trades a vehicle with disabled person license plates must remove the plates from the vehicle.

(iii) The department will provide a form that persons may use to facilitate a transfer of disabled person license plates between vehicles.

(2) Disabled parking placards.

(A) Transfer between vehicles. Disabled parking placards may be displayed in any vehicle driven by the disabled person or in which the disabled person is a passenger.

(B) Transfer between persons. Disabled parking placards may not be transferred between persons.

(f) Seizure and revocation of disabled parking placard.

(1) If a law enforcement officer seizes and destroys a disabled parking placard under Transportation Code, §681.012, the officer shall notify the department by email.

(2) The person to whom the seized disabled parking placard was issued may apply for a new disabled parking placard by submitting an application to the county tax assessor-

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

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Chapter 217 – Vehicle Titles and Registration

collector of the county in which the person with the disability resides or in which the applicant is seeking medical treatment.

SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

NEW 43 TAC §217.87

STATUTORY AUTHORITY. The department proposes new §217.87 under Transportation Code, §501.0041, which gives the department authority to adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act; Transportation Code, §501.098, as created by House Bill 5436, 89th Legislature, Regular Session (2025), which gives the department authority to prescribe the manner in which a used automotive parts recycler compiles the information required under Transportation Code, §501.098(b) on motor vehicles purchased without title for purposes of dismantling, scrapping or parting; the authority to prescribe the manner in which a used automotive parts recycler submits to the department any information necessary to satisfy any applicable requirement for reporting information to the National Motor Vehicle Title Information System; the authority to inspect records under Transportation Code, §501.098(m); and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and the statutory authority referenced throughout the preamble and in the rule text.

CROSS REFERENCE TO STATUTE. The proposed new section would implement Transportation Code, Chapters 501 and 1002.

TEXT.

217.87. Requirements for Certain Vehicles Acquired by a Used Automotive Parts Recycler Without a Title.

(a) Reporting requirements.

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Proposed Sections

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Chapter 217 – Vehicle Titles and Registration

1 (1) A used automotive parts recycler (recycler), as defined in Occupations Code
2 §2309.002, that purchases a motor vehicle without a title, in accordance with Transportation Code,
3 §501.098(a), shall determine if the motor vehicle is reported stolen and if the motor vehicle is the
4 subject of any recorded security interests or liens by completing and submitting the form described in
5 subsection (b) of this section to the department within the time provided under Transportation Code,
6 §501.098(c) and §501.098(g).

7 (2) A recycler must separately report the information specified under Transportation
8 Code, §501.098(c) to the National Motor Vehicle Title Information System.

9 (b) Information on form. A recycler shall submit a form containing the following information:

10 (1) name, mailing address, email address and phone number of the recycler;

11 (2) the vehicle identification number for the motor vehicle;

12 (3) the date the motor vehicle was obtained;

13 (4) the name of the individual or entity from whom the motor vehicle was obtained;

14 (5) A statement that the vehicle:

15 (A) is at least 13 years old,

16 (B) is purchased solely for parts, dismantling, or scrap, and

17 (C) has not been registered for at least seven years; and

18 (6) the signature of the recycler or the recycler's authorized agent.

TITLE 43. TRANSPORTATION

Proposed Sections

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Chapter 217 – Vehicle Titles and Registration

1 (c) Submittal of form. The form shall be submitted to the department in person at one of the
2 department's regional offices.

3 (d) Department response.

4 (1) Upon receipt of a completed and signed form under subsection (b) of this section,
5 the department shall:

6 (A) notify the recycler, in person or via the email address specified on the form,
7 within the time specified under Transportation Code, §501.098(d), whether the motor vehicle has been
8 reported stolen; and

9 (B) notify the recycler, in person or via the email address specified on the form,
10 whether the motor vehicle is the subject of a recorded security interest or lien in the department's
11 Registration and Title System. If the vehicle has a recorded lien or security interest, the recycler may
12 obtain the contact information of the holder of that recorded lien or security interest from the
13 department by submitting a request in accordance with §217.123 of this title (relating to Access to
14 Motor Vehicle Records).

15 (2) If the motor vehicle has a motor vehicle record in the department's Registration and
16 Title System, the department shall:

17 (A) add a notation to the motor vehicle record that the motor vehicle has been
18 dismantled, scrapped, or destroyed; and

19 (B) cancel the title issued by the department for the motor vehicle.

TITLE 43. TRANSPORTATION

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Chapter 217 – Vehicle Titles and Registration

1

2 (e) Vehicles retrieved from recycler. The department shall reinstate the title and remove the

3 notation in the department's records specified under subsection (d)(2) of this section and

4 Transportation Code, §501.098(f)(1) at the request of a lienholder or last registered owner of a vehicle

5 that is retrieved from a recycler under Transportation Code, §501.098(j). The request must include:

6 (1) a receipt from the recycler transferring the vehicle to the lienholder or last registered

7 owner that includes the vehicle identification number, year and make; and

8 (2) valid proof of identification as provided in §217.7 of this title (relating to

9 Replacement of Title).

10 (f) Records.

11 (1) A recycler shall collect and record the information specified in Transportation Code,

12 §501.098(b)(1)-(9) on a form available on the department's website and maintain that form with the

13 identification documents under Transportation Code, §501.098(b)(10) and the department's response

14 under subsection (d) of this section.

15 (2) The records may be maintained in an electronic format.



To: Texas Department of Motor Vehicles Board
From: Dorothy Spearman, Project Manager
Agenda Item: 17.A
Subject: Camp Hubbard Renewal Project Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Briefing item only to provide an update on the Camp Hubbard Renewal Project.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The Camp Hubbard Renewal Project is underway, and the following tasks have been completed or are currently in process:

- TPFA financing: TPFA has issued three disbursements of project funds, totaling \$30,220,000.00.
- Construction Progress: Construction is 22% complete as of the end of August 2025.
- Building CH-2 Renovations:
 - Floors 3 and 4 window replacement is complete. The new spaces have painted walls, ceiling grids and HVAC. Work is progressing on the building system infrastructure, flooring, and millwork.
 - Renovations are complete on the north restrooms. The east restrooms are 20% complete.
 - The new lobby and south entrance canopy are taking shape on the 1st floor.
 - Sunshade replacement, façade repairs and power washing are complete on the north and east sides.
- Demolition and Site Utilities:
 - Underground utilities installations are 90% complete.
 - Austin Energy has installed new service infrastructure from the MoPac right-of-way.
 - 75% of materials from the three demolished buildings were diverted from the landfill.
- New Building Construction:
 - Foundation piers and slab on grade are 100% complete.
 - Concrete columns on the first floor were 50% complete at the end of August.
 - Shoring and formwork for 2nd floor slabs are being erected. Pours are slated to begin September 11, 2025.
 - Through the end of August, nearly 2,000 cubic yards of concrete have been installed.
- Furniture Design: Furniture selections and office furniture layouts are complete. CH-2 furniture orders are in progress.
- Upcoming Milestones:
 - CH-2 Completion – January 2026
 - CH-1 Structure Completion – March 2027

Board Meeting Date: 9/18/2025
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Eric Horn, Director of Accounting Operations
Agenda Item: 17.B
Subject: Accounts Receivable Project Update

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

This item provides an update on the Accounts Receivable (A/R) system project.

