



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

TxDMV Board Meeting

9:00 a.m.

Thursday, April 9, 2026

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, APRIL 9, 2026
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 April 9, 2026, 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.

PAGE

1. **Roll Call and Establishment of Quorum**
2. **Pledges of Allegiance - U.S. and Texas**
3. **Chair's Reports** - Chairman Bacarisse (BRIEFING ONLY)
4. **Executive Director's Reports** - Daniel Avitia (BRIEFING ONLY)
 - A. Departure of Chief Financial Officer Director Glenna Bowman
 - B. Departure of Consumer Relations Director Amanda Collins
 - 7 C. [Recognition of Years of Service](#)
- 8 5. [Performance Quality Recognition Program \(PQRP\) Award Recognition](#) - Annette Quintero (BRIEFING ONLY)

RULE ADOPTIONS

- 10 6. **Rule Review**
[Rule Review Adoption under Government Code, §2001.039: Chapter 208, Employment Practices](#) - Laura Moriaty (ACTION ITEM)
(Published 12/26/25 - 50 TexReg 8632)
-

PAGE

- 12 7. **Chapter 211, Criminal History Offense and Action on License** - Clint Thompson (ACTION ITEM)
Amendments: Subchapter B
New: §§211.1, 211.7, and 211.9; and Subchapter C
Repeals: §211.1 and §211.2
(Relating to Implementation of SB 1080, 89th Legislative Session; and Cleanup)
(Published 12/26/25 - 50 TexReg 8521)
- 40 8. **Chapter 218, Motor Carriers** - Clint Thompson (ACTION ITEM)
Amendments: §218.2 and §218.13
(Relating to Cleanup)
(Published 12/26/25 - 50 TexReg 8528)

RULE PROPOSALS

- 69 9. **Rule Review**
Rule Review Proposal under Government Code, §2001.039: Chapter 215, Motor Vehicle Distribution - Laura Moriaty (ACTION ITEM)
- 71 10. **Advisory Committee Recommendations: Motor Vehicle Industry Regulation Advisory Committee (MVIRAC)** - Laura Moriaty and MVIRAC Presiding Officer (BRIEFING ONLY)
- 74 11. **Chapter 215, Motor Vehicle Distribution** - Monique Johnston (ACTION ITEM)
Amendments: Subchapters A, B, C, D, E, F, and G
New: §§215.107, 215.153, and 215.159
Repeal: §§215.1, 215.81, 215.101, 215.131, 215.171, 215.241, 215.243, and 215.269
(Relating to Enhancing the Enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; and Cleanup)
- 251 12. **Chapter 221, Salvage Vehicle Dealers** - Monique Johnston (ACTION ITEM)
Amendments: §221.17
(Relating to License Processing for Military Service Members, Spouses, and Veterans; and Cleanup)

BRIEFING AND ACTION ITEMS

- 260 13. **Specialty Plate Designs** - Annette Quintero (ACTION ITEM)
A. Texas Exes Black - New Design Proposed under Transportation Code §504.851
B. Houston Texans - Crossover Design Proposed under Transportation Code §504.851 and §504.6011
14. **Projects and Operations Committee Update** - Committee Chair Darren Schlosser (BRIEFING ONLY)
-

- 264 A. Enterprise Projects
 - Camp Hubbard Renewal Project
- 266 B. Technology Projects
 - i. Registration and Title System (RTS) Modernization and Ecosystem Modernization
 - ii. Other Projects
 - 268 a. TAC T1 Upgrade
 - 269 b. Grants Management Tracking System (GMTS)
 - 270 c. Motor Carrier Credentialing System (MCCS) Rewrite
 - 271
- C. Accounts Receivable Project Update

- 273 15. Appointment of Members to the Automated Vehicle Regulation Advisory Committee (AVRAC), Customer Service and Protection Advisory Committee (CSPAC), Motor Vehicle Industry Regulation Advisory Committee (MVIRAC), and Vehicle Titles and Registration Advisory Committee (VTRAC) - Laura Moriaty (ACTION ITEM)

- 280 16. **Finance and Audit**
 - A. FY 2026 Semi-Annual Report of Revenues and Expenditures - John Ralston (BRIEFING ONLY)
 - 294 B. Strategic Planning - Chris Hayden (BRIEFING ONLY)
 - 295 C. Revised Delegation of Bond Signature Authority (ACTION ITEM) - Chris Hayden
 - 296 D. Internal Audit Division Status Update - Jason Gonzalez (BRIEFING ONLY)
 - i. Internal Engagements
 - a. Quality Assurance External Peer Review of the Internal Audit Division
 - b. Information Technology Service Division (ITSD) Project Governance Audit
 - c. Internal Audit Division Follow-Up
 - d. Finance and Operations (FAO) Accounts Receivable Advisory
 - e. Motor Vehicle Crime Prevention Authority (MVCPA) Audit
 - ii. External Engagements
 - a. State Auditor's Office (SAO) Data Governance Audit
 - b. State Office of Risk Management - Fiscal Year Risk Management Program Review
 - c. Texas Comptroller of Public Accounts - Payment Approval Authority and Security Desk Audit

CLOSED SESSION

17. 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 Internal Audit 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.

18. Action Items from Closed Session

19. Public Comment

20. 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 the 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.

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 4
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. The Texas Department of Motor Vehicles (TxDMV) recognizes the following individuals:

State Service Milestones:

20 years:

- Michelle Embry – Information Technology Services Division
- Trinie De La Cruz McCarley – Vehicle Titles and Registration Division
- Allison Tomasini – Motor Carrier Division

25 years:

- Seberina Palomarez – Vehicle Titles and Registration Division
- Noemi Edington – Motor Carrier Division

30 years:

- Michelle Arriaga – Information Technology Services Division
- Rachel Vasquez – Motor Carrier Division

35 years:

- Mary Lou Cardenas – Information Technology Services Division

Retirements:

None

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 5
Subject: Performance Quality Recognition Program (PQRP) Award Recognition

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) seeks to provide the board with this year’s Performance Quality Recognition Program (PQRP) award recipients. The PQRP award recognizes Texas counties for their exemplary customer service and for going above and beyond in providing vehicle title and registration services. Four (4) Texas counties earned Performance Quality Recognition Program awards from TxDMV this year.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

This program recognizes county tax assessor-collectors for outstanding performance and efficiency in processing title and registration transactions. It is a voluntary program available for all Texas county tax assessor collectors to apply. The program recognizes tax assessor-collectors at three levels – Gold, Silver, and Bronze.

There has been a total of 12 gold, 12 silver, and 24 bronze recipients since the inception of the program in FY2017. This award acknowledges a variety of items based on industry best practices, including:

- Remitting fees on time
- Consistently applying statutes, rules, and policies governing motor vehicle transactions
- Maintaining bonds required by statute or rule
- Performing efficiently with low error rates
- Having a fraud, waste, and abuse awareness program
- Focusing on customer satisfaction
- Implementing cost-saving measures

Recipients receive a letter and certificate from the Texas Department of Motor Vehicles, as well as an electronic insignia which can be placed on the county’s website and shared with the public and other stakeholders to acknowledge this achievement. TxDMV also lists the award recipients on our website.



This year's winners are:

Gold recognition

- Bexar County – Albert Uresti, Tax Assessor-Collector
- Montgomery County – Tammy J. McRae, Tax Assessor-Collector
- Williamson County – Larry Gaddes, Tax Assessor-Collector

Silver recognition

- McLennan County – Randy H. Riggs, Tax Assessor-Collector

Bronze recognition

- Sabine County – Martha M. Stone, Tax Assessor-Collector

Texans expect and deserve exceptional and efficient customer service. Counties and their residents can be proud of this well-earned achievement.

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 6
Subject: Rule Review Adoptions under Government Code, §2001.039: Chapter 208, Employment Practices

RECOMMENDATION

Action Item. Approval to publish in the *Texas Register* the notice of readoption of 43 Texas Administrative Code (TAC) Chapter 208, Employment Practices. 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 Chapter 208 in compliance with Government Code §2001.039.

FINANCIAL IMPACT

There will be no significant fiscal implications.

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 December 26, 2025, issue of the *Texas Register* (50 TexReg 8632). The comment period closed on January 26, 2026. No comments were received on the rule review.

The department's review did not identify necessary amendments, new sections, or repeals in Chapter 208. No changes were proposed for Chapter 208.

TITLE 43. TRANSPORTATION

Adopted Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 208 – Employment Practices

Notice of Readoption

The Texas Department of Motor Vehicles (department) files this notice of readoption of Title 43 Texas Administrative Code (TAC), Chapter 208, Employment Practices. The review was conducted pursuant to Government Code, §2001.039.

Notice of the department's intention to review was published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8632). The department did not receive any comments on the rule review.

As a result of the review, the department readopts Chapters 208 without any changes. The department has determined that the reasons for initially adopting the readopted rules continue to exist.

This concludes the review of Chapter 208.

To: Texas Department of Motor Vehicles Board
From: Clint Thompson, Motor Carrier Division Director
Agenda Item: 7
Subject: Chapter 211, Criminal History Offense and Action on License
Amendments: Subchapter B
New: §§211.1, 211.7, and 211.9; and Subchapter C
Repeals: §211.1 and §211.2
(Relating to Implementation of SB 1080, 89th Legislative Session; and Cleanup)

RECOMMENDATION

Action Item. Adopt proposed repeals, amendments and new sections in 43 Texas Administrative Code Chapter 211 with an effective date of May 1, 2026.

PURPOSE AND EXECUTIVE SUMMARY

The revisions implement Senate Bill (SB) 1080, 89th Legislature, Regular Session (2025) regarding motor carriers and make conforming changes to Chapter 211 due to the addition of new Subchapter C regarding motor carriers.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the adoption of revisions to Chapter 211.

BACKGROUND AND DISCUSSION

The revisions implement SB 1080 for motor carriers by defining which felony offenses directly relate to the duties and responsibilities of a licensed motor carrier under Occupations Code, §53.021(b)(1)(A).

Prior to the effective date of SB 1080 on May 27, 2025, Occupations Code, §53.021(b) automatically revoked licenses by operation of law when the license holder was imprisoned for any felony. SB 1080 amended Occupations Code, §53.021(b) to narrow the law so that a license is automatically revoked upon imprisonment only for specific felonies, including offenses that directly relate to the duties and responsibilities of the licensed occupation. For purposes of Occupations Code, Chapter 53, a certificate of registration that the department issues to a motor carrier under Transportation Code, Chapter 643 is a license.

New Chapter 211, Subchapter C only applies to a sole proprietor motor carrier because only an individual can be imprisoned. Even though a legal entity's employees or representatives can be imprisoned for an offense, the department does not have the statutory authority to apply Subchapter C to a legal entity's employees or representatives.

The department must define which offenses directly relate to the duties and responsibilities of a licensed motor carrier, so the department can determine which licenses are revoked by operation of law under Occupations Code, §53.021(b)(1)(A). New §211.23 states the reasons a particular offense is considered to relate to a motor carrier license as required by Occupations Code, §53.025.

New Subchapter C only applies to a motor carrier who is imprisoned on or after May 1, 2026.

Comments

The proposed revisions were published for comment in the December 26, 2025, issue of the *Texas Register*. No comments were received on the proposal.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

ADOPTION OF REVISIONS TO

SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES

43 TAC §211.11

REPEAL

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §211.1 AND §211.2

NEW

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §211.1

SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES

43 TAC §211.7 AND §211.9

SUBCHAPTER C. CRIMINAL OFFENSE GUIDELINES: MOTOR CARRIERS

43 TAC §211.23 and §211.25

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts revisions to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, by repealing §211.1 and §211.2, and adopting new §211.1. The department also adopts amendments to current 43 TAC Subchapter B, Criminal History Evaluation Guidelines and Procedures, by retitling Subchapter B, amending §211.11, and adding new §211.7 and §211.9. In addition, the department adopts new Subchapter C, Criminal Offense Guidelines: Motor Carriers; §211.23 and §211.25. These revisions concern the consequences of certain criminal convictions and imprisonment following certain criminal convictions or actions under Occupations Code, Chapter 53.

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 2 of 11

Chapter 211 – Criminal History Offense and Action on License

1 The department adopts the following rules without changes to the proposed text as published in
2 the December 26, 2025, issue of the *Texas Register* (50 TexReg 8521), and will not republish these rules:
3 §§211.1, 211.9, 211.11, and 211.23. The department adopts §211.7 and §211.25 with changes at adoption
4 to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8521),
5 and will republish these rules. In conjunction with this adoption, the department is adopting the repeal of
6 §211.1 and §211.2 concerning general provisions regarding actions on certain licenses, which is also
7 published in this issue of the *Texas Register*.

8 **REASONED JUSTIFICATION.** New §211.1 and new Subchapter C are necessary to implement Senate Bill
9 (SB) 1080, 89th Legislature, Regular Session (2025) regarding motor carriers. The revisions to Subchapters
10 A and B are necessary to make conforming changes to Chapter 211 due to the addition of new Subchapter
11 C.

12 Prior to the effective date of SB 1080 on May 27, 2025, Occupations Code, §53.021(b)
13 automatically revoked licenses by operation of law without any action by the department following the
14 license holder's imprisonment for any felony. SB 1080 amended Occupations Code, §53.021(b) to narrow
15 the law so that a license is automatically revoked upon imprisonment only for specific felonies, including
16 offenses that directly relate to the duties and responsibilities of the licensed occupation.