FINANCIAL IMPACT

This project is funded with \$3.5 million in supplemental appropriations, plus \$1.1 million in TxDMV Automation System Funds for expanded master data management functionality and a new Motor Vehicle Inquiry Commercial Account (MVICA) application to be used for active directory user account management to support billing and collecting activities within the new A/R system.

BACKGROUND AND DISCUSSION

The A/R system implementation is in progress with planned completion in FY 2026. The project schedule has been updated to include three production releases to account for infrastructure development issues and dependencies with other projects being completed.

Release A: The first production release of the A/R system occurred on July 14, 2025. This successful release included the cash journal module, which is utilized to record payments sent via mail to TxDMV's headquarters and prepare deposit documents. Daily batch jobs have also been implemented to automate the delivery of deposit information to the State Treasury, reducing the risk of error from manual entries into multiple systems. This release also allowed TxDMV to archive and retire the legacy Revenue Logging System (RLS) and RLS subsystem, which had previously been used to record deposit activities.

Release B: The second production release of the A/R system is currently planned for the second quarter of FY 2026. This release will include the addition of outstanding receivable balances for most customers, and a partial master data management solution that synchronizes all customer payment activity with a majority of existing TxDMV systems. Additionally, a new MVICA application will be added to support billing and collecting activities within the new A/R system.

Release C: The final production release of the A/R system is currently planned for the fourth quarter of FY 2026. This release will include all remaining outstanding receivable balances for customers within the eLICENSING and Motor Carrier Credentialing System (MCCS) and is dependent upon the completion of the MCCS Rewrite project currently in progress. These systems will be added to the master data management solution to centralize all account activities for the agency. The warrant holds module of the new A/R system, which is used for tracking collection of motor vehicle and motor carrier penalties issued by the Enforcement division, will also move to production.

Board Meeting Date: 9/18/2025
BRIEFING ITEM

To: Texas Department of Motor Vehicles Board
From: Keith Yawn, Government & Strategic Communications Division Director
Agenda Item: 18
Subject: Legislative Activity Briefing and Bill Implementation Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Government and Strategic Communications (GSC) Division staff will provide an overview of recent legislative activity and bill implementation updates related to department operations impacted by the 89th Regular Legislative Session.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Department staff are tracking the progress of implementation activities for 39 bills enacted by the 89th Texas Legislature earlier this year. Program staff have been made aware of the passage of an additional 24 bills that could alter department operations under certain conditions that might develop in the future or that codify policies or processes with which the department is already compliant. Staff will provide the board with an update on the status of bill implementation activities and high-profile projects.

At the call of Governor Greg Abbott, the Texas Legislature met in a special session beginning July 21, 2025. The session included work on 18 specific policy topics, including redistricting and disaster preparedness and ended August 15, 2025. The department was not directly involved in the activities of the special session and no bills passed that would have an effect on motor vehicle programs administered by TxDMV. On August 15, 2025, the Governor called the start of the second special session of the 89th Legislature with an agenda largely mirroring the first special session. The second special session ended on September 4, 2025, and did not result in any legislation altering motor vehicle programs or regulations.

**Texas Department of Motor Vehicles**

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Board Meeting Date: 9/18/2025
BRIEFING

To: Texas Department of Motor Vehicles Board
From: Glenna Bowman, Chief Financial Officer
Agenda Item: 19.A
Subject: FY 2025 Annual Financial Report

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

Attached is the TxDMV fiscal year (FY) 2025 Annual Financial Report for September 1, 2024–August 31, 2025. The report includes statistical and detailed information on revenues, the TxDMV Fund 0010 balance, actual expenditures, and outstanding obligations.

Highlights include:

- TxDMV deposited \$2.3 billion in revenue to the General Revenue Fund (0001), State Highway Fund (0006), and TxDMV Fund (0010) in FY 2025, which is 8.3% more than FY 2024 deposits.
- TxDMV Fund revenue deposits total \$198.9 million.
- The adjusted balance of the TxDMV Fund as of August 31, 2025, is \$176.9 million.
- TxDMV Fund actual expenditures total \$208.1 million, with \$21.3 million in outstanding obligations as of August 31, 2025.
- General Revenue Fund actual expenditures total \$20.8 million, with \$29.0 million in outstanding obligations as of August 31, 2025. General Revenue Fund obligations are primarily for Motor Vehicle Crime Prevention Authority (MVCPA) activities.

FINANCIAL IMPACT

TxDMV is self-supporting and funds all its expenditures from revenues deposited to the TxDMV Fund, except the MVCPA, which receives its appropriation from a portion of the motor vehicle insurer fees collected by the state comptroller and deposited to the General Revenue Fund.

BACKGROUND AND DISCUSSION

See attached report.



Texas Department *of* Motor Vehicles

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FY 2025 Financial Summary

Annual Budget Report

(September 1, 2024–August 31, 2025)

Finance and Operations Division

September 18, 2025



Texas Department of Motor Vehicles

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FY 2025 Annual Budget Report

(September 1, 2024–August 31, 2025)

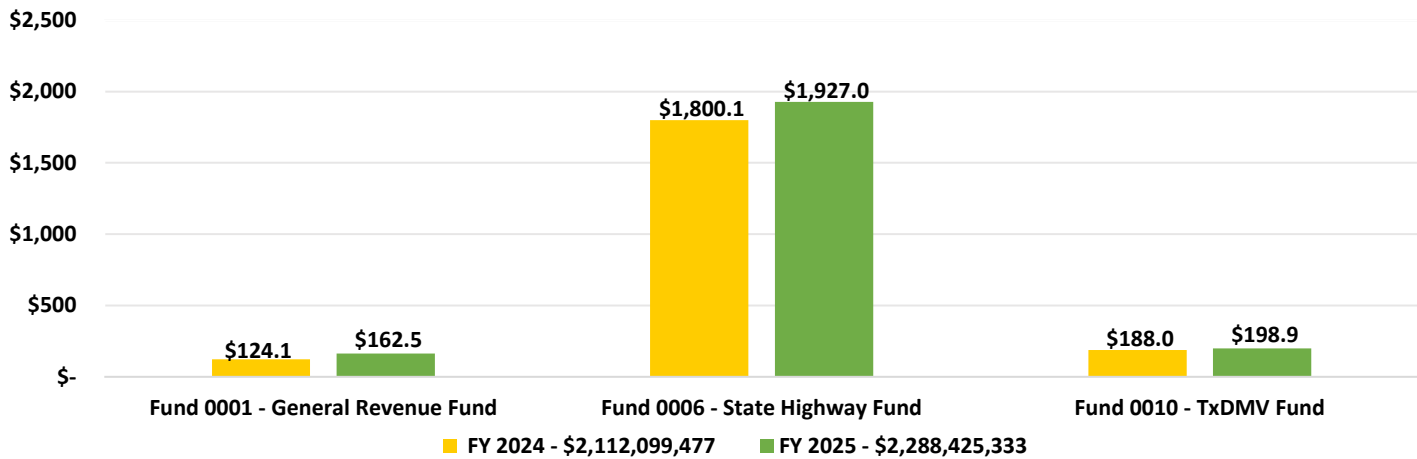
September 18, 2025

FY 2024 versus FY 2025 Revenues - All Funds

September 1 through August 31

FY 2024 and FY 2025 Comparison of Revenue by Fund

(in millions)



- The Texas Department of Motor Vehicles (TxDMV) collected \$2.3 billion in fiscal year (FY) 2025. This is 8.3% more than FY 2024 collections. FY 2024 and FY 2025 revenue deposits for all funds by revenue category are shown in the chart below.

FY 2024 and FY 2025 Revenue by Category - All Funds

Revenue Category	FY 2024 Actual	FY 2025 Actual	Variance	% Difference
Motor Vehicle Certificates of Title	\$ 91,971,015	\$ 96,092,783	\$ 4,121,768	4.5%
Motor Vehicle Registration	1,757,280,993	1,884,972,808	127,691,815	7.3%
Motor Carrier - Oversize/Overweight	171,094,127	179,054,104	7,959,976	4.7%
Motor Carrier Credentialing	5,560,368	5,668,178	107,810	1.9%
Motor Vehicle Business Licenses	6,657,829	7,221,657	563,828	8.5%
Miscellaneous Revenue	22,065,234	55,280,772	33,215,537	150.5%
Processing and Handling Fee	57,469,910	60,135,032	2,665,121	4.6%
Total	\$ 2,112,099,477	\$ 2,288,425,333	\$ 176,325,856	8.3%

- In FY 2025, as compared to FY 2024, the state showed growth in all of the underlying fee-depositing activities, resulting in \$176.3 million more revenue than FY 2024.
- Motor vehicle certificates of title revenue rose from FY 2024 mostly because of an increase in original-title collections. Motor vehicle registration revenue is up from FY 2024 mostly due to an increased number of annual-registration transactions. Oversize/overweight revenue increased due to a higher number of permits issued in FY 2025. Higher motor vehicle business license revenue can be attributed to an increase in dealer-license applications.
- The increase in miscellaneous revenue is almost entirely attributable to the General Revenue Fund 0001 portion of the inspection-program replacement fee paid at annual registration of certain motor vehicles following the FY 2025 implementation of House Bill 3297, 88th Legislature, Regular Session; based on the statutory change, this fee portion newly flows through the TxDMV accounting system. The increase in processing and handling fee revenue is due to an increased number of underlying registration transactions.

FY 2025 Projected versus Actual Revenues - All Funds

September 1 through August 31

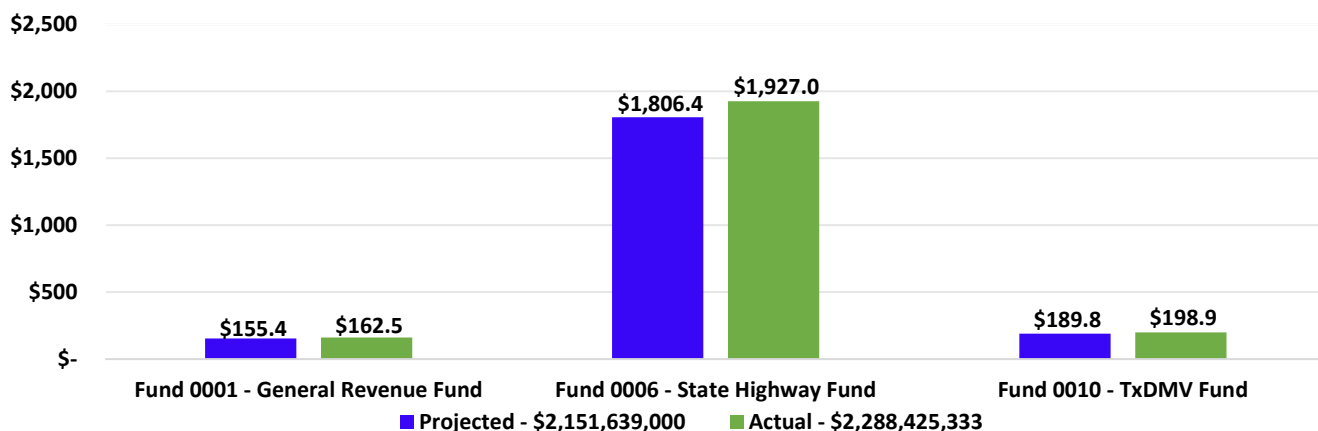
FY 2025 Projected vs Actual Revenue by Category - All Funds

Revenue Category	FY 2025 Projected	FY 2025 Actual	Variance	% Difference
Motor Vehicle Certificates of Title	\$ 92,350,000	\$ 96,092,783	\$ 3,742,783	4.1%
Motor Vehicle Registration	1,767,196,000	1,884,972,808	117,776,808	6.7%
Motor Carrier - Oversize/Overweight	171,659,000	179,054,104	7,395,104	4.3%
Motor Carrier Credentialing	5,418,000	5,668,178	250,178	4.6%
Motor Vehicle Business Licenses	6,724,000	7,221,657	497,657	7.4%
Miscellaneous Revenue	50,822,000	55,280,772	4,458,772	8.8%
Processing and Handling Fee	57,470,000	60,135,032	2,665,032	4.6%
Total	\$ 2,151,639,000	\$ 2,288,425,333	\$ 136,786,333	6.4%

- Revenue for FY 2025 is 6.4% (\$136.8 million) above projections mostly due to increased registration-fee collections.
- Motor Vehicle Certificates of Title revenue is 4.1% (\$3.7 million) above projections due to a higher-than-expected number of original titles issued, and more-than-expected delinquent title-transfer penalty collections.
- Motor Vehicle Registration revenue is 6.7% (\$117.8 million) above projections mostly because of a greater-than-expected number of annual-registration transactions.
- Motor Carrier Oversize/Overweight revenue is above projections by 4.3% (\$7.4 million) due to higher-than-expected permit issuance.
- Motor Carrier Credentialing is 4.6% (\$250,178) above projections due to a higher-than-expected number of credentialing applications filed. Motor Vehicle Business Licenses is 7.4% (\$497,657) above projections, resulting from a higher-than-expected number of applications submitted.
- The variance in miscellaneous revenue of 8.8% (\$4.5 million) is mostly due to higher-than-expected collections of the inspection-program replacement fee. Processing and handling fee revenue is 4.6% (\$2.7 million) over projections due to a higher-than-expected number of annual-registration transactions.
- Total projected and actual revenues by fund are shown on the chart below.

Sep - Aug FY 2025 Projected vs Actual Revenue by Fund

(in millions)

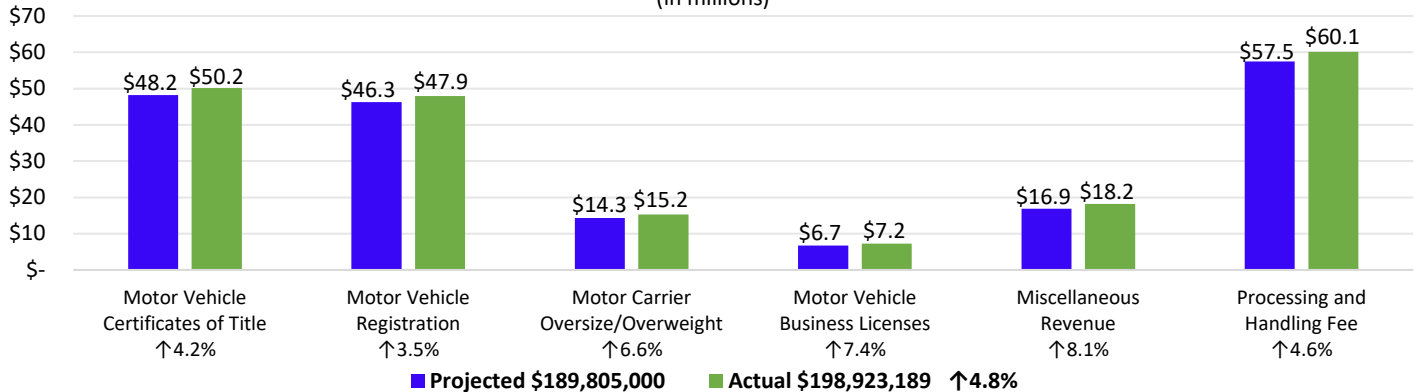


FY 2025 TxDMV Fund 0010 Revenue Highlights

September 1 through August 31

Projected vs Actual Revenue - Fund 0010

(in millions)