17 For purposes of Occupations Code, Chapter 53, a certificate of registration that the department
18 issues to a motor carrier under Transportation Code, Chapter 643 is a license. Occupations Code, §53.001
19 and Government Code, §2001.003 define the word "license" as "the whole or a part of a state agency
20 permit, certificate, approval, registration, or similar form of permission required by law." The department
21 must therefore define in rule which offenses directly relate to the duties and responsibilities of a licensed
22 motor carrier, so that the department will be able to determine which licenses are revoked by operation
23 of law under Occupations Code, §53.021(b)(1)(A).

1 **Subchapter A. General Provisions**

2 The adoption of the repeal of §211.1 enabled the department to adopt new §211.1, which applies
3 to the entire Chapter 211, including new Subchapter C regarding motor carriers.

4 Adopted new §211.1(a) states that the purpose of Chapter 211 is to implement Occupations Code,
5 Chapter 53 regarding the consequences of a criminal conviction on a license that the department is
6 authorized to issue. Adopted new §211.1(b) incorporates laws by reference to provide the applicable
7 definitions regarding specific offenses referenced in Chapter 211. Occupations Code, §53.021 references
8 “an offense that directly relates to the duties and responsibilities of the licensed occupation,” and does
9 not limit the language to offenses under Texas law. Adopted new §211.1(b) therefore incorporates
10 definitions from federal laws, other states’ laws, and the laws of foreign jurisdictions. Adopted new
11 §211.1(c) defines “department” as the Texas Department of Motor Vehicles for clarity and consistency.

12

13 **Subchapter B. Criminal History Evaluation Guidelines and Procedures: Motor Vehicle, Salvage Vehicle,** 14 **and Trailer Industries**

15 An adopted amendment retitles Subchapter B to only apply to the motor vehicle, salvage vehicle,
16 and trailer industries because the department’s adopted revisions to Chapter 211 include new Subchapter
17 C regarding motor carriers.

18 The adopted repeal of §211.1 and §211.2 enabled the department to adopt modified versions of
19 the prior text of these sections as new §211.7 and §211.9 to only apply to Subchapter B, regarding the
20 motor vehicle, salvage vehicle and trailer industries, due to the adopted new Subchapter C regarding
21 motor carriers.

22 Adopted new §211.7 modifies the language in the repealed version of §211.1 to only apply to
23 Subchapter B, clarifies that the referenced statutes are Texas statutes, moves the definitions to subsection

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 4 of 11

Chapter 211 – Criminal History Offense and Action on License

1 (a) so that they appear before the use of the defined terms in adopted new §211.7, and makes the format
2 of the definitions consistent with the department’s other administrative rules. The department adopts
3 §211.7(a)(2) with a change at adoption to change the word “does” to “do” to correct a grammatical error.
4 Adopted new §211.9 modifies the language in repealed §211.2 to only apply to Subchapter B and clarifies
5 that the reference to the Occupations Code is a reference to the Texas Occupations Code. The text in
6 adopted new §211.7 and §211.9 clarify that the statutory citations are to Texas law, and are necessary
7 due to references to the laws in other jurisdictions in Chapter 211 and the adopted revisions to Chapter
8 211.

9 Adopted amendments to §211.11 update cross-references to adopted new §211.9, update the
10 language to only apply to Subchapter B, and clarify that the statutory citations are to Texas law for the
11 reasons stated above. Adopted amendments to §211.11 also modify the current citations to statutes for
12 consistency with the citations to Texas law throughout Chapter 211.

13

14 Subchapter C. Criminal Offense Guidelines: Motor Carriers

15 Adopted new Subchapter C implements SB 1080 for motor carriers by defining which offenses
16 directly relate to the duties and responsibilities of motor carriers for purposes of Occupations Code,
17 §53.021(b)(1)(A). The department submitted an early draft of adopted new §211.23 and §211.25 to the
18 Motor Carrier Regulation Advisory Committee (MCRAC) for review and feedback at the MCRAC meeting
19 in October of 2025. The members of MCRAC did not have any formal advice or recommendations in the
20 form of an approved motion. However, in response to a request from industry and a member of MCRAC,
21 the department modified adopted new §211.23(a), prior to publication in the *Texas Register*, to limit the
22 definition for the word “license” to a sole proprietor motor carrier for the reasons stated below.

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 5 of 11

Chapter 211 – Criminal History Offense and Action on License

1 Adopted new §211.23(a) provides the definition for the word “license” as used in adopted new
2 Subchapter C to limit the term to a certificate of registration issued by the department under Texas
3 Transportation Code, Chapter 643 to a sole proprietor motor carrier. This definition prevents confusion
4 about the application of Occupations Code, §53.021(b)(1)(A) by excluding a legal entity because a legal
5 entity as a whole cannot be imprisoned for an offense, even though a legal entity’s employees or
6 representatives can be imprisoned for an offense. Only an individual can be imprisoned. Adopted new
7 §211.23(a) also clarifies that a license authorizes a motor carrier to engage in certain operations under
8 Transportation Code, Chapter 643. Although the department issues one type of license under
9 Transportation Code, Chapter 643, a licensed motor carrier may transport the following, subject to
10 compliance with the applicable laws regarding that type of operation: cargo, passengers, household
11 goods, or hazardous materials.

12 Occupations Code, §53.025 requires each state agency to issue guidelines that “must state the
13 reasons a particular crime is considered to relate to a particular license.” To fulfill that requirement,
14 adopted new §211.23(b) states the reasons each offense referenced in adopted new §211.25 is
15 considered to relate to the particular duties and responsibilities of a license for a motor carrier. Adopted
16 new §211.23(b) explains why the different offenses listed in adopted new §211.25 relate to the different
17 types of motor carrier operations that are authorized under a motor carrier license, depending on how
18 the specific duties and responsibilities of each type of motor carrier operation provide a greater
19 opportunity for an individual, who is predisposed to commit specific types of violations, to commit those
20 offenses.

21 Adopted new §211.25 lists the felony offenses that directly relate to the duties and
22 responsibilities of a licensed motor carrier under Occupations Code, §53.021(b)(1)(A). Adopted new
23 §211.25(a) explains that under Occupations Code, §53.021(b)(1)(A), a license holder’s license is

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 6 of 11

Chapter 211 – Criminal History Offense and Action on License

1 automatically revoked by operation of law on the license holder's imprisonment after a conviction of a
2 felony offense that directly relates to the duties and responsibilities of a license holder. Adopted new
3 §211.25(b) explains that the department used the factors listed in Occupations Code, §53.022 to
4 determine that the offenses detailed in adopted new §211.25(c) through (g) directly relate to the duties
5 and responsibilities of a license holder under Transportation Code, Chapter 643. Adopted new §211.25(b)
6 also clarifies that the listed offenses include offenses under the laws of the United States or another state
7 of the United States if the offense contains elements that are substantially similar to the elements of an
8 offense under the laws of Texas, except as stated otherwise in adopted new Subchapter C.

9 While the offenses listed in adopted new §211.25(c) apply to all licensed motor carriers, the
10 offenses listed in adopted new §211.25(d) through (g) apply only to specific types of motor carrier
11 operations due to the particular opportunities to commit certain offenses under a specific type of motor
12 carrier operation. A licensed motor carrier controls, operates, or directs the operation of one or more
13 motor vehicles that transport persons or cargo, which enables the license holder to commit certain
14 offenses that involve the use of a motor vehicle. Also, a licensed motor carrier provides the department
15 with certain information and documents that the department uses to administer and enforce Texas
16 Transportation Code, Chapter 643 and that law enforcement uses to enforce certain laws, including Texas
17 Transportation Code, Chapter 644 and the administrative rules that the Texas Department of Public Safety
18 adopted under Texas Transportation Code, Chapter 644. In addition, a potential customer of a motor
19 carrier has access to certain information on the department's website to determine whether to use the
20 services of a particular licensed motor carrier, and the licensed motor carrier must provide the
21 department with most of this information as part of a license application and any required updates. A
22 licensed motor carrier is in a position of trust with the department because a licensed motor carrier must

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 7 of 11

Chapter 211 – Criminal History Offense and Action on License

1 provide accurate information and documents to the department, so the department's records are reliable
2 for the department, law enforcement, and potential shippers or passengers of the motor carrier.

3 The offenses that relate to all licensed motor carriers under adopted new §211.25(c) include
4 offenses that involve the smuggling of a person, the use of a motor vehicle for trafficking or smuggling
5 persons, bribery, perjury, obstructing a road, intoxication while operating a motor vehicle, delivery of a
6 controlled substance, fraudulent emissions inspections, and knowingly operating a commercial motor
7 vehicle in violation of an out-of-service order if the commercial motor vehicle was involved in a motor
8 vehicle collision that resulted in bodily injury or death of a person. Some of these offenses, like the
9 smuggling of a person, the use of a motor vehicle for trafficking or smuggling persons, and delivery of a
10 controlled substance address Occupations Code, §53.022(3) because being a licensed motor carrier gives
11 an individual an opportunity to engage in that sort of criminal activity again. Other offenses listed in
12 adopted new §211.25(c), like intoxication while operating a motor vehicle, align with Occupations Code,
13 §53.022(4) because intoxication inhibits a person from being able to fulfill the duties of a licensed motor
14 carrier, including safe operation. Still other offenses—such as those involving fraudulent emissions
15 inspections, bribery, perjury, and knowingly operating a commercial motor vehicle in violation of an out-
16 of-service order during which the commercial motor vehicle was involved in a motor vehicle collision that
17 resulted in bodily injury or death of a person—align with Occupations Code, §53.022(5) because they
18 correlate with the duties and responsibilities of motor carriers to comply with safety laws, to remain safe
19 on the road, and to cooperate with, provide accurate information to, and follow the orders of government
20 officials, including law enforcement. The offenses listed in §211.25(c) are thus all equally relevant to all
21 motor carriers, regardless of their specific type of operation. The department adopts §211.25(c) with
22 changes at adoption to move the offense described by Texas Penal Code, §42.03 from §211.25(c)(3) to
23 new §211.25(c)(4) and renumbered the remaining paragraphs under §211.25(c) because the offense of

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 8 of 11

Chapter 211 – Criminal History Offense and Action on License

1 obstruction of a highway or other passageway under §42.03 does not fall within Penal Code, Title 8
2 regarding offenses against public administration.

3 Adopted new §211.25(d) sets out offenses that relate only to a passenger motor carrier due to
4 the position of trust and close physical proximity between the motor carrier and its passengers. The
5 offenses listed in adopted new §211.25(d) are in addition to the offenses listed in adopted new §211.25(c).
6 A passenger loses some of their autonomy over themselves and their tangible personal property,
7 documents, and cargo while they are in another person's motor vehicle. If the passenger is a child, there
8 is even more risk of a crime involving the child or the child's tangible personal property, documents, or
9 cargo. The offenses in adopted new §211.25(d) include offenses that harm or endanger another person
10 as set out in Texas Penal Code, Title 5, such as criminal homicide, kidnapping, sexual offenses and
11 assaultive offenses. The offenses in adopted new §211.25(d) also include offenses that endanger families
12 or children, such as enticing a child from their parent's custody, violating a court protective order, selling
13 or purchasing children, continuous family violence, using a minor to sell or display harmful material to a
14 minor, employing a child to work in a sexually-oriented commercial activity, possessing child pornography,
15 and any offense for which the person convicted must register as a sex offender. The listed offenses in
16 adopted new §211.25(d) also include offenses against tangible personal property, a document, or cargo
17 belonging to another person, such as the offenses of criminal mischief, robbery, and theft. All of these
18 offenses fit within Occupations Code, §53.022(1) due to the nature and seriousness of the crimes, which
19 involve the safety or well-being of a person. Also, most of these offenses fit within Occupations Code,
20 §53.022(3) because a licensed motor carrier operating as a passenger carrier has an increased opportunity
21 to engage in this sort of criminal activity again.

22 Adopted new §211.25(e) defines offenses that relate only to a for-hire motor carrier of cargo,
23 including household goods and hazardous materials, due to the motor carrier's specific position of trust

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 9 of 11

Chapter 211 – Criminal History Offense and Action on License

1 with the shipper and access to the shipper's cargo. A shipper and an individual associated with the shipper
2 may interact with the motor carrier in person, which provides an opportunity for the motor carrier to
3 commit an offense against the individual. Also, a shipper loses control over their cargo when the motor
4 carrier has possession of the cargo. The offenses listed in adopted new §211.25(e) are in addition to the
5 offenses listed in adopted new §211.25(c). These offenses include any offense for which the person must
6 register as a sex offender, and the offenses set out in Texas Penal Code, Title 5, such as criminal homicide,
7 kidnapping, sexual offenses, and assaultive offenses. In keeping with Occupations Code, §53.022(3), a
8 motor carrier's contact with a shipper gives a licensed motor carrier an increased opportunity to engage
9 in these offenses against the shipper and individuals associated with the shipper. The offenses listed in
10 adopted new §211.25(e) also include offenses against tangible personal property, a document, or cargo
11 belonging to another person, such as the offenses of criminal mischief, robbery, burglary of a vehicle,
12 criminal trespass, theft, and fraud. Since a motor carrier of cargo is entrusted with a shipper's cargo for
13 transport, the motor carrier has an increased opportunity to engage in these property crimes. In keeping
14 with Occupations Code, §53.022(3), a motor carrier's contact with a shipper and the shipper's property
15 gives a licensed motor carrier an increased opportunity to engage in these offenses against the shipper.

16 Adopted new §211.25(f) enumerates offenses that relate only to a household goods carrier
17 because they are allowed access to the shipper's home, household goods, and household members,
18 including children. These offenses are in addition to the offenses listed in §211.25(c) and (e). Adopted
19 new §211.25(f) includes offenses related to real property, including arson, criminal mischief, and burglary.
20 Household goods carriers are not just entrusted with personal property, but they also have access to and
21 gain knowledge of the customer's home from or to which the customer is moving. A household goods
22 carrier therefore has an increased opportunity to commit these offenses by virtue of their licensed
23 profession, in accordance with Occupations Code, §53.022(3). The offenses listed in adopted new

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 10 of 11

Chapter 211 – Criminal History Offense and Action on License

1 §211.25(f) also include using a minor to sell or display harmful material to a minor, employing a child to
2 work in a sexually-oriented commercial activity, and possession of child pornography. These offenses align
3 with Occupations Code, §53.022(3) because a household goods carrier has more access to children as the
4 carrier moves a family's household goods from one home to another.

5 Adopted new §211.25(g) lists offenses that relate only to a motor carrier who transports
6 hazardous materials, which create opportunities for those motor carriers to commit offenses that
7 endanger the public and the environment. The offenses in adopted new §211.25(g) apply to these motor
8 carriers in addition to the offenses listed in §211.25(c) and (e). These offenses include any offense related
9 to hazardous material, waste disposal, water contamination, air pollution, or other environmental
10 offenses under Texas law, federal law, or the law of another state. For example, 49 U.S.C. §5124 provides
11 for a criminal penalty of imprisonment for up to 10 years for a person who violates certain provisions of
12 federal law regarding the transportation of hazardous materials. The offenses under adopted new
13 §211.25(g) address Occupations Code, §53.022(3) because by virtue of having access to hazardous
14 materials, a licensed motor carrier that transports hazardous materials has an increased opportunity to
15 engage in environmental offenses, such as improper transportation, disposal, or discharge of those
16 materials.

17 Adopted new §211.25(h) states that if a license holder's imprisonment occurs on or after May 1,
18 2026, for a conviction for any offense described by adopted new §211.25(c) through (g), the license
19 holder's license is automatically revoked on the date of the imprisonment if at least one of the offenses
20 that resulted in the imprisonment falls within the scope of any offense described by adopted new
21 §211.25(c) through (g). The department adopts §211.25(h) with a change at adoption to clarify that the
22 subsection is limited by the language in §211.25(c) through (g), which state the type of motor carrier
23 operation to which subsections (c) through (g) apply. These adopted revisions to Chapter 211 will become

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 11 of 11

Chapter 211 – Criminal History Offense and Action on License

1 effective on May 1, 2026. The department intends to apply the adopted revisions prospectively, so that
2 the license of only those individuals who are imprisoned on or after May 1, 2026, will be automatically
3 revoked by operation of law for an offense specified under adopted new §211.25(c) through (g) that
4 applies to that license holder's type of operation. Adopted new §211.25(h) requires that at least one of
5 the offenses that resulted in the imprisonment falls within the scope of any offense described in adopted
6 new §211.25(c) through (g) that applies to that license holder's type of operation because these new
7 subsections identify the offenses that directly relate to the duties and responsibilities of a licensed motor
8 carrier as required by Occupations Code, §53.021(b)(1)(A).

9 **SUMMARY OF COMMENTS.**

10 No comments on the proposed revisions were received.

11

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 2 of 15

Chapter 211 – Criminal History Offense and Action on License

1 the statutory authority referenced throughout this preamble and in the rule text, which is incorporated
2 herein by reference.

3 **CROSS REFERENCE TO STATUTE.** The adopted new section implements Occupations Code, Chapters 53,
4 2301 and 2302; and Transportation Code, Chapters 503, 643, and 1002.

5
6 Text.

7 §211.1. Purpose and Definitions.

8 (a) The purpose of this chapter is to implement Texas Occupations Code, Chapter 53 regarding
9 the consequences of a criminal conviction on a license that the department is authorized to issue.

10 (b) Except as stated otherwise in this chapter, the definitions contained in the following laws
11 apply to this chapter regarding specific offenses, control in the event of a conflict with this chapter, and
12 are incorporated by reference into this chapter:

13 (1) the Texas Code of Criminal Procedure, Texas Health and Safety Code, Texas
14 Occupations Code, Texas Penal Code, Texas Transportation Code, other Texas statutes, and Texas
15 administrative rules;

16 (2) the federal statutes and regulations of the United States;

17 (3) the laws of other states of the United States; and

18 (4) the laws of a foreign jurisdiction.

19 (c) When used in this chapter, the word “department” means the Texas Department of Motor
20 Vehicles.

21

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 3 of 15

Chapter 211 – Criminal History Offense and Action on License

1 **STATUTORY AUTHORITY.** The Texas Department of Motor Vehicles (department) adopts the repeals
2 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale,
3 and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise
4 that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications
5 of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required
6 by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other
7 abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer
8 Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155,
9 which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code,
10 Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651,
11 which gives the board authority to deny an application for a license, to revoke or suspend a license, to
12 place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a
13 material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of
14 motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser
15 of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary
16 to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the
17 board to adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code,
18 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
19 the powers and the duties of the department; and the statutory authority referenced throughout this
20 preamble and in the rule text, which is incorporated herein by reference.

21 **CROSS REFERENCE TO STATUTE.** The adopted repeals implement Occupations Code, Chapters 53, 2301
22 and 2302; and Transportation Code, Chapters 503 and 1002.

23

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 4 of 15

Chapter 211 – Criminal History Offense and Action on License

1 Text.

2 [~~§211.1. Purpose and Definitions.~~]

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

14 [~~(b) When used in this chapter, the following words and terms have the following meanings,~~
15 ~~unless the context clearly indicates otherwise.~~]

16 [~~(1) "Department" means the Texas Department of Motor Vehicles.~~]

17 [~~(2) "License" means any license issued by the department under:~~]

18 [~~(A) Transportation Code, Chapter 503;~~]

19 [~~(B) Occupations Code, Chapter 2301; or~~]

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

1 ~~[(3) "Retail license types" means those license types which require holders to interact~~
2 ~~directly with the public, but does not include other license types that do not generally interact directly~~
3 ~~with the public, including manufacturers, distributors, and general distinguishing number holders for the~~
4 ~~following vehicle categories: ambulance, axle, bus, engine, fire truck/fire fighting vehicle, heavy duty~~
5 ~~truck, transmission, wholesale motor vehicle dealer, and wholesale motor vehicle auction.]~~

6

7 ~~[\$211.2. Application of Chapter.]~~8 ~~[(a) This chapter applies to the following persons:]~~9 ~~[(1) applicants and holders of any license; and]~~

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

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

15

16 **SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES: MOTOR**17 **VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRIES**18 **43 TAC §§211.7, 211.9, and 211.11**

19

20 **STATUTORY AUTHORITY.** The Texas Department of Motor Vehicles (department) adopts the revisions
21 under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale,

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 6 of 15

Chapter 211 – Criminal History Offense and Action on License

1 and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise
2 that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications
3 of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required
4 by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other
5 abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer
6 Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155,
7 which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code,
8 Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651,
9 which gives the board authority to deny an application for a license, to revoke or suspend a license, to
10 place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a
11 material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of
12 motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser
13 of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary
14 to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the
15 board to adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code,
16 §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement
17 the powers and the duties of the department; and the statutory authority referenced throughout this
18 preamble and in the rule text, which is incorporated herein by reference.

19 **CROSS REFERENCE TO STATUTE.** The adopted revisions implement Occupations Code, Chapters 53, 2301
20 and 2302; and Transportation Code, Chapters 503 and 1002.

21

22 Text.

23 §211.7. Definitions and Purpose.

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 7 of 15

Chapter 211 – Criminal History Offense and Action on License

1 (a) When used in this subchapter, the following words and terms have the following meanings,
2 unless the context clearly indicates otherwise.

3 (1) License--Any license issued by the department under:

4 (A) Texas Transportation Code, Chapter 503;

5 (B) Texas Occupations Code, Chapter 2301; or

6 (C) Texas Occupations Code, Chapter 2302.

7 (2) Retail license types--Those license types which require holders to interact directly with the
8 public, but do not include other license types that do not generally interact directly with the public,
9 including manufacturers, distributors, and general distinguishing number holders for the following
10 vehicle categories: ambulance, axle, bus, engine, fire truck/fire fighting vehicle, heavy duty truck,
11 transmission, wholesale motor vehicle dealer, and wholesale motor vehicle auction.

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

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 8 of 15

Chapter 211 – Criminal History Offense and Action on License

1

2 §211.9. Application of Subchapter B.3 (a) This subchapter applies to the following persons:4 (1) applicants and holders of a license; and5 (2) persons who are acting at the time of application, or will later act, in a representative6 capacity for an applicant or holder of a license, including the applicant's or holder's officers, directors,7 members, managers, trustees, partners, principals, or managers of business affairs.8 (b) In this subchapter a "conviction" includes a deferred adjudication that is considered to be a9 conviction under Texas Occupations Code, §53.021(d).

10

11 §211.11. Imprisonment.

12 (a) The department shall deny a license application if the applicant or a person described by

13 §211.9(a)(2) [~~§211.2(a)(2)~~] of this title [chapter] (relating to Application of Subchapter B [Chapter]) is

14 imprisoned while a new or renewal license application is pending.

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

16 (1) felony conviction for:

17 (A) an offense that directly relates to the duties and responsibilities of the

18 licensed occupation;

19 (B) an offense listed in Texas [Article 42A.054,] Code of Criminal Procedure,20 Article 42A.054; or

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 9 of 15

Chapter 211 – Criminal History Offense and Action on License

1 (C) a sexually violent offense, as defined by Texas [Article 62.001,] Code of
2 Criminal Procedure, Article 62.001;

3 (2) felony community supervision revocation;

4 (3) revocation of parole; or

5 (4) revocation of mandatory supervision.

6 (c) A person currently imprisoned because of a felony conviction may not obtain a license,
7 renew a previously issued license, or act in a representative capacity for an application or license holder
8 as described by §211.9(a)(2) of this title. [~~§211.2(a)(2).~~]

9 (d) The department may revoke a license upon the imprisonment for a felony conviction, felony
10 community supervision revocation, revocation of parole, or revocation of mandatory supervision of a
11 person described by §211.9(a)(2) [~~§211.2(a)(2)~~] of this title [~~chapter~~] who remains employed with the
12 license holder.

13

14 **SUBCHAPTER C. CRIMINAL OFFENSE GUIDELINES: MOTOR CARRIERS**

15 43 TAC §211.23 and §211.25

16

17 **STATUTORY AUTHORITY.** The Texas Department of Motor Vehicles (department) adopts new Subchapter
18 C under Transportation Code, §643.003, which authorizes the department to adopt rules to administer
19 Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt
20 rules that are necessary and appropriate to implement the powers and duties of the department under
21 the Transportation Code and other laws of this state; and the statutory authority referenced throughout
22 this preamble and in the rule text, which is incorporated herein by reference.

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 10 of 15

Chapter 211 – Criminal History Offense and Action on License

1 **CROSS REFERENCE TO STATUTE.** The adopted new subchapter implements Occupations Code,
2 §53.021(b)(1)(A) and Transportation Code, Chapter 643.

3

4 Text.

5 §211.23. Definition and Criminal Offense Guidelines.6 (a) When used in this subchapter, the word “license” means a certificate of registration issued7 by the department under Texas Transportation Code, Chapter 643 to a sole proprietor motor carrier. A8 license authorizes a motor carrier to engage in certain operations under Transportation Code, Chapter9 643.10 (b) The particular offenses referenced in §211.25 of this title (relating to Criminal Offense11 Guidelines; Imprisonment) relate to the duties and responsibilities of a license holder under Texas12 Transportation Code, Chapter 643 because an individual who is predisposed to commit violations of13 certain laws may have a greater opportunity to commit such offenses with a license, in addition to the14 following reasons regarding particular types of motor carrier operations under Texas Transportation15 Code, Chapter 643:16 (1) For the felony offenses referenced in §211.25(c) of this title, a licensed motor carrier17 controls, operates, or directs the operation of one or more motor vehicles that transport persons or18 cargo, which enables the license holder to commit certain offenses that involve the use of a motor19 vehicle. Also, a licensed motor carrier provides the department with certain information and documents20 that the department uses to administer and enforce Texas Transportation Code, Chapter 643 and that21 law enforcement uses to enforce certain laws, including Texas Transportation Code, Chapter 644 and22 the administrative rules that the Texas Department of Public Safety adopted under Texas Transportation23 Code, Chapter 644. In addition, a potential customer of a motor carrier has access to certain information

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 11 of 15

Chapter 211 – Criminal History Offense and Action on License

1 on the department's website to determine whether to use the services of a particular licensed motor
2 carrier, and the licensed motor carrier must provide the department with most of this information as
3 part of a license application and any required updates. A licensed motor carrier is in a position of trust
4 with the department because a licensed motor carrier must provide accurate information and
5 documents to the department, so the department's records are reliable for the department, law
6 enforcement, and potential shippers or passengers of the motor carrier.