- TxDMV Fund 0010 revenue is 4.8% (\$9.1 million) above projections for FY 2025.
- Motor Vehicle Certificates of Title revenue is 4.2% above projections mostly due to more-than-expected delinquent title-transfer penalty collections.
- Motor Vehicle Registration revenue is 3.5% above projections due to higher-than-expected vendor-specialty-plate collections.
- Motor Carrier Oversize/Overweight revenue is 6.6% over projections due to higher-than-expected permit counts.
- Motor Vehicle Business Licenses is 7.4% above projections due to a higher-than-expected number of applications (mostly for general distinguishing numbers).
- Miscellaneous revenue is 8.1% above projections mostly due to higher-than-expected credit-card fee collections.
- Processing and Handling Fee revenue is 4.6% over projections, mostly attributable to a more-than-expected number of underlying registration transactions.

FY 2024 and FY 2025 Actual Revenue - Fund 0010

Revenue Category	FY 2024		FY 2025		Variance	% Difference
	Actual		Actual			
Motor Vehicle Certificates of Title	\$ 48,024,200		\$ 50,185,938		\$ 2,161,738	4.5%
Motor Vehicle Registration	42,470,721		47,916,613		5,445,893	12.8%
Motor Carrier Oversize/Overweight	14,511,396		15,243,053		731,657	5.0%
Motor Vehicle Business Licenses	6,657,829		7,221,657		563,828	8.5%
Miscellaneous Revenue	18,818,538		18,220,896		(597,642)	(3.2%)
Processing and Handling Fee	57,469,910		60,135,032		2,665,121	4.6%
Total	\$ 187,952,594		\$ 198,923,189		\$ 10,970,595	5.8%

- Total TxDMV Fund 0010 revenue is 5.8% (\$11.0 million) higher than in FY 2024. The increase in motor vehicle certificates of title is mostly attributable to higher delinquent title-transfer penalty collections. The increase in motor vehicle registration is mostly due to increased vendor-specialty-plate transactions and the introduction of the new dealer's temporary license plate established by House Bill 718, 88th Legislature, Regular Session. The increase in motor vehicle business license revenue from last year is attributable to more applications for licensure. Within the miscellaneous category, lower interest rates on the fund balance resulted in decreased TxDMV Fund 0010 interest as compared to last year. The increase in processing and handling fee revenue is due to an increased number of vehicle-registration transactions.

FY 2025 Actual Expenditures by Fund (September 1 through August 31)

FY 2025 expenditures (excluding encumbrances) for all funds totaled \$243,230,314. Fund 7805 is used to report payments to the Texas Facilities Commission for the Camp Hubbard Renewal Project. These expenditures are funded by commercial-paper revenue notes issued by the Texas Public Finance Authority (TPFA) that will be repaid through lease payments to TPFA from TxDMV Fund 0010.

	Fund 0010	Fund 0001	Fund 7805	Grand Total
	Sep-Aug FY 25	Sep-Aug FY 25	Sep-Aug FY 25	Sep-Aug FY 25
Operating Expenditures				
Salaries and Wages	\$ 57,582,518	\$ 1,481,358	\$ -	\$ 59,063,876
Other Personnel	\$ 2,874,034	\$ 64,820	\$ -	\$ 2,938,853
Professional Fees	\$ 32,831,956	\$ 468,462	\$ -	\$ 33,300,418
Fuels & Lubricants	\$ 59,711	\$ -	\$ -	\$ 59,711
Consumables	\$ 661,493	\$ 3,853	\$ -	\$ 665,345
Utilities	\$ 5,151,659	\$ 21,460	\$ -	\$ 5,173,119
Travel	\$ 564,354	\$ 89,359	\$ -	\$ 653,713
Rent - Building	\$ 1,048,561	\$ 12,738	\$ -	\$ 1,061,299
Rent - Machine and Other	\$ 223,998	\$ 225	\$ -	\$ 224,223
Other Operating	\$ 89,293,934 ⁽¹⁾	\$ 6,162,931	\$ 14,416,926	\$ 109,873,790
Grants	\$ -	\$ 12,113,231	\$ -	\$ 12,113,231
Other Capital	\$ 1,637,205	\$ -	\$ -	\$ 1,637,205
Total Operating Expenditures	\$ 191,929,422	\$ 20,418,436	\$ 14,416,926	\$ 226,764,784
Fringe Benefits				
Retirement	\$ 5,405,173	\$ 94,150	\$ -	\$ 5,499,323
Group Insurance	\$ 6,241,994	\$ 134,831	\$ -	\$ 6,376,825
OASI (Old Age and Survivor's Insurance)	\$ 4,439,888	\$ 113,071	\$ -	\$ 4,552,959
Unemployment Reimbursement to GR	\$ 13,832	\$ -	\$ -	\$ 13,832
Benefit Replacement Pay	\$ 22,591	\$ -	\$ -	\$ 22,591
Total Fringe Benefits	\$ 16,123,478	\$ 342,052	\$ -	\$ 16,465,530
Total Expenditures	\$ 208,052,900	\$ 20,760,489	\$ 14,416,926	\$ 243,230,314

TxDMV Fund 0010 Balance

FY 2025 Beginning Balance	\$ 207,324,583
Revenue	
Motor Vehicle Certificates of Title	\$ 50,185,938
Motor Vehicle Registration	\$ 47,916,613 ⁽¹⁾
Motor Carrier - Oversize/Overweight	\$ 15,243,053
Motor Vehicle Business Licenses	\$ 7,221,657
Miscellaneous Revenue	\$ 18,220,896
Processing and Handling Fee	\$ 60,135,032 ⁽²⁾
Total Revenue	\$ 198,923,189
Total Fund 0010 Expenditures	\$ 208,052,900
Ending Fund Balance	\$ 198,194,872
Adjustment for Encumbrances	\$ 21,309,978
Adjusted Fund Balance	\$ 176,884,894

FY 2025 Revenues & Expenditures



FY 2025 TxDMV Fund 0010 expenditures exceeded revenue collections due to a timing issue with a one-time expenditure posting early in the fiscal year.