7 (2) For the offenses referenced in §211.25(d) of this title regarding a motor carrier of
8 passengers, a license creates a position of trust between the motor carrier and their passengers.
9 Passengers lose some of their autonomy over themselves and their tangible personal property,
10 documents, and cargo while they are in another person's motor vehicle. If the passenger is a child, there
11 is even more risk of a crime involving the child or the child's tangible personal property, documents, or
12 cargo.

13 (3) For the offenses referenced in §211.25(e) of this title regarding a for-hire motor
14 carrier of any cargo (including any tangible personal property or a document), a license creates a
15 position of trust between the motor carrier and its shipper. A shipper and an individual associated with
16 the shipper may interact with the motor carrier in person, which provides an opportunity for the motor
17 carrier to commit an offense against the individual. Also, a shipper loses control over their cargo when
18 the motor carrier has possession of the cargo. In addition, the motor carrier likely has access to
19 information regarding the location and description of the shipper's cargo at least a day before the
20 contractual deadline for loading the cargo for transport, which may provide an opportunity for the
21 motor carrier to commit offenses regarding a shipper's cargo.

22 (4) For the offenses referenced in §211.25(f) of this title regarding a household goods
23 carrier, a license creates a position of trust between the motor carrier and its shipper and potentially

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 12 of 15

Chapter 211 – Criminal History Offense and Action on License

1 provides the household goods carrier with access to the shipper's home, the shipper, and other
2 individuals located in or around the shipper's home, including children.

3 (5) For the offenses referenced in §211.25(g) of this title regarding a motor carrier who
4 transports hazardous materials, a license provide such motor carriers with access to hazardous
5 materials, which are potentially dangerous to the public and the environment if the motor carrier does
6 not comply with the applicable laws.

7

8 §211.25 Criminal Offense Guidelines; Imprisonment.

9 (a) Under Texas Occupations Code, §53.021(b)(1)(A), a license holder's license is automatically
10 revoked by operation of law on the license holder's imprisonment after a felony conviction for an
11 offense that directly relates to the duties and responsibilities of the licensed occupation.

12 (b) The department has determined, under the factors listed in Texas Occupations Code,
13 §53.022, that the offenses detailed in subsections (c) through (g) of this section directly relate to the
14 duties and responsibilities of license holders under Texas Occupations Code, §53.021(b)(1)(A). Such
15 offenses include offenses under the laws of the United States or another state of the United States if the
16 offense contains elements that are substantially similar to the elements of an offense under the laws of
17 this state, except as otherwise stated in this subchapter.

18 (c) The following offenses apply to a license:

19 (1) an offense involving the smuggling of a person, as described by Texas Penal Code,
20 Chapter 20;

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 13 of 15

Chapter 211 – Criminal History Offense and Action on License

- 1 (2) an offense involving the use or intended use of a motor vehicle, as described by
2 Texas Penal Code, §20.07;
- 3 (3) an offense against public administration, as described by Texas Penal Code, Chapters
4 36 or 37;
- 5 (4) an offense involving the obstruction of a highway or other passageway as described
6 by Texas Penal Code, §42.03;
- 7 (5) an offense involving intoxication while operating a motor vehicle, as described by
8 Texas Penal Code, Chapter 49;
- 9 (6) an offense involving the delivery or intent to deliver a controlled substance,
10 simulated controlled substance, or dangerous drug, as described by Texas Health and Safety Code,
11 Chapter 481, 482, or 483;
- 12 (7) an offense as described by Texas Transportation Code, §548.6035 or §644.151; and
- 13 (8) an offense of attempting or conspiring to commit any of the foregoing offenses.
- 14 (d) The following additional felony offenses apply to a motor carrier of passengers:
- 15 (1) an offense against the person, as described by Texas Penal Code, Title 5;
- 16 (2) an offense against the family, as described by Texas Penal Code, §§25.04, 25.07,
17 25.072, 25.08, or 25.11;
- 18 (3) an offense against tangible personal property, a document, or cargo belonging to
19 another, as described by Texas Penal Code, Chapters 28, 29, or 31;

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 14 of 15

Chapter 211 – Criminal History Offense and Action on License

1 (4) an offense against public order and decency, as described by Texas Penal Code

2 §§43.24, 43.251, or 43.262;

3 (5) a reportable offense conviction under Texas Code of Criminal Procedure, Chapter 62

4 for which the person must register as a sex offender; and

5 (6) an offense of attempting or conspiring to commit any of the foregoing offenses.

6 (e) The following additional felony offenses apply to a for-hire motor carrier of any cargo,

7 including household goods and hazardous materials:

8 (1) an offense against the person, as described by Texas Penal Code, Title 5;

9 (2) an offense against tangible personal property, a document, or cargo belonging to
10 another, as described by Texas Penal Code, Chapters 28, 29, 30, 31, or 32;

11 (3) a reportable offense conviction under Texas Code of Criminal Procedure, Chapter 62
12 for which the person must register as a sex offender; and

13 (4) an offense of attempting or conspiring to commit any of the foregoing offenses.

14 (f) The following additional felony offenses apply to a household goods carrier:

15 (1) an offense against real property belonging to another, as described by Texas Penal
16 Code, Chapters 28 or 30;

17 (2) an offense against public order and decency, as described by Texas Penal Code
18 §§43.24, 43.251, or 43.262; and

19 (3) an offense of attempting or conspiring to commit any of the foregoing offenses.

TITLE 43. TRANSPORTATION

Adopted Sections and New Subchapter

Part 10. Texas Department of Motor Vehicles

Page 15 of 15

Chapter 211 – Criminal History Offense and Action on License

1 (g) The following additional felony offenses apply to a motor carrier who transports hazardous
2 materials:

3 (1) an offense related to hazardous material, waste disposal, water contamination, air
4 pollution, or other environmental offense under a Texas statute or administrative rule;

5 (2) a federal statute or regulation of the United States related to hazardous material,
6 waste disposal, water contamination, air pollution, or other environmental offense; or

7 (3) the laws of another state of the United States related to hazardous material, waste
8 disposal, water contamination, air pollution, or other environmental offense, if the offense contains
9 elements that are substantially similar to the elements of an offense under Texas law or a law of the
10 United States.

11 (h) If a license holder's imprisonment occurs on or after May 1, 2026, for a conviction for any
12 offense described by subsections (c) through (g) of this section, the license holder's license is
13 automatically revoked on the date of the imprisonment if at least one of the offenses that resulted in
14 the imprisonment falls within the scope of any offense described in subsections (c) through (g) of this
15 section that applies to that license holder's type of operation.

16

17

To: Texas Department of Motor Vehicles Board
From: Clint Thompson, Motor Carrier Division Director
Agenda Item: 8
Subject: Chapter 218, Motor Carriers
Amendments: §218.2 and §218.13
(Relating to Cleanup)

RECOMMENDATION

Action Item. Adopt proposed amendments in 43 Texas Administrative Code Chapter 218 with an effective date of May 1, 2026.

PURPOSE AND EXECUTIVE SUMMARY

The amendments clean up the rule text and require motor carriers to provide the department with certain information.

FINANCIAL IMPACT

There will be no significant fiscal implications due to the adoption of amendments to Chapter 218.

BACKGROUND AND DISCUSSION

The amendments primarily require a sole proprietor motor carrier to provide notice and information to the department when the motor carrier is imprisoned after an event described by Occupations Code, §53.021(b), as amended by Senate Bill 1080, 89th Legislature, Regular Session (2025). These amendments are necessary to provide the department with information, so the department can timely update its records regarding the automatic revocation of a motor carrier's certificate of registration under Occupations Code, §53.021(b). The department, law enforcement, and potential customers of a motor carrier rely on the department's records.

The adopted amendments are also necessary to do the following:

1. add a definition for the term "for-hire motor carrier";
2. clarify the rule text regarding motor carriers that are required to provide updates to the department; and
3. clarify the rule text regarding the use of an authorized representative to file an application or provide any required information and updates to the department.

Comments

The proposed amendments were published for comment in the December 26, 2025, issue of the *Texas Register*. No comments were received on the proposal.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

ADOPTION OF REVISIONS TO

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §218.2

SUBCHAPTER B. MOTOR CARRIER REGISTRATION

43 TAC §218.13

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 218, Motor Carriers; Subchapter A, General Provisions, §218.2; and Subchapter B, Motor Carrier Registration, §218.13 regarding clarifications to the rule text and the requirement for a sole proprietor motor carrier to provide notice to the department when the sole proprietor is imprisoned after an event described by Occupations Code, §53.021(b) as amended by Senate Bill (SB) 1080, 89th Legislature, Regular Session (2025). The department adopts §218.2 without changes to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8528), and will not republish §218.2. The department adopts §218.13 with changes to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8528), and will republish §218.13.

REASONED JUSTIFICATION. The adopted amendments are necessary to provide the department with information to update its records regarding the automatic revocation of a motor carrier’s certificate of registration under Occupations Code, §53.021(b). An adopted amendment to §218.2 is necessary to add a definition for the term “for-hire motor carrier.” Adopted amendments to §218.13 are also necessary to clarify the rule text regarding motor carriers that are required to provide updates to the department and the use of an authorized representative to file an application with the department or provide the department with any required information and updates.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 2 of 6

Chapter 218 – Motor Carriers

1 An adopted amendment to §218.2 adds a definition for the term “for-hire motor carrier” for
2 clarity and consistency because the term is included in current §218.2(b)(14) in the definition for “farm
3 vehicle” and in adopted new §218.13(k). Adopted amendments to §218.2 also renumber the definitions
4 due to the adoption of the new definition for the term “for-hire motor carrier.”

5 An adopted amendment to §218.13(a)(3)(A) deletes a sentence that says, “An authorized
6 representative of the applicant who files an application with the department on behalf of an applicant
7 may be required to provide written proof of authority to act on behalf of the applicant.” The deletion is
8 necessary to prevent any conflict with the language in adopted new §218.13(j) and (l). As stated below,
9 adopted new §218.13(l) expands this language for all applicants under Chapter 218 and for a motor carrier
10 with a certificate of registration. A person who submits an application on behalf of a motor carrier might
11 not be the only authorized representative or the current authorized representative for the motor carrier.

12 Adopted amendments to §218.13(i) clarify that the requirement for a motor carrier to update
13 certain information in the department’s online system only applies if the motor carrier has a certificate of
14 registration that has not expired and has not been revoked.

15 Adopted new §218.13(j) requires a sole proprietor motor carrier with an unexpired certificate of
16 registration to notify the department of the sole proprietor’s imprisonment for a reason that would cause
17 automatic revocation of the motor carrier’s certificate of registration by operation of law under
18 Occupations Code, §53.021(b). This reporting is necessary as a means for the department to learn about
19 a motor carrier’s imprisonment because this information is not automatically reported to the department
20 by state or federal law enforcement agencies. The department has access to criminal history record
21 information regarding convictions under Texas law under Government Code, §411.122(d)(24), but the
22 department is not notified when a motor carrier is imprisoned due to a conviction under Texas law. Also,
23 the department does not receive notice regarding convictions under federal law or the law of a U.S. state

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 3 of 6

Chapter 218 – Motor Carriers

1 other than Texas because the department does not have access to criminal history record information
2 that is maintained or indexed through the Federal Bureau of Investigation under Government Code,
3 §411.12511 regarding a conviction of a motor carrier with a certificate of registration under
4 Transportation Code, Chapter 643.

5 The department adopts §218.13(j) with an amendment at adoption to clarify that the sole
6 proprietor is not required to use an authorized representative to provide the required notice to the
7 department if the sole proprietor is able to do it. For this reason, the department also adopts
8 §218.13(k)(4)(G) with an amendment at adoption to clarify that the sole proprietor shall only provide the
9 department with the name and phone number of the sole proprietor's authorized representative if
10 applicable.

11 Adopted new §218.13(j)(1)(A) refers to adopted new 43 TAC §211.25 of this title (relating to
12 Criminal Offense Guidelines; Imprisonment), which the department published in this issue of the *Texas*
13 *Register*, because adopted new 43 TAC §211.25 defines the offenses that the department has determined
14 are directly related to the duties and responsibilities of a motor carrier with a certificate of registration
15 under Transportation Code, Chapter 643.

16 Adopted new §218.13(k) provides the deadline for the notice under adopted new §218.13(j), so
17 the department can timely update its records, which the department, law enforcement, and potential
18 customers of a motor carrier rely on. Under adopted new §218.13(k), the deadline for the notice under
19 adopted new §218.13(j) is within 15 days of the date the sole proprietor is imprisoned if the imprisonment
20 occurs on or after May 1, 2026. The notice requirement under adopted new §218.13(j) only applies to an
21 imprisonment that occurs on or after May 1, 2026, because the adopted amendments to §218.13 and
22 adopted new §211.25 will become effective on May 1, 2026.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 4 of 6

Chapter 218 – Motor Carriers

1 Adopted new §218.13(k) also requires the notice under adopted new §218.13(j) to be sent to the
2 department using the email address listed on the department’s website for this purpose because the
3 department’s system is not currently programmed to allow such notices to be provided within the
4 department’s system. In addition, adopted new §218.13(k) requires the notice to the department under
5 adopted new §218.13(j) to contain the sole proprietor’s name; the sole proprietor’s certificate of
6 registration number under Transportation Code, Chapter 643; the date the sole proprietor was
7 imprisoned; the reason the sole proprietor was imprisoned using one of the reasons listed in adopted new
8 §218.13(j); the citation to the statute, administrative rule, or regulation regarding the felony offense for
9 which the sole proprietor was imprisoned if the sole proprietor was imprisoned for a felony offense that
10 falls under adopted new §218.13(j)(1); whether the sole proprietor is a motor carrier of passengers, a for-
11 hire motor carrier of cargo, a household goods carrier, or a motor carrier who transports hazardous
12 materials under Transportation Code, Chapter 643; and the name and phone number of the sole
13 proprietor’s authorized representative. The references to Transportation Code, Chapter 643 indicate that
14 the sole proprietor shall provide the requested information regarding the sole proprietor’s certificate of
15 registration for intrastate operating authority. Adopted new §218.13(k) requires the notice to include the
16 specified pieces of information so the department can verify whether the sole proprietor motor carrier’s
17 certificate of registration was automatically revoked by operation of law under Occupations Code,
18 §53.021(b), including whether a felony conviction directly relates to the duties and responsibilities of the
19 motor carrier under adopted new §211.25, and to allow the department to contact the motor carrier
20 through their authorized representative while the motor carrier is imprisoned.

21 Adopted new §218.13(j) and (k) only apply to a sole proprietor motor carrier because only an
22 individual can be imprisoned. Also, the department does not have the statutory authority to apply these
23 amendments to individuals who are associated with a license holder. If the motor carrier is a sole

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 5 of 6

Chapter 218 – Motor Carriers

1 proprietor, the sole proprietor has the license under Transportation Code, Chapter 643. The statutory
2 authority for the automatic revocation of a license under Occupations Code, §53.021(b) only applies to
3 the license holder.

4 Adopted new §218.13(l) expands the prior language in §218.13(a)(3)(A) by expressly authorizing
5 an applicant under Chapter 218 and a motor carrier with a certificate of registration to submit an
6 application to the department or provide the department with any required information or updates
7 through an authorized representative. Adopted new §218.13(l) also states that, upon request by the
8 department, any representative of an applicant or motor carrier shall provide the department with
9 written proof of authority to act on behalf of the applicant or motor carrier. Adopted new §218.13(l)
10 addresses the reality that authorized representatives are sometimes necessary to run a business, and
11 allows motor carriers to fulfill their duties to provide notice to the department even when their
12 communication is limited because they are imprisoned. In addition, adopted new §218.13(l) clarifies the
13 department's authority to verify that an individual is authorized to act on behalf of an applicant or motor
14 carrier, so the department can ensure the integrity of its records.

15 The adopted amendments are necessary for the department to maintain accurate records for the
16 department's administration of Transportation Code, Chapter 643 and for law enforcement to enforce
17 certain laws regarding motor carriers, including Transportation Code, Chapter 644 and the administrative
18 rules that the Texas Department of Public Safety adopted under Transportation Code, Chapter 644. In
19 addition, a potential customer of a motor carrier has access to certain information on the department's
20 website to help the potential customer decide whether to use the services of the motor carrier. These
21 adopted amendments require sole proprietor motor carriers to provide the department with the
22 necessary information to enable the department to verify whether the sole proprietor's certificate of
23 registration under Transportation Code, Chapter 643 was automatically revoked by operation of law

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 6 of 6

Chapter 218 – Motor Carriers

1 under Occupations Code, §53.021(b), and the date of the automatic revocation. Adopted new §218.13(k)
2 requires a sole proprietor to tell the department whether the sole proprietor is a motor carrier of
3 passengers, a for-hire motor carrier of cargo, a household goods carrier, or a motor carrier who transports
4 hazardous materials because certain felony offenses under adopted new §211.25 only apply to a motor
5 carrier based on the motor carrier's type of operation. The department will use the information that a
6 sole proprietor provides to the department under adopted new §218.13(j) and (k) to update the
7 department's system to indicate whether the sole proprietor's certificate of registration was revoked, the
8 date of the revocation, and that the revocation occurred under Occupations Code, §53.021(b).
9 Transportation Code, §643.054(a-1) authorizes the department to deny a certificate of registration if the
10 applicant had a registration revoked under Transportation Code, §643.252, so the department's records
11 need to indicate whether a revocation occurred under authority other than Transportation Code,
12 §643.252.

13 SUMMARY OF COMMENTS.

14 No comments on the proposed amendments were received.

15

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 2 of 22

Chapter 218 – Motor Carriers

1 household goods carrier or carrier's representative and a prospective shipper, and does not include the
2 following:

3 (A) promotional items of nominal value such as ball caps, tee shirts, and pens;

4 (B) business cards;

5 (C) listings not paid for by the household goods carrier or its household goods

6 carrier's agent; and

7 (D) listings of a household goods carrier's business name or assumed name as it

8 appears on the motor carrier certificate of registration, and the household goods carrier's address, and

9 contact information in a directory or similar publication.

10 (2) Approved association--A group of household goods carriers, its agents, or both, that
11 has an approved collective ratemaking agreement on file with the department under §218.64 of this
12 title (relating to Rates).

13 (3) Binding proposal--A written offer stating the exact price for the transportation of
14 specified household goods and any related services.

15 (4) Board--Board of the Texas Department of Motor Vehicles.

16 (5) Certificate of insurance--A certificate prescribed by and filed with the department in
17 which an insurance carrier or surety company warrants that a motor carrier for whom the certificate is
18 filed has the minimum coverage as required by §218.16 of this title (relating to Insurance
19 Requirements).

20 (6) Certificate of registration--A certificate issued by the department to a motor carrier
21 and containing a unique number.

22 (7) Certified scale--Any scale designed for weighing motor vehicles, including trailers or
23 semitrailers not attached to a tractor, and certified by an authorized scale inspection and licensing

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 3 of 22

Chapter 218 – Motor Carriers

1 authority. A certified scale may also be a platform-type or warehouse-type scale properly inspected and
2 certified.

3 (8) Commercial motor vehicle--As defined in Transportation Code, §548.001. The
4 definition for commercial motor vehicle does not include:

5 (A) a farm vehicle with a gross weight, registered weight, or gross weight rating
6 of less than 48,000 pounds;

7 (B) a cotton vehicle registered under Transportation Code, §504.505;

8 (C) a vehicle registered with the Railroad Commission under Natural Resources
9 Code, §113.131 and §116.072;

10 (D) a vehicle operated by a governmental entity;

11 (E) a motor vehicle exempt from registration by the Unified Carrier Registration
12 Act of 2005; and

13 (F) a tow truck, as defined by Occupations Code, §2308.002.

14 (9) Conspicuous--Written in a size, color, and contrast so as to be readily noticed and
15 understood.

16 (10) Conversion--A change in an entity's organization that is implemented with a
17 Certificate of Conversion issued by the Texas Secretary of State under Business Organizations Code,
18 §10.154.

19 (11) Director--The director of the department's Motor Carrier Division, whom the
20 executive director of the department designated as the director under Transportation Code,
21 §643.001(2).

22 (12) Estimate--An informal oral calculation of the approximate price of transporting
23 household goods.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 4 of 22

Chapter 218 – Motor Carriers

1 (13) Farmer--A person who operates a farm or is directly involved in cultivating land,
2 crops, or livestock that are owned by or are under the direct control of that person.

3 (14) Farm vehicle--A commercial motor vehicle that is:

4 (A) controlled and operated by a farmer to transport either:

5 (i) agricultural products; or

6 (ii) farm machinery, farm supplies, or both, to and from a farm;

7 (B) not being used in the operation of a for-hire motor carrier;

8 (C) not carrying hazardous materials of a type or quantity that requires the
9 commercial motor vehicle to be placarded in accordance with 49 C.F.R. §177.823; and

10 (D) being used within 150 air-miles of the farmer's farm.

11 (15) FMCSA--Federal Motor Carrier Safety Administration.

12 (16) For-hire motor carrier--A motor carrier that provides transportation of persons or
13 cargo for compensation in one or more motor vehicles.

14 (17) [(16)] Foreign commercial motor vehicle--As defined in Transportation Code,
15 §648.001.

16 (18) [(17)] Gross weight rating--The maximum loaded weight of any combination of
17 truck, tractor, and trailer equipment as specified by the manufacturer of the equipment. If the
18 manufacturer's rating is unknown, the gross weight rating is the greater of:

19 (A) the actual weight of the equipment and its lading; or

20 (B) the maximum lawful weight of the equipment and its lading.

21 (19) [(18)] Household goods agent--A motor carrier who transports household goods on
22 behalf of another motor carrier.

23 (20) [(19)] Household goods carrier--A motor carrier who transports household goods

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 5 of 22

Chapter 218 – Motor Carriers

1 for compensation, regardless of the size of the vehicle.

2 (21) ~~[(20)]~~ Inventory--A list of the items in a household goods shipment and the
3 condition of the items.

4 (22) ~~[(21)]~~ Leasing business--A person that leases vehicles requiring registration under
5 Subchapter B of this chapter to a motor carrier that must be registered.

6 (23) ~~[(22)]~~ Mediation--A non-adversarial form of alternative dispute resolution in which
7 an impartial person, the mediator, facilitates communication between two parties to promote
8 reconciliation, settlement, or understanding.

9 (24) ~~[(23)]~~ Motor Carrier or carrier--As defined in Transportation Code, §643.001(6).

10 (25) ~~[(24)]~~ Motor transportation broker--As defined in Transportation Code, §646.001.

11 (26) ~~[(25)]~~ Moving services contract--A contract between a household goods carrier and
12 shipper, such as a bill of lading, receipt, order for service, or work order, that sets out the terms of the
13 services to be provided.

14 (27) ~~[(26)]~~ Multiple user--An individual or business who has a contract with a household
15 goods carrier and who used the carrier's services more than 50 times within the preceding 12 months.

16 (28) ~~[(27)]~~ Not-to-exceed proposal--A formal written offer stating the maximum price a
17 shipper can be required to pay for the transportation of specified household goods and any related
18 services. The offer may also state the non-binding approximate price. Any offer based on hourly rates
19 must state the maximum number of hours required for the transportation and related services unless
20 there is an acknowledgment from the shipper that the number of hours is not necessary.

21 (29) ~~[(28)]~~ Principal business address--A single location that serves as a motor carrier's
22 headquarters and where it maintains its operational records or can make them available.

23 (30) ~~[(29)]~~ Print advertisement--A written, graphic, or pictorial statement or

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 6 of 22

Chapter 218 – Motor Carriers

1 representation made in the course of soliciting intrastate household goods transportation services,
2 including, without limitation, a statement or representation made in or contained in a newspaper,
3 magazine, circular, or other publication. The term does not include direct communication between a
4 household goods carrier or carrier's representative and a prospective shipper, and does not include the
5 following:

6 (A) promotional items of nominal value such as ball caps, tee shirts, and pens;

7 (B) business cards;

8 (C) Internet websites;

9 (D) listings not paid for by the household goods carrier or its household goods
10 carrier's agent; and

11 (E) listings of a household goods carrier's business name or assumed name as it
12 appears on the motor carrier certificate of registration, and the household goods carrier's address, and
13 contact information in a directory or similar publication.

14 (31) ~~[(30)]~~ Public highway--Any publicly owned and maintained street, road, or highway
15 in this state.

16 (32) ~~[(31)]~~ Replacement vehicle--A vehicle that takes the place of another vehicle that
17 has been removed from service.

18 (33) ~~[(32)]~~ Revocation--The withdrawal of registration and privileges by the department
19 or a registration state.

20 (34) ~~[(33)]~~ Shipper--The owner of household goods or the owner's representative.

21 (35) ~~[(34)]~~ Short-term lease--A lease of 30 days or less.

22 (36) ~~[(35)]~~ Substitute vehicle--A vehicle that is leased from a leasing business and that is
23 used as a temporary replacement for a vehicle that has been taken out of service for maintenance,

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 7 of 22

Chapter 218 – Motor Carriers

1 repair, or any other reason causing the temporary unavailability of the permanent vehicle.

2 ~~(37)~~ [(36)] Suspension--Temporary removal of privileges granted to a registrant by the

3 department or a registration state.

4 ~~(38)~~ [(37)] Unified Carrier Registration System or UCR--A motor vehicle registration

5 system established under 49 U.S.C. §14504a or a successor federal registration program.

6 ~~(39)~~ [(38)] USDOT--United States Department of Transportation.

7 ~~(40)~~ [(39)] USDOT number--An identification number issued by or under the authority of

8 the FMCSA or its successor.

9

10 **SUBCHAPTER B. MOTOR CARRIER REGISTRATION**

11 **43 TAC §218.13**

12

13 **STATUTORY AUTHORITY.** The Texas Department of Motor Vehicles (department) adopts amendments
14 under Transportation Code, §643.003, which authorizes the department to adopt rules to administer
15 Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt
16 rules that are necessary and appropriate to implement the powers and duties of the department under
17 the Transportation Code and other laws of this state; Government Code, §2001.004(1), which requires
18 state agencies to adopt rules of practice stating the nature and requirements of all available formal and
19 informal procedures; and the statutory authority referenced throughout this preamble and in the rule
20 text, which is incorporated herein by reference.

21 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter
22 643; and Government Code, §2001.004(1).

23

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 8 of 22

Chapter 218 – Motor Carriers

1 Text.

2 §218.13. Application for Motor Carriers Registration.