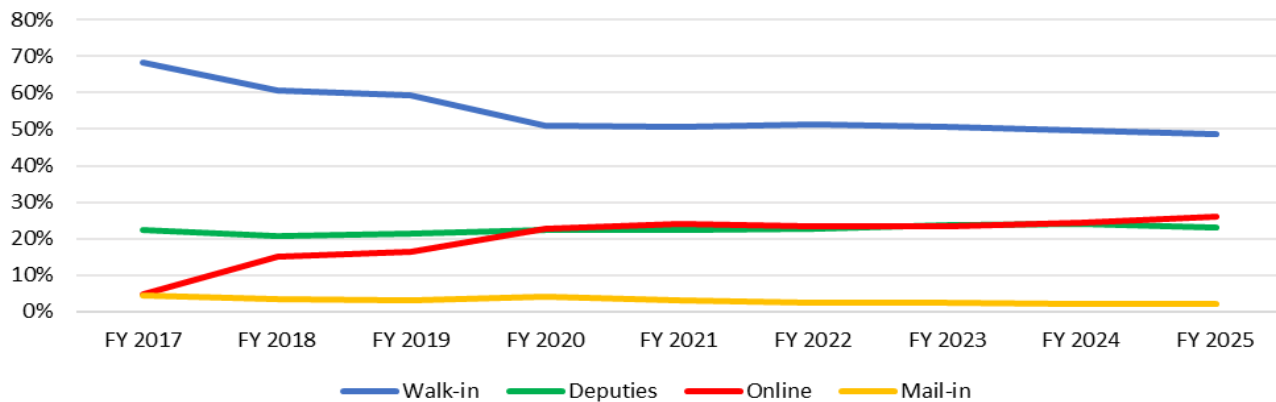
Footnotes:

⁽¹⁾ Included in Motor Vehicle Registration fees are MyPlates revenue collections of \$11,464,189; and included in Other Operating expenditures are MyPlates expenditures of \$11,069,032.

⁽²⁾ Processing and Handling Fee revenue does not include the portion of the fees retained for administrative expenses by the counties or Texas.gov, per TxDMV board rule.

Processing and Handling Fee Transactions

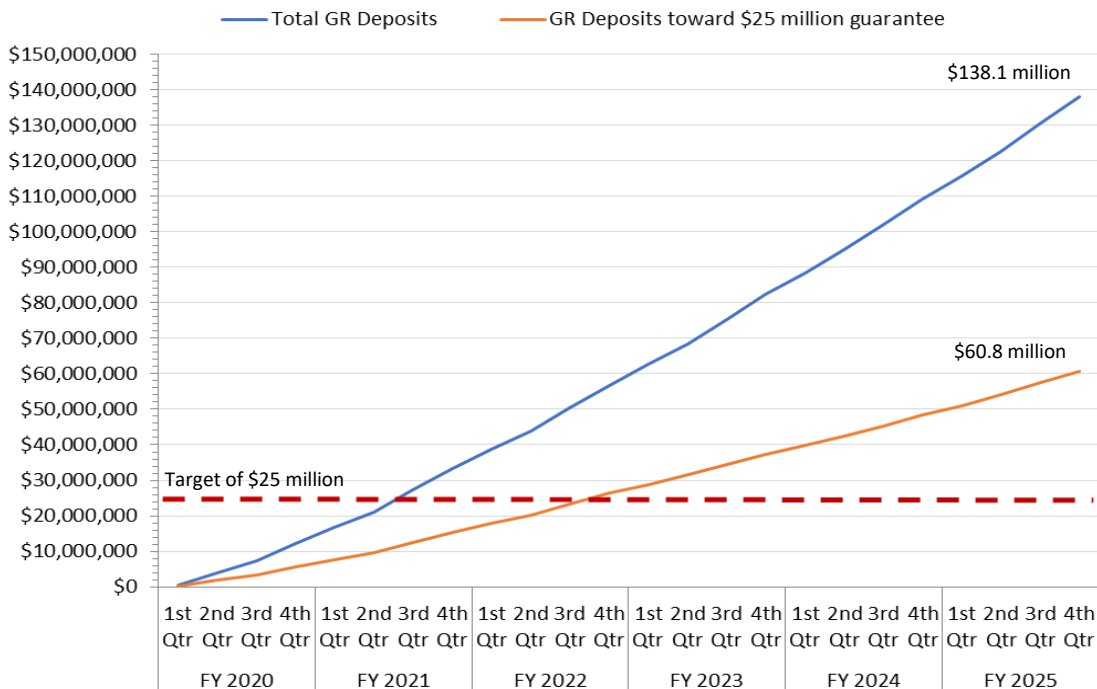
Transaction Mix from Annual Registrations



- In FY 2025, just under half (48.8%) of annual-registration transactions were processed at county offices.
- The percentage of annual-registration transactions conducted online increased year-over-year, accounting for 26.1% (6.9 million) of the 26.3 million total transactions in FY 2025 compared to 24.4% in FY 2024.
- Deputy and mail-in percentages have remained relatively constant since FY 2017, and are at 23.1% and 2.0%, respectively, for FY 2025.

Vendor Plates

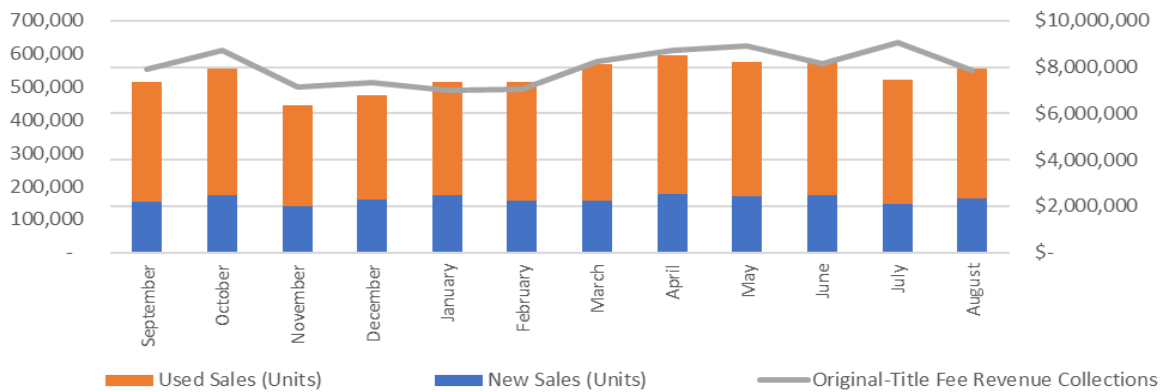
Current-Contract Cumulative Deposits to General Revenue



- General Revenue Fund 0001 deposits associated with the MyPlates contract from November 19, 2019, to August 31, 2025, totaled \$138.1 million.
- The contract's \$25 million guarantee was met in July 2022.
- Since the effective date of the current contract, new orders accounted for 41.1% of the Fund 0001 mix, and renewals accounted for 58.9%.

Motor Vehicle Certificates of Title

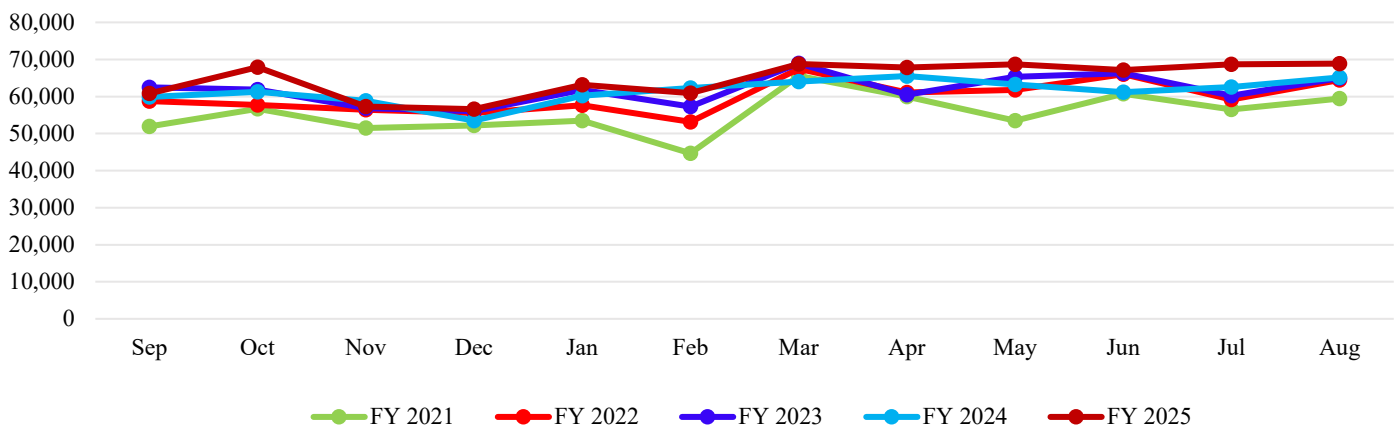
Monthly Auto Sales and Original-Title Fee Revenue Collections