3 (a) Form of original application. An original application for motor carrier registration must be filed
4 electronically in the department's designated motor carrier registration system, must be in the form
5 prescribed by the director and must contain, at a minimum, the following information and documents.

6 (1) USDOT number. A valid USDOT number issued to the applicant.

7 (2) Applicant information and documents. All applications must include the following
8 information and documents:

9 (A) The applicant's name, business type (e.g., sole proprietor, corporation, or
10 limited liability company), telephone number, email address, and Secretary of State file number, as
11 applicable. The applicant's name and email address must match the information the applicant provided
12 to FMCSA to obtain the USDOT number that the applicant provided in its application to the department.

13 (B) An application submitted by an entity, such as a corporation, general
14 partnership, limited liability company, limited liability corporation, limited partnership, or partnership,
15 must include the entity's Texas Comptroller's Taxpayer Number or the entity's Federal Employer
16 Identification Number.

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

18 (i) The certificate of filing, certificate of incorporation, or certificate of
19 registration on file with the Texas Secretary of State; and

20 (ii) each assumed name certificate on file with the Secretary of State or
21 county clerk.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 9 of 22

Chapter 218 – Motor Carriers

1 (3) Information and documents regarding applicant's owners, representatives, and
2 affiliates. All applications must include the following information and documents on the applicant's
3 owners, representatives, and affiliates, as applicable:

4 (A) The contact name, email address, and telephone number of the person
5 submitting the application. ~~[An authorized representative of the applicant who files an application with
6 the department on behalf of an applicant may be required to provide written proof of authority to act on
7 behalf of the applicant.]~~

8 (B) The name, social security number or Individual Taxpayer Identification
9 Number (to the extent the natural person is authorized by law to obtain one of these numbers), date of
10 birth, business address, and ownership percentage for each owner, partner, member, or principal if the
11 applicant is not a publicly traded company.

12 (C) The name, social security number or Individual Taxpayer Identification
13 Number (to the extent the natural person is authorized by law to obtain one of these numbers), date of
14 birth, and business address for the following if the applicant is owned in full or in part by a legal entity:

15 (i) each officer, director, or trustee authorized to act on behalf of the
16 applicant; and

17 (ii) each manager or representative who has or exercises authority to
18 direct some or all of the applicant's operational policy regarding compliance with applicable laws
19 regarding a motor carrier, excluding sales functions, on behalf of the applicant.

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

22 (E) The name, social security number or Individual Taxpayer Identification
23 Number (to the extent the natural person is authorized by law to obtain one of these numbers), date of

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 10 of 22

Chapter 218 – Motor Carriers

1 birth, and business address for each person who serves or will serve as the applicant's manager, operator,
2 or representative who has or exercises authority to direct some or all of the applicant's operational policy
3 regarding compliance with applicable laws regarding a motor carrier, excluding sales functions.

4 (F) A legible and accurate electronic image of at least one of the following
5 unexpired identity documents for each natural person identified in the application:

6 (i) a driver license issued by a state or territory of the United States. If the
7 driver license was issued by the Texas Department of Public Safety, the image must also include the audit
8 number listed on the Texas driver license;

9 (ii) Texas identification card issued by the Texas Department of Public
10 Safety under Transportation Code, Chapter 521, Subchapter E, or an identification certificate issued by a
11 state or territory of the United States;

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

14 (iv) United States passport; or

15 (v) United States military identification.

16 (4) Principal business address and mailing address. The applicant must provide the
17 applicant's principal business address, which must be a physical address. If the mailing address is different
18 from the principal business address, the applicant must also provide the applicant's mailing address.

19 (5) Legal agent.

20 (A) A Texas-domiciled motor carrier must provide the name, telephone number,
21 and address of a legal agent for service of process if the agent is different from the motor carrier.

22 (B) A motor carrier domiciled outside Texas must provide the name, telephone
23 number, and Texas address of the legal agent for service of process.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 11 of 22

Chapter 218 – Motor Carriers

1 (C) A legal agent for service of process shall be a Texas resident, a domestic
2 corporation, or a foreign corporation authorized to transact business in Texas with a Texas physical
3 address, rather than a post office box, for service of process.

4 (6) Description of vehicles. An application must include a motor carrier equipment report
5 identifying each motor vehicle that requires registration and that the carrier proposes to operate. Each
6 motor vehicle must be identified by its vehicle identification number, make, model year, and type of cargo
7 and by the unit number assigned to the motor vehicle by the motor carrier. Any subsequent registration
8 of vehicles must be made under subsection (e) of this section.

9 (7) Type of motor carrier operations. An applicant must state if the applicant proposes to
10 transport passengers, household goods, or hazardous materials.

11 (8) Insurance coverage. An applicant must indicate insurance coverage as required by
12 §218.16 of this title (relating to Insurance Requirements).

13 (9) Safety certification. Each motor carrier must complete, as part of the application, a
14 certification stating that the motor carrier knows and will conduct operations in accordance with all
15 federal and state safety regulations.

16 (10) Drug-testing certification. Each motor carrier must certify, as part of the application,
17 that the motor carrier is in compliance with the drug-testing requirements of 49 C.F.R. Part 382. If the
18 motor carrier belongs to a consortium, as defined by 49 C.F.R. Part 382, the applicant must provide the
19 names of the persons operating the consortium.

20 (11) Duration of registration.

21 (A) An applicant must indicate the duration of the desired registration. Except as
22 provided otherwise in this section, registration may be for seven calendar days, 90 calendar days, one
23 year, or two years. The duration of registration chosen by the applicant will be applied to all vehicles.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 12 of 22

Chapter 218 – Motor Carriers

1 (i) Household goods carriers may not obtain seven-day or 90-day
2 certificates of registration.

3 (ii) Motor carriers that transport passengers in a commercial motor
4 vehicle as defined by Transportation Code, §548.001(1)(B) may not obtain seven-day or 90-day certificates
5 of registration, unless approved by the director.

6 (B) Interstate motor carriers that operate in intrastate commerce and meet the
7 requirements under §218.14(c) of this title (relating to Expiration and Renewal of Commercial Motor
8 Vehicles Registration) are not required to renew a certificate of registration issued under this section.

9 (12) Additional requirements. The following fees, documents, and information must be
10 submitted with the application.

11 (A) An application must be accompanied by an application fee of:

12 (i) \$100 for annual and biennial registrations;

13 (ii) \$25 for 90-day registrations; or

14 (iii) \$5 for seven-day registrations.

15 (B) An application must be accompanied by a vehicle registration fee of:

16 (i) \$10 for each vehicle that the motor carrier proposes to operate under
17 a seven-day, 90-day, or annual registration; or

18 (ii) \$20 for each vehicle that the motor carrier proposes to operate under
19 a biennial registration.

20 (C) An application must be accompanied by proof of insurance or financial
21 responsibility and the insurance filing fee as required by §218.16.

22 (D) An application must include the completed New Applicant Questionnaire
23 (Applicant Questionnaire), which consists of questions and requirements, such as the following:

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 13 of 22

Chapter 218 – Motor Carriers

1 (i) Have you ever had another motor carrier certificate of registration
2 number issued by the department in the three years prior to the date of this application? If your answer
3 is yes, provide the certificate of registration number for the motor carrier(s). In the Applicant
4 Questionnaire, the word "you" means the applicant or any business that is operated, managed, or
5 otherwise controlled by or affiliated with the applicant or a family member, corporate officer, manager,
6 operator, or owner (if the business is not a publicly traded company) of the applicant. In the Applicant
7 Questionnaire, the word "manager" means a person who has or exercises authority to direct some or all
8 of the applicant's operational policy regarding compliance with applicable laws regarding a motor carrier,
9 excluding sales functions.

10 (ii) Have you had a Compliance Review or a New Entrant Audit by the
11 Texas Department of Public Safety that resulted in an Unsatisfactory Safety Rating in the three years prior
12 to the date of your application? If your answer is yes, provide the USDOT number(s) and the certificate of
13 registration number(s) issued by the department.

14 (iii) Are you currently under an Order to Cease from the Texas
15 Department of Public Safety? If your answer is yes, provide the motor carrier's USDOT number(s) and the
16 Carrier Profile Number(s). The Texas Department of Public Safety assigns a Carrier Profile Number (CP#)
17 when they perform a compliance review on a motor carrier's operations to determine whether the motor
18 carrier meets the safety fitness standards.

19 (iv) Are you related to another motor carrier, or have you been related to
20 another motor carrier within the three years prior to the date of your application? The relationship may
21 be through a person (including a family member), corporate officer, or partner who also operates or has
22 operated as a motor carrier in Texas. If your answer is yes, state how you are related and provide the

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 14 of 22

Chapter 218 – Motor Carriers

1 motor carrier's name and the motor carrier's USDOT number, or the certificate of registration number
2 issued by the department for each related motor carrier.

3 (v) Do you currently owe any administrative penalties to the department,
4 regardless of when the final order was issued to assess the administrative penalties? If your answer is yes,
5 provide the following information under which the administrative penalties were assessed:

6 (I) department's notice number(s); and

7 (II) the motor carrier's USDOT number and certificate of
8 registration number issued by the department;

9 (vi) Name and title of person completing the Applicant
10 Questionnaire; and

11 (vii) Is the person completing the Applicant Questionnaire an
12 authorized representative of the applicant? If your answer is yes, please add the person's name, job title,
13 phone number, and address.

14 (E) An applicant must state if the applicant is domiciled in a foreign country.

15 (F) An application must include a certification that the information and
16 documents provided in the application are true and correct and that the applicant complied with the
17 application requirements under Chapter 218 of this title (relating to Motor Carriers) and Transportation
18 Code, Chapter 643.

19 (G) An application must be accompanied by any other information and
20 documents required by the department to evaluate the application under current law, including board
21 rules.

22 (13) Additional requirements for household goods carriers. The following information,
23 documents, and certification must be submitted with all applications by household goods carriers:

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 15 of 22

Chapter 218 – Motor Carriers

1 (A) A copy of the tariff that sets out the maximum charges for transportation of
2 household goods, or a copy of the tariff governing interstate transportation services. If an applicant is
3 governed by a tariff that its association has already filed with the department under §218.65 of this title
4 (relating to Tariff Registration), the applicant complies with the requirement in this subparagraph by
5 checking the applicable box on the application to identify the association's tariff.

6 (B) If the motor vehicle is not titled in the name of the household goods carrier,
7 the following lease information and documentation, notwithstanding §218.18(a) of this title (relating to
8 Short-term Lease and Substitute Vehicles):

9 (i) a copy of a valid lease agreement for each motor vehicle that the
10 household goods carrier will operate; and

11 (ii) the name of the lessor and their USDOT number for each motor
12 vehicle leased to the household goods carrier under a short-term lease.

13 (C) A certification that the household goods carrier has procedures that comply
14 with Code of Criminal Procedure, Article 62.063(b)(3), which prohibits certain people who are required to
15 register as a sex offender from providing moving services in the residence of another person without
16 supervision.

17 (14) Additional requirements for passenger carriers. The following information and
18 documents must be submitted with all applications for motor carriers that transport passengers in a
19 commercial motor vehicle as defined by Transportation Code, §548.001(1)(B):

20 (A) If the commercial motor vehicle is titled in the name of the motor carrier, a
21 copy of the International Registration Plan registration receipt or a copy of the front and back of the title
22 for each commercial motor vehicle; or

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 16 of 22

Chapter 218 – Motor Carriers

1 (B) If the commercial motor vehicle is not titled in the name of the motor carrier,
2 the following lease information and documentation, notwithstanding §218.18(a) of this title:

3 (i) A copy of a valid lease agreement for each commercial motor vehicle;
4 and

5 (ii) The name of the lessor and their USDOT number for each commercial
6 motor vehicle leased to the motor carrier under a short-term lease.

7 (b) Conditional acceptance of application. If an application has been conditionally accepted by the
8 director pursuant to Transportation Code, §643.055, the applicant may not operate the following until
9 the department has issued a certificate under Transportation Code, §643.054:

10 (1) a commercial motor vehicle or any other motor vehicle to transport household goods
11 for compensation, or

12 (2) a commercial motor vehicle to transport persons or cargo.

13 (c) Approved application. An applicant meeting the requirements of this section and whose
14 registration is approved shall be issued the following documents:

15 (1) Certificate of registration. The department shall issue a certificate of registration. The
16 certificate of registration must contain the name and address of the motor carrier and a single registration
17 number, regardless of the number of vehicles requiring registration that the carrier operates.

18 (2) Insurance cab card. The department shall issue an insurance cab card listing all vehicles
19 to be operated under the carrier's certificate of registration. The insurance cab card shall be continuously
20 maintained at the motor carrier's principal business address. The insurance cab card must be valid for the
21 same period as the motor carrier's certificate of registration and shall contain information regarding each
22 vehicle registered by the motor carrier.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 17 of 22

Chapter 218 – Motor Carriers

1 (A) A current copy of the page of the insurance cab card on which the vehicle is
2 shown shall be maintained in each vehicle listed, unless the motor carrier chooses to maintain a legible
3 and accurate image of the insurance cab card on a wireless communication device in the vehicle or
4 chooses to display such information on a wireless communication device by accessing the department's
5 online system from the vehicle. The appropriate information concerning that vehicle shall be highlighted
6 if the motor carrier chooses to maintain a hard copy of the insurance cab card or chooses to display an
7 image of the insurance cab card on a wireless communication device in the vehicle. The insurance cab
8 card or the display of such information on a wireless communications device shall serve as proof of
9 insurance as long as the motor carrier has continuous insurance or financial responsibility on file with the
10 department.

11 (B) On demand by a department investigator or any other authorized government
12 personnel, the driver shall present the highlighted page of the insurance cab card that is maintained in
13 the vehicle or that is displayed on a wireless communication device in the vehicle. If the motor carrier
14 chooses to display the information on a wireless communication device by accessing the department's
15 online system, the driver shall locate the vehicle in the department's online system upon request by the
16 department-certified inspector or other authorized government personnel.

17 (C) The motor carrier shall notify the department in writing if it discontinues use
18 of a registered motor vehicle before the expiration of its insurance cab card.

19 (D) Any erasure or alteration of an insurance cab card that the department
20 printed out for the motor carrier renders it void.

21 (E) If an insurance cab card is lost, stolen, destroyed, or mutilated; if it becomes
22 illegible; or if it otherwise needs to be replaced, the department shall print out a new insurance cab card

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 18 of 22

Chapter 218 – Motor Carriers

1 at the request of the motor carrier. Motor carriers are authorized to print out a copy of a new insurance
2 cab card using the department's online system.

3 (F) The department is not responsible for a motor carrier's inability to access the
4 insurance cab card using the department's online system.

5 (d) Additional and replacement vehicles. A motor carrier required to obtain a certificate of
6 registration under this section shall not operate additional vehicles unless the carrier identifies the
7 vehicles on a form prescribed by the director and pays applicable fees as described in this subsection.

8 (1) Additional vehicles. To add a vehicle, a motor carrier must pay a fee of \$10 for each
9 additional vehicle that the motor carrier proposes to operate under a seven-day, 90-day, or annual
10 registration. To add a vehicle during the first year of a biennial registration, a motor carrier must pay a fee
11 of \$20 for each vehicle. To add a vehicle during the second year of a biennial registration, a motor carrier
12 must pay a fee of \$10 for each vehicle.

13 (2) Replacement vehicles. No fee is required for a vehicle that is replacing a vehicle for
14 which the fee was previously paid. Before the replacement vehicle is put into operation, the motor carrier
15 must notify the department, identify the vehicle being taken out of service, and identify the replacement
16 vehicle on a form prescribed by the department. A motor carrier registered under seven-day registration
17 may not replace vehicles.

18 (e) Supplement to original application. A motor carrier required to register under this section shall
19 electronically file in the department's designated motor carrier registration system a supplemental
20 application under the following circumstances.

21 (1) Change of cargo. A registered motor carrier may not begin transporting household
22 goods or hazardous materials unless the carrier submits a supplemental application to the department

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 19 of 22

Chapter 218 – Motor Carriers

1 and shows the department evidence of insurance or financial responsibility in the amounts specified by
2 §218.16.

3 (2) Change of name. A motor carrier that changes its name shall file a supplemental
4 application for registration no later than the effective date of the change. The motor carrier shall include
5 evidence of insurance or financial responsibility in the new name and in the amounts specified by §218.16.
6 A motor carrier that is a corporation must have its name change approved by the Texas Secretary of State
7 before filing a supplemental application. A motor carrier incorporated outside the state of Texas must
8 complete the name change under the law of its state of incorporation before filing a supplemental
9 application.

10 (3) Change of address or legal agent for service of process. A motor carrier shall file a
11 supplemental application for any change of address or any change of its legal agent for service of process
12 no later than the effective date of the change. The address most recently filed will be presumed
13 conclusively to be the current address.

14 (4) Change in principal officers and titles. A motor carrier that is a corporation shall file a
15 supplemental application for any change in the principal officers and titles no later than the effective date
16 of the change.

17 (5) Conversion of corporate structure. A motor carrier that has successfully completed a
18 corporate conversion involving a change in the name of the corporation shall file a supplemental
19 application for registration and evidence of insurance or financial responsibility reflecting the new
20 company name. The conversion must be approved by the Office of the Secretary of State before the
21 supplemental application is filed.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 20 of 22

Chapter 218 – Motor Carriers

1 (6) Change in drug-testing consortium status. A motor carrier that changes consortium
2 status shall file a supplemental application that includes the names of the persons operating the
3 consortium.

4 (7) Retaining a revoked or suspended certificate of registration number. A motor carrier
5 may retain a prior certificate of registration number by:

6 (A) filing a supplemental application to reregister instead of filing an original
7 application; and

8 (B) providing adequate evidence that the carrier has satisfactorily resolved the
9 issue that gave rise to the suspension or revocation.

10 (f) Change of ownership. A motor carrier must file an original application for registration when
11 there is a corporate merger or a change in the ownership of a sole proprietorship or of a partnership.

12 (g) Alternative vehicle registration for household goods agents. To avoid multiple registrations of
13 a motor vehicle, a household goods agent's vehicles may be registered under the motor carrier's
14 certificate of registration under this subsection.

15 (1) The carrier must notify the department on a form approved by the director of its intent
16 to register its agent's vehicles under this subsection.

17 (2) When a carrier registers vehicles under this subsection, the carrier's certificate shall
18 include all vehicles registered under its agent's certificates of registration. The carrier must register under
19 its certificate of registration all vehicles operated on its behalf that do not appear on its agent's certificate
20 of registration.

21 (3) The department may send the carrier a copy of any notification sent to the agent
22 concerning circumstances that could lead to denial, suspension, or revocation of the agent's certificate.

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 21 of 22

Chapter 218 – Motor Carriers

1 (h) Substitute vehicles leased from leasing businesses. A registered motor carrier is not required
2 to comply with the provisions of subsection (e) of this section for a substitute vehicle leased from a
3 business registered under §218.18 of this title (relating to Short-term Lease and Substitute Vehicles). A
4 motor carrier is not required to carry proof of registration as described in subsection (d) of this section if
5 a copy of the lease agreement for the originally leased vehicle is carried in the cab of the temporary
6 replacement vehicle.

7 (i) A ~~Once the~~ motor carrier with an unexpired ~~[obtains a]~~ certificate of registration that has not
8 been revoked ~~[-the motor carrier]~~ shall update its principal business address, mailing address, and email
9 address in the department's online system within 30 days of a change to the information.

10 (j) A sole proprietor with an unexpired certificate of registration shall notify the department as
11 specified in subsection (k) of this section, directly or through the sole proprietor's authorized
12 representative, of the sole proprietor's imprisonment for any of the following:

13 (1) a felony conviction for any of the following:

14 (A) an offense that directly relates to the duties and responsibilities of a motor
15 carrier as defined in §211.25 of this title (relating to Criminal Offense Guidelines; Imprisonment);

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

17 (C) a sexually violent offense, as defined by Code of Criminal Procedure, Article
18 62.001;

19 (2) felony community supervision revocation;

20 (3) revocation of parole; or

21 (4) revocation of mandatory supervision.

22 (k) The notice under subsection (j) of this section shall be provided to the department:

23 (1) for an imprisonment that occurs on or after May 1, 2026;

TITLE 43. TRANSPORTATION

Adopted Sections

Part 10. Texas Department of Motor Vehicles

Page 22 of 22

Chapter 218 – Motor Carriers

- 1 (2) within 15 days of the date the sole proprietor is imprisoned;
- 2 (3) using the email address listed on the department’s website for this purpose; and
- 3 (4) with the following information:
- 4 (A) the name of the sole proprietor;
- 5 (B) the sole proprietor’s certificate of registration number under Transportation
- 6 Code, Chapter 643;
- 7 (C) the date the sole proprietor was imprisoned;
- 8 (D) the reason the sole proprietor was imprisoned, using one of the reasons listed
- 9 in subsection (j) of this section;
- 10 (E) the citation to the statute, administrative rule, or regulation regarding the
- 11 felony offense for which the sole proprietor was imprisoned if the sole proprietor was imprisoned for a
- 12 felony conviction that falls under subsection (j)(1) of this section;
- 13 (F) whether the sole proprietor is a motor carrier of passengers, a for-hire motor
- 14 carrier of cargo, a household goods carrier, or a motor carrier who transports hazardous materials under
- 15 Transportation Code, Chapter 643; and
- 16 (G) the name and phone number of the sole proprietor’s authorized
- 17 representative, if applicable.
- 18 (I) An applicant under this chapter and a motor carrier with a certificate of registration may submit
- 19 an application to the department or provide the department with any required information and updates
- 20 through an authorized representative. Upon request by the department, a representative shall provide
- 21 the department with written proof of authority to act on behalf of the applicant or motor carrier.

22

23

To: Texas Department of Motor Vehicles Board
From: Laura Moriaty, General Counsel
Agenda Item: 9
Subject: Rule Review Proposals under Government Code, §2001.039: Chapter 215, Motor Vehicle Distribution

RECOMMENDATION

Action Item. Approval to publish the proposed rule review in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The department proposes to review 43 Texas Administrative Code (TAC), Chapter 215, Motor Vehicle Distribution. This review is being conducted under Texas Government Code, §2001.039.

FINANCIAL IMPACT

There will be no significant fiscal implications.

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 Texas Government Code requires the department to determine through the rule review whether the reasons for initially adopting these rules continue to exist and whether these rules should be repealed, readopted, or readopted with amendments. Necessary repeals and amendments identified during the review of these rules will be presented to the board separately for proposal and publication in the *Texas Register* in accordance with the Administrative Procedure Act, Texas Government Code, Chapter 2001.

TITLE 43. TRANSPORTATION

Proposed Rule Review

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

Intention to Review

The Texas Department of Motor Vehicles (department) will review and consider whether to readopt, readopt with amendments, or repeal 43 Texas Administrative Code, Chapter 215, Motor Vehicle Distribution. This review is being conducted pursuant to Government Code, §2001.039.

The board will assess whether the reasons for initially adopting these rules continue to exist and whether the rules should be repealed, readopted, or readopted with amendments.

If you want to comment on this rule review proposal, submit your written comments by 5:00 p.m. CDT on May 26, 2026. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

To: Texas Department of Motor Vehicles Board
From: Laura Moriarty, General Counsel
Agenda Item: 10
Subject: Motor Vehicle Industry Regulation Advisory Committee (MVIRAC) Recommendations

RECOMMENDATION

Briefing Only. That the Texas Department of Motor Vehicles Board (board) consider advisory committee recommendations for proposed amendments to 43 Texas Administrative Code (TAC) §§215.104, 215.145, and 215.152; and new §215.153 and §215.159.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (department) has established the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC) under Transportation Code §1001.031 to make recommendations to the board and the department's executive director on topics related to regulation of the motor vehicle industry, including proposed rules. Under 43 Texas Administrative Code (TAC) §206.93(h), the board must receive a report on the advisory committee's recommendations prior to any board action on issues related to the recommendations. MVIRAC has met and made recommendations on the rule revisions to 43 TAC Chapter 215 that the board will consider at this meeting in Agenda Item 10.

FINANCIAL IMPACT

No financial impact.

BACKGROUND AND DISCUSSION

On December 8, 2025, MVIRAC held a meeting to review and to discuss possible amendments to 43 TAC Chapter 215, Motor Vehicle Distribution—specifically, potential proposed amendments and new rules regarding license plates, §§215.82, 215.120, 215.152, and 215.154, and new §215.153 and §215.159; potential amendments regarding licensing requirements, §§215.104, 215.140, and 215.145, and new §215.107; potential amendments to advertising rules, §215.244 and §215.270; and potential amendments regarding Motor Vehicle Records Disclosure Act implementation, §§215.121, 215.141, and 215.175. As a result of this meeting, MVIRAC made recommendations for changes to the draft rule text for §§215.104, 215.145, 215.152, 215.153, and 215.159 that appear in the summary chart that follows. MVIRAC Presiding Tony Hall will appear before the board to present MVIRAC's recommendations.

Staff incorporated MVIRAC's recommendations into the draft rule text for proposed amendments to proposed 43 TAC §§215.104, 215.145, 215.153, 215.159, and 215.244 that the board will consider as Item 10 on this agenda.