- Original-title fees are the largest component of motor vehicle certificates of title revenue. In FY 2025, TxDMV collected revenue from the issuance of about 6.9 million original titles. Original-title issuance is driven by new-and used-vehicle sales; original-title revenue collections are reflected in the gray trend line above. FY 2025 saw an increase in overall vehicle sales as compared to FY 2024.
- Auto sales in FY 2025 increased 4.1% from FY 2024, with used-vehicle sales up 2.8% and new-vehicle sales up 7.2%.

Motor Carrier Oversize/Overweight Permits

Monthly Oversize/Overweight Permit Issuance



- The number of motor carrier oversize/overweight permits issued in FY 2025 is 776,696 as compared to 737,645 in FY 2024, an increase of 5.3%. Activity in the oil-and-gas and construction sectors is the chief driver of the issuance of motor-carrier permits, resulting in a steady trend in oversize/overweight fee deposits since FY 2024.
- As shown in the trend lines in the graph above, FY 2025 saw an increase (39,051) in number of permits issued as compared to FY 2024.
- Permit counts have increased, and revenue in this category saw a 4.7% year-over-year increase in all three combined funds in FY 2025.

FY 2025 Financial Summary as of August 31

FY 2025 Expenditure Highlights

- The adjusted FY 2025 budget as of August 31, 2025, was \$595.2 million. This amount includes the original baseline total as approved by the 88th Legislature and adjustments as shown in the table below.

FY 2025 Budget	Amount
Original Baseline Appropriations	\$ 231,090,218
Unexpended Balances from FY 2024 and Other Adjustments	\$ 346,729,456
Benefit Costs	\$ 17,344,832
Adjusted Appropriations	\$ 595,164,507

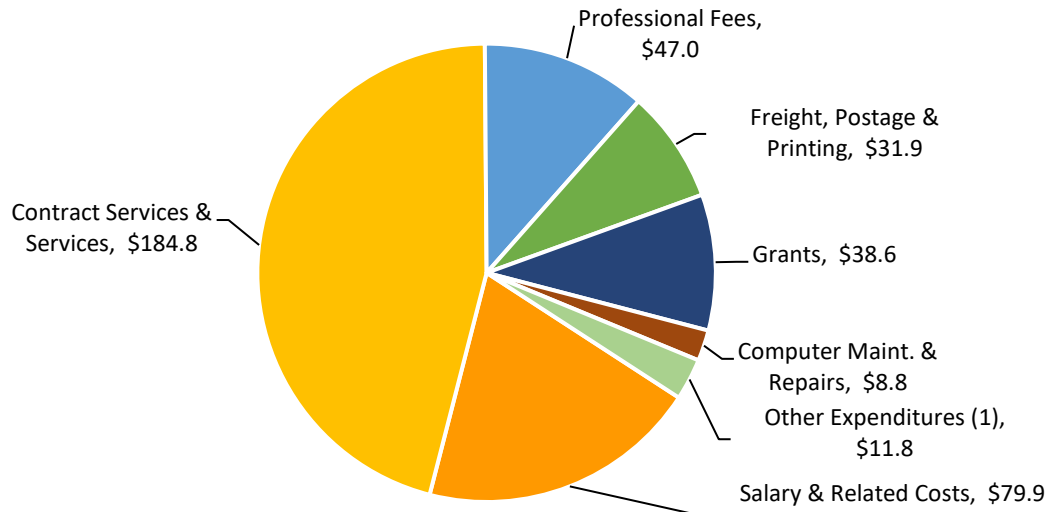
- The baseline total of \$595.2 million provides funding for 902.0 full-time equivalents (FTEs), ongoing operating costs, and FY 2025 funding for capital projects.
- Notable major items included in the original baseline appropriation for FY 2025 is the authorization of 42.0 FTEs for the implementation of House Bill 718, 88th Legislature, Regular Session, and the full-year funding for the implementation of Senate Bill 224 for the Motor Vehicle Crime Prevention Authority (MVCPA).
- The \$346.7 million in unexpended balances and other adjustments as of August 31, 2025, was primarily a combination of the continuation of capital projects funded in FY 2024 and brought forward to FY 2025 and MVCPA lapses brought forward to FY 2025.
- Capital project carryforwards from FY 2024 include Camp Hubbard Renewal (\$142.9 million); Automation projects (\$8.6 million); Registration and Title System (RTS) Replacement Phase One (\$4.1 million); Data Center Consolidation (\$2.1 million); Headquarters Maintenance (\$1.5 million); and Regional Service Center (RSC) Expansion (\$931,000) and Maintenance (\$679,000).
- The adjusted budget of \$595.2 million also includes funding approved by the 89th Legislature for the RTS modernization project. A total of \$125 million in General Revenue funds is authorized by House Bill 500, 89th Legislature, Regular Session, for the second phase of a project that will modernize RTS.

FY 2025 Financial Summary as of August 31

September 1 through August 31

- Expenditures and outstanding obligations as of August 31, 2025, totaled \$402.8 million (\$243.2 million in expenditures and \$159.6 million in encumbrances).

FY 2025 Expenditures and Encumbrances by Category - All Funds
(in millions)

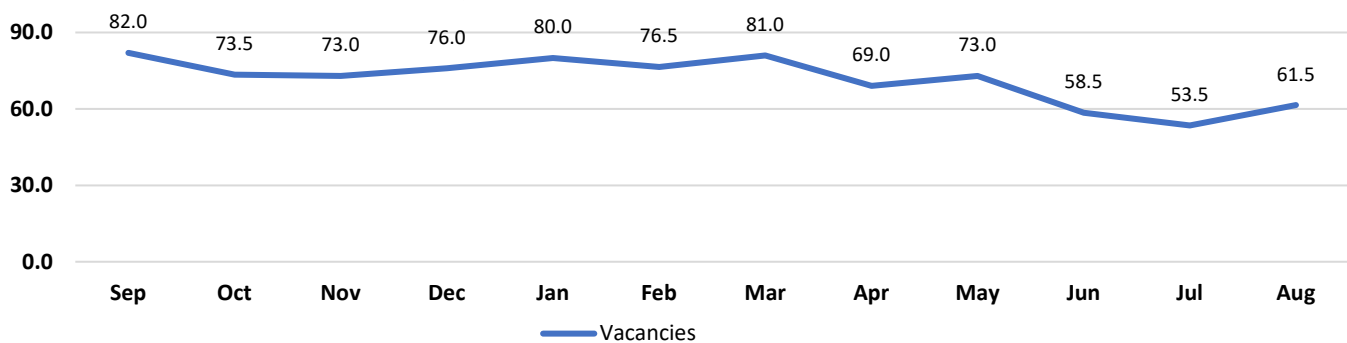


⁽¹⁾ Other Expenditures includes: Rents/Utilities (\$6.6 million), Capital (\$2.4 million), Other Expenses (\$1.7 million), and Travel/Training (\$1.1 million).

Full-Time Equivalents

- The FY 2025 authorized FTE cap is 902.0, which was an increase of 42.0 FTEs over the FY 2024 cap of 860.0.
- To implement the requirements of House Bill 718, 2.0 FTEs were authorized in FY 2024, with the first two being deployed to Information Technology and Enforcement. Another 42.0 FTEs were authorized for implementation of the bill beginning in FY 2025.
- Overall vacancies were reduced during the course of FY 2025.

Monthly Vacancies - Most Recent 12 Months



FY 2025 Financial Summary as of August 31

Capital Budget and Projects

Capital Budget Financial Status

	Revised Budget	Expenditures	Encumbrances	Available Budget
TxDMV Automation System	\$ 11,080,514	(\$2,647,840)	(\$1,979,356)	\$ 6,453,318
Other Information Resources Projects	\$ 24,402,039	(\$15,518,298)	(\$6,669,233)	\$ 2,214,507
Other Capital Projects	\$ 161,746,605	(\$30,418,205)	(\$113,158,137)	\$ 18,170,263
Grand Total, Capital Budget	\$ 197,229,157	(\$48,584,342)	(\$121,806,727)	\$ 26,838,088

- The Revised Capital Budget for FY 2025 includes \$179.1 million carried forward from FY 2024 and \$18.1 million in new FY 2025 appropriations.

TxDMV Automation System Projects

Project Name	FY 2025 Budget	FY 2025 Obligations	Notes
Cybersecurity	\$ 119,973	\$ 33,013	In progress. This project addresses two solutions - a privileged access management solution and a security information event management solution.
RTS Support	\$ 4,335,651	\$ 2,347,829	Project ongoing.
MCCS Rewrite	\$ 4,179,642	\$ 1,279,113	Project underway. Vendor contract has been awarded and project is anticipated to be completed in FY 2026.
Voice-to-Cloud	\$ 1,195,248	\$ 967,241	Project in implementation phase.
Automation Reserve	\$ 1,250,000	\$ -	For carry forward to FY 2026
	\$ 11,080,514	\$ 4,627,196	

FY 2025 Financial Summary as of August 31

Other Information Resources Projects

Project Name	FY 2025 Budget	FY 2025 Obligations	Notes
County Technology	\$ 4,470,341	\$ 3,997,979	Major items in progress include continuing refresh of computer equipment in tax assessor-collector offices; and upgrades of connectivity with tax assessor-collector offices.
Data Center Services	\$ 14,589,080	\$ 14,589,074	This project provides for annual Data Center Services costs.
PC Replacement	\$ 995,094	\$ 978,780	Provides funding for annual computer refresh.
Cybersecurity	\$ 251,668	\$ 236,208	In progress. Includes security audit contract and projects to develop a privileged access management solution and a security information event management solution.
RTS Replacement Phase One	\$ 4,095,856	\$ 2,385,489	This project is to modernize the RTS. The project is in progress. Funds for Phase Two were approved by the Legislature during the 88th legislative session.
	\$ 24,402,039	\$ 22,187,531	

FY 2025 Financial Summary as of August 31

Other Capital Projects

Project Name	FY 2025 Budget	FY 2025 Obligations	Notes
Regional Service Center (RSC) Maintenance	\$ 679,727	\$ 157,601	This funding will be used for the Pharr Regional Service Center project.
Headquarters Maintenance	\$ 1,646,356	\$ 175,922	In progress.
Dallas and Houston RSC Expansion	\$ 981,606	\$ 980,905	Build out of the Houston - South facility is underway. The Dallas - South location is now operational.
Camp Hubbard Renewal	\$ 142,938,915	\$ 131,840,001	Milestones to date: Financing agreements are complete; construction of a new data center in Building 2 has been completed; other renovation work is underway in Building 2; Building 5 has been demolished; and work on the new Building 1 has begun.
	\$ 146,246,605	\$ 133,154,429	



To: Texas Department of Motor Vehicles Board
From: Jason Gonzalez, Internal Audit Director
Agenda Item: 19.B
Subject: Internal Audit Division Status Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This status update provides information on current Internal Audit Division (IAD) activities.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Internal Engagements

The Internal Audit Division has two ongoing internal engagements: The Quality Assurance Peer Review of the Internal Audit Division and the Information Technology Services Division (ITSD) Governance audit.

The Quality Assurance Peer Review is currently in the fieldwork phase. The objective is to evaluate Internal Audit Division's compliance with the Texas Internal Auditing Act, the Institute of Internal Auditor's Global Internal Audit Standards, and the U.S. Government Accountability Office's Government Auditing Standards.

Additionally, the Information Technology Services Division Governance Audit is currently in the fieldwork phase. The objective is to evaluate whether the Department's IT project governance and prioritization practices are effectively structured and implemented to address essential aspects of project governance. The evaluation will include organizational and project governance structures, strategic and operational planning, technology planning, project value delivery and realization, IT project risk management, executive leadership, and resource prioritization and deployment.

Both audits are anticipated to be completed in October 2025.

External Engagements

The Comptroller of Public Accounts (CPA) recently completed two statewide desk audits. The statewide desk audits assessed the charge card rebate program and expenditure processing.

The State's Commercial Charge Card Rebate Program audit reviewed rebate earned reports for 98 state agencies and found that the Texas Department of Motor Vehicles paid credit card invoices within an average of 19 days. The Department paid \$8.27 in late payment interest charges in fiscal year 2024.

Additionally, the CPA completed an audit of the state's Controls Over Expenditure Processing for all state agencies and institutions of higher learning. The audit determined whether agencies had adequate control over expenditure processing. The audit found that the Texas Department of Motor Vehicles had 13 employees who could enter and process payments within the state's accounting systems. The Department took action to segregate these actions at the time of the fiscal year 2023 desk audit; however, changes did not occur in time to be reflected in the fiscal year 2024 audit.



To: Texas Department of Motor Vehicles Board
From: Jason Gonzalez, Internal Audit Director
Agenda Item: 19.C
Subject: FY 2026 Internal Audit Plan

RECOMMENDATION

Action Item. Recommendation to approve the FY 2026 Internal Audit Plan.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles Board approves an internal audit plan each year in compliance with Texas Government Code, Section 2102.008 (Texas Internal Auditing Act). The Fiscal Year (FY) 2026 Internal Audit Plan includes engagements consisting of risk-based audits, advisory services, and required activities. It also includes alternative engagements, value-added services, and division initiatives. The Internal Audit Plan can also be amended with Board approval, ensuring flexibility to adapt to evolving organizational needs.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Texas Government Code, Section 2102.008 (Texas Internal Auditing Act) states that the annual audit plan developed by the internal auditor must be approved by the state agency's governing board or by the administrator of a state agency if the state agency does not have a governing board.

The FY 2026 Internal Audit Plan, covering the period of September 1, 2025 to August 31, 2026, provides information on risk-based audits, advisory services, required activities, value-added services, and division initiatives for approval. The Internal Audit Plan was developed using a risk-based methodology which included discussions with Department management, analysis of past coverage of Department divisions, internal audit and industry publications, and audit topics by the State Auditor's Office and other State agencies. The Internal Audit Plan can be amended with Board approval, ensuring flexibility to adapt to evolving organizational needs.

Audits, Advisory Services, and Required Activities

The Internal Audit Division (IAD) identified eleven engagements to be conducted in the next fiscal year consisting of four risk-based audits, two advisory services, and five required activities. The Internal Audit Plan also includes six alternative engagements.

Value-Added Services and Divisional Initiatives

IAD also conducts value-added services and works on division initiatives to enhance organizational value and improve IAD's effectiveness and efficiency. Items in these categories include investigations on internal fraud, waste, and abuse, external audit/review coordination, workgroup participation, and staff development.



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

Fiscal Year 2026 Internal Audit Plan

Internal Audit Division

September 2025

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Executive Summary

The Internal Audit Division's (IAD) Internal Audit Plan (Plan) for fiscal year (FY) 2026 covers the period of September 2025 through August 2026. This Plan includes risk-based audits, advisory services, required activities, value-added services, and division initiatives as illustrated in Figure 1 below.

Figure 1. Summary of the FY 2026 Internal Audit Plan:

	Audits	<ul style="list-style-type: none">• Cybersecurity• Motor Vehicle Crime Prevention Authority Grant Approval• Travel and Training Reimbursement• Offboarding Access Management
	Advisory Services	<ul style="list-style-type: none">• License Plate Inventory Management• Accounts Receivable Funds Adjustment Process
	Required Activities	<ul style="list-style-type: none">• FY 2025 Internal Audit Annual Report• Quality Assurance and Improvement Program – Internal Assessment• Audit Recommendation Implementation Status• FY 2027 Risk Assessment and Internal Audit Plan• Internal Audit Division Peer Review
	Value-Added Services	<ul style="list-style-type: none">• Investigations on Fraud, Waste, and Abuse• External Audit/Review Coordination• Workgroup Participation / Ad-hoc Advisory• Department Training
	Division Initiatives	<ul style="list-style-type: none">• TeamMate+ Process Optimization• Staff Development and Hiring

Detailed Information

Engagements

Table 1 provides information on the planned risk-based audits, advisory services, and required activities for FY 2026, while Table 2 provides information on alternative engagements in place of those presented in Table 1.

Table 1. Planned Engagements

Topic	Potential Objective
Cybersecurity Audit	This audit could evaluate the effectiveness of cybersecurity training and identify whether cybersecurity metrics are defined and effective.
Motor Vehicle Crime Prevention Authority Grant Approval Audit	This audit could evaluate the financial grant review/approval processes used to provide grant funding and the established criteria for scoring grant applications ensuring appropriate and consistent steps are taken throughout scoring process.
Travel and Training Reimbursement Audit	This audit could provide insight into the current approval and review processes involving travel payments or reimbursement and their compliance with current Department policy.
Offboarding and Access Management Audit	This audit could evaluate how the Department maintains effective access management relative to the offboarding of staff.
License Plate Inventory Management Advisory	This advisory could review the design of newly implemented license plate inventory distribution and management processes.
Accounts Receivable Funds Adjustment Advisory	This advisory could review the funds adjustment process; specifically, the RTS and Tx.GOV reconciliation process, and the Tax Assessor Collector ticketing process.
FY 2025 Internal Audit Annual Report	A report produced in FY 2026 that summarizes IAD's activities conducted in FY 2025. This report will be submitted to the State Auditor's Office.
Quality Assurance and Improvement Program - Internal Assessment	A report produced in FY 2026. This is an internal assessment to determine IAD's compliance with audit standards and performance.
Audit Recommendation Implementation Status	An engagement to verify if outstanding audit recommendations have been fully implemented.

Topic	Potential Objective
FY 2027 Risk Assessment and Internal Audit Plan	An enterprise-wide risk assessment to identify risk areas for the upcoming year. The Internal Audit Plan will be submitted to the State Auditor's Office.
Internal Audit Division Peer Review	Peer Reviews evaluate compliance with Standards and the Texas Internal Auditing Act and provide an opportunity to identify best practices and opportunities for improvement for the Internal Audit function.

Table 2: Alternative Engagements

Topic	Potential Objective
Regional Service Center Roles and Responsibilities Audit	This audit could evaluate the RSC transaction oversight and quality assurance processes to ensure that transactions are accurate.
ITSD Business Return on Investment Audit	This audit could evaluate the effectiveness of return on investment and whether selected projects are evaluated to ensure they meet stakeholder needs.
Special Plates Audit	This audit could evaluate the process and controls in processing special plates, such as personalized and military service license plates.
Contract Monitoring Audit	This audit could evaluate the Department's monitoring processes to determine whether contracts are being managed efficiently and effectively.
Motor Vehicle Division Dealer Licensing Advisory	This advisory could review the Department's current processes on validating dealer applicant identity and determine whether the process is operating efficiently.
Mobile RSC Special Project	This project consists of developing a strategy document for management to initiate discussion on a mobile RSC platform.

Value-Added Services and Division Initiatives

Value-Added Services

- **Investigations on Fraud, Waste, and Abuse:** Detecting, tracking, and reviewing any internal fraud, waste, and abuse allegations, complaints from external parties, and those from the State Auditor's Office. IAD investigates internal fraud, waste, and abuse allegations.
- **External Audit/Review Coordination:** Coordinating external audits or reviews by providing audit status updates and facilitating management responses to recommendations.

- **Workgroup Participation / Ad-hoc Advisory:** Participating in TxDMV workgroups, such as the Executive Steering Committee and the Governance Team, to help identify unforeseen risks in enterprise projects or activities. IAD also sets aside hours to address any short-term assessment or information requests by TxDMV staff.
- **Department Training:** Providing training to help TxDMV staff understand the role of IAD and staff's responsibilities in recommendation implementation and prevention of fraud, waste, and abuse.

Division Initiatives

- **TeamMate+ Process Optimization:** Enhancing the software's functionality by continuing to update the risks stored within the software, creating and automating reports, and staying current on best practices for optimized software functionality.
- **Staff Development & Hiring:** Taking the minimum required hours of training each year (40 hours) in accordance with auditing standards. This includes creating development plans to obtain required knowledge, skills, and abilities for audit and advisory services. Hiring internal audit staff to fill IAD vacancies and providing training to integrate new hires into the office.

Scope and Methodology

Scope

The Internal Audit Plan covers engagements and activities for the period of September 1, 2025 to August 31, 2026 (fiscal year 2026).

Risk Assessment

Risk Methodology

The audit plan was developed using a risk-based methodology which included input from discussions with TxDMV management and risks identified by audit staff through previous engagements and observations. IAD also analyzed TxDMV information, reviewed internal audit and industry publications, and analyzed audit topics by the State Auditor's Office and other State agencies. Finally, risks reviewed took into consideration additional factors such as:

- Operational impact;
- Reputational impact;
- Financial impact;
- Legal or regulatory impact;
- Degree of change in the program, function, or process;
- Degree of complexity;
- Control design strength.

Acceptable Risk Level

IAD aim to cover all Department functions or risks in its FY 2026 Internal Audit Plan. IAD's objective is to focus on key processes and areas of risk identified during the risk assessment to improve Department processes. Recognizing that IAD cannot address every key process and risk, it is important for the Board and executive management to understand the limits of the internal audit plan's coverage and the areas not audited. IAD believes the FY 2026 Internal Audit Plan adequately addresses key risks within IAD's capabilities and resources.



Texas Department
of Motor Vehicles