Motor Vehicle Regulation Advisory Committee (MVIRAC) Recommendations to TxDMV Board

Impacted Section	Recommended Change	Staff's Response
§215.104(c)(6)	(6) a change in management control <u>[, including a management change]</u> due to a receiver being appointed or a dealer filing bankruptcy.	Incorporated, with minor clarifying changes to wording: <u>(6) a change in the person responsible for a franchised dealer's business activities due to a receiver being appointed or a dealer filing bankruptcy.</u>
§215.145(h)	(h) A dealer shall notify the department in writing within 10 days of a change in management control <u>[, including a management control change]</u> resulting from a receiver being appointed or a dealer filing bankruptcy, by submitting a license amendment application in the electronic licensing system designated by the department.	Incorporated, with language altered for clarity: <u>(h) A dealer shall notify the department in writing within 10 days of a change in dealer principal or other person who oversees a dealer's business activities, including a change resulting from a receiver being appointed or a dealer filing bankruptcy, by submitting a license amendment application in the electronic licensing system designated by the department.</u>
§215.152(i)(6)	(6) 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, <u>the delivery service has notified the department that a license plate shipment is undeliverable, and the department has notified the dealer that the license plate shipment was undeliverable within 48 hours of the delivery service notifying the department;</u> [ø]	Not incorporated. It would be logistically difficult for the department to inform a dealer of a refused shipment within 48 hours. The recommended wording would not have provided any additional protection for dealers. Under §215.152(j), a dealer has a right to request a compliance review if a shipment is received, and the department must conduct the review within 14 days.
§215.153(c)(2)	(c) The selling dealer is responsible for promptly: <u>(1) submitting the title and registration application to the county tax assessor-collector, who will issue and assign a buyer's license plate to the vehicle and provide the assigned buyer's license plate to the dealer or the retail buyer.</u> <u>(2) removing the buyer's provisional license plate if the provisional license plate is present</u> and affixing the assigned license	Incorporated. The language that appeared in §215.153(c) in the version MVIRAC reviewed is now in proposed §215.153(e): <u>(e) Unless the sale is of a commercial fleet vehicle, the selling dealer is responsible for promptly:</u> <u>(1) submitting the title and registration application to the county tax assessor-collector;</u>

Impacted Section	Recommended Change	Staff's Response
	<p><u>plate to the vehicle if the assigned license plate is provided to the dealer either by the county tax assessor collector or retail buyer.</u></p>	<p><u>(2) removing the buyer's provisional license plate if secured to the vehicle; and</u></p> <p><u>(3) securing the assigned license plate to the vehicle if that license plate is provided to the dealer by either the county tax assessor-collector or the retail buyer.</u></p>
§215.153(d)	<p><u>(d) A buyer's provisional license plate is for temporary use only and expires 14 [7] days after a general issue or other eligible license plate is assigned to the vehicle.</u></p>	<p>Incorporated. The language that appeared in §215.153(d) in the version that MVIRAC reviewed is now in proposed §215.153(f):</p> <p><u>(f) A buyer's provisional license plate is for temporary use only and expires 14 days after a general issue, exempt, commercial fleet, or other eligible license plate is assigned to the vehicle.</u></p>
§215.153(e)	<p><u>(e) A dealer must destroy an expired buyer's provisional license plate as provided in §215.158 of this title (relating to General Requirements for Buyer's License Plates) if the provisional license plate is present.</u></p>	<p>Incorporated, with slightly different language. The language that appeared in §215.153(e) in the version that MVIRAC reviewed is now in proposed §215.153(g):</p> <p><u>(g) A dealer must mark and destroy an expired buyer's provisional license plate in the dealer's possession as provided in §215.158 of this title (relating to General Requirements for Buyer's License Plates).</u></p>
§215.159(b)(4)	<p><u>(4) The location shall be accessible to department staff at least four days per week for at least four consecutive hours per day, and may not be available to department staff solely by appointment. The accessible hours must be posted at the main entrance in a manner and place accessible to department staff. [Business hours must be posted at the main entrance in a manner and place accessible to the public, and the location 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. The owner or a bona fide employee shall be at the retail dealer's licensed location during the posted business hours for the purposes of processing license plates.]</u></p>	<p>Incorporated, with slightly different language that focuses on the purposes of processing license plates and accepting plate delivery, rather than only on inspection by department staff. The language that appeared in §215.159(b)(4) in the version that MVIRAC reviewed is now in proposed §215.159(b)(2)(G):</p> <p><u>(G) be open at least four days per week for at least four consecutive hours per day and may not be open solely by appointment, with the owner or a bona fide employee at the license plate storage location during the posted business hours for purposes of processing license plates, including acceptance of license plate deliveries;</u></p>

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item 11
Subject: Chapter 215, Motor Vehicle Distribution
Amendments: Subchapters A, B, C, D, E, F, and G
New: §§215.107, 215.153, and 215.159
Repeal: §§215.1, 215.81, 215.101, 215.131, 215.171, 215.241, 215.243, and 215.269
(Relating to Enhancing the Enforceability of the Motor Vehicle Records Disclosure Act in Transportation Code, Chapter 730; and Cleanup)

RECOMMENDATION

Action Item. Approval to publish the rule proposal in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

Rule revisions are being proposed as part of a rule review under Government Code, §2001.039. The purposes of these revisions are to further enable a successful transition to the issuance of license plates, enhance enforcement capabilities, and streamline and modernize rule language consistent with the Governor’s regulatory efficiency initiative.

FINANCIAL IMPACT

There will be no significant fiscal implications to the department due to the adoption of revisions to Chapter 215.

BACKGROUND AND DISCUSSION

In this proposal, the department is proposing amendments or repeals to 47 rules and proposing three new rules. The department’s goals in proposing these amendments, new rules, and repeals are:

- to further enable a successful transition from temporary tags to license plates consistent with its responsibilities to protect consumers, deter fraud, and be fiscally responsible;
- to enhance department enforcement capabilities; and
- to streamline and modernize language to improve readability.

Significant Proposals

License Plate Transition:

- Two new rules, §215.153 and § 215.159, are proposed to assist dealers in managing license plate inventory and facilitating retail sales.
 - Proposed new §215.153 would allow a dealer to issue a buyer’s provisional license plate in three circumstances to facilitate sales.
 - Proposed new §215.159 would allow a dealer with multiple locations to store and manage license plates at another location with department approval.

- Other proposed amendments supporting license plate transition include increasing certain dealer's temporary license plate allocations.

Enhancing Enforcement Capabilities:

- Proposed amendments to §§215.121, 215.141, and 215.175, would enhance the enforceability of the Motor Vehicle Records Disclosure Act by adding a sanction for violating that act.
- Proposed amendments to §215.141 would add new license plate-related violations based on consumer complaints such as issuing the wrong type of license plate for a vehicle transaction or voiding and reissuing the same license plate to extend a title or registration filing deadline.
- Proposed amendments to the Advertising rules in Subchapter F would modernize and enhance the enforceability of our advertising rules to better protect consumers consistent with the requirements of Occupations Code, Chapter 2301.

Streamlining Rule Language:

In support of the Texas Regulatory Efficiency Office's recommendation to eliminate unnecessary rules and streamline existing rules, this proposal would repeal eight rules that are redundant or unnecessary and streamline the language in many existing rules.

Stakeholder Input:

On December 8, 2025, the department provided an early draft of the proposed new rules and other rules with substantive changes to the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC). Committee members then voted on formal motions and provided informal comments on other provisions. The department has incorporated input from this committee in proposed §§215.104, 215.145, 215.153, 215.159, and 215.244.

Request:

The department requests board approval to publish this proposal in the *Texas Register* for public comment.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 1 of 33

Chapter 215 – Motor Vehicle Distribution

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

PROPOSAL OF REVISIONS TO**SUBCHAPTER A. GENERAL PROVISIONS****43 TAC §215.1 AND §215.2****SUBCHAPTER B. LICENSES, GENERALLY****43 TAC §§215.81, 215.82, 215.83, 215.84, 215.85, 215.89 AND §215.91****SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS****43 TAC §§215.101, 215.104, 215.105, 215.107, 215.108, 215.110, 215.113, 215.114, 215.115, 215.120****AND 215.121****SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES****43 TAC §§215.131, 215.132, 215.133, 215.134, 215.137, 215.140, 215.141, 215.144, 215.145, 215.152,****215.153, 215.154, 215.155, 215.157, 215.158, AND 215.159****SUBCHAPTER E. LESSORS AND LEASE FACILITATORS****43 TAC §§215.171, 215.175, 215.177, AND 215.181****SUBCHAPTER F. ADVERTISING****43 TAC §§215.241, 215.242, 215.243, 215.244, 215.246, 215.250, 215.264, 215.269, AND §215.270****SUBCHAPTER G. ADMINISTRATIVE SANCTIONS****§215.500**

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §215.2 and repeal of §215.1; proposes amendments to Subchapter B, Licenses Generally, §§215.82, 215.83, 215.84, 215.85, 215.89 and 215.91 and repeal of §215.81; proposes amendments to Subchapter C, Franchised Dealers, Manufacturers,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 2 of 33

Chapter 215 – Motor Vehicle Distribution

1 Distributors, and Converters, §§215.104, 215.105, 215.108, 215.110, 215.113, 215.114, 215.115, 215.120,
2 and 215.121, proposes new §215.107, and repeal of §215.101; proposes amendments to Subchapter D,
3 General Distinguishing Numbers and In-transit Licenses, §§215.132, 215.133, 215.134, 215.137, 215.140,
4 215.141, 215.144, 215.145, 215.152, 215.154, 215.155, 215.157, and 215.158, proposes new §215.153
5 and §215.159, and repeal of §215.131; proposes amendments to Subchapter E, Lessors and Lease
6 Facilitators, §§215.175, 215.177, and 215.181, and repeal of §215.171; proposes amendments to
7 Subchapter F, Advertising, §§215.242, 215.244, 215.246, 215.250, 215.264, and 215.270, and repeals of
8 §§215.241, 215.243, and 215.269; and proposes amendments to Subchapter G, Administrative Sanctions,
9 §215.500.

10 The proposed amendments are necessary to enhance the enforceability of the Motor Vehicle
11 Records Disclosure Act in Transportation Code, Chapter 730; to modify language to be consistent with
12 statutes and other chapters in Title 43 of the Texas Administrative Code; to modify language to be
13 consistent with current practice; to improve readability through the use of consistent terminology; to
14 clarify or delete unused, archaic, or inaccurate definitions, terms, references or other language; to
15 establish or clarify existing requirements for license plate use, management, and storage; and to
16 streamline and modernize language.

17 Three new sections are also being proposed. Proposed new §215.107 would document licensing
18 requirements when a manufacturer or distributor sells or transfers a line-make; proposed new §215.153,
19 would clarify a dealer's use of buyer's provisional license plates, and proposed new §215.159 would
20 establish when a dealer with multiple locations may store or manage license plates from a location other
21 than the licensed location.

22 On December 8, 2025, the department provided an early draft of the proposed new rules and
23 other rules with substantive changes to the Motor Vehicle Industry Regulation Advisory Committee

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 3 of 33

Chapter 215 – Motor Vehicle Distribution

1 (MVIRAC). Committee members then voted on formal motions and provided informal comments on other
2 provisions. The department has incorporated input from this committee in proposed §§215.104, 215.145,
3 215.153, 215.159, and 215.244.

4 Redundant or unnecessary rules identified in the course of the department's work with the Texas
5 Regulatory Efficiency Office are proposed for repeal, including §§215.1, 215.81, 215.101, 215.131,
6 215.171, 215.241, 215.243, and 215.269.

7 **EXPLANATION.**

8 The department is conducting a review of Chapter 215 rules in compliance with Government
9 Code, §2001.039. Notice of the department's plan to review is also published in this issue of the *Texas*
10 *Register*. As a part of the review, the department is proposing necessary amendments, new sections, and
11 repeals as detailed in the following paragraphs.

12

13 Subchapter A. General Provisions

14 §215.1

15 This section describing the purpose and scope of the chapter is proposed for repeal because the
16 section is unnecessary, as relevant statutory references may be incorporated into each rule.

17 §215.2

18 Proposed amendments to §215.2(a) would add a reference to Transportation Code, Chapter 730,
19 the Motor Vehicle Records Disclosure Act, to clarify that the definitions in Chapter 730 would apply to
20 Chapter 215 because the rules in this proposal would enforce that act. The proposed amendments would
21 also amend related punctuation. A proposed amendment to §215.2(b)(7) would clarify that the definition
22 of standard license plate does not include a dealer's temporary license plate issued under Transportation
23 Code, §503.062. A dealer's temporary license plate may only be used for the purposes authorized in

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §503.062, whereas a dealer's standard license plate, authorized under
2 Transportation Code, §503.061, may be used for a broader set of purposes.

3

4 Subchapter B. Licenses, Generally

5 §215.81

6 This section describing the purpose and scope of the subchapter is proposed for repeal because
7 it is unnecessary, as relevant statutory references may be incorporated into each rule.

8 §215.82

9 Proposed amendments to §215.82 would add "and Dealer's Temporary" to the title of the section
10 and would add a dealer's temporary license plate to the rule text to include this license plate type as an
11 additional type for which a dealer could get a replacement license plate or sticker at no charge if the dealer
12 did not receive the original license plate the dealer ordered and the dealer made a request for a
13 replacement within 45 days of the department mailing the license plate in the license plate system
14 designated by the department. Proposed amendments would also delete unnecessary references to the
15 specific types of license holders eligible to receive a standard license plate because the phrase "standard
16 license plate" is already defined in §215.2(b)(7) of this title (relating to Definitions; Conformity and
17 Statutory Requirements) as a license plate issued to a license holder. Additional proposed amendments
18 would delete "standard" from the description of the license plate in §215.82(1) and §215.82(2) because
19 these provisions would apply to both standard license plates and dealer's temporary license plates. These
20 proposed amendments would allow a dealer to receive a replacement at no charge if a dealer's temporary
21 license plate is lost in the mail and a dealer promptly requests a replacement.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 5 of 33

Chapter 215 – Motor Vehicle Distribution

1 §215.83

2 Proposed amendments to §215.83 would create new paragraph §215.83(a) to document existing
3 requirements for a new applicant to register for an account in the department-designated licensing
4 system by accessing the licensing system through the department's website. These proposed
5 amendments would require an applicant to designate an account administrator, provide the name and
6 email address for that person, and provide the business telephone number, name, business type, and
7 social security number or employer identification number, as applicable, and would specify that the
8 applicant's licensing account administrator must be an owner, officer, manager, or bona fide employee.
9 These proposed amendments reflect existing requirements for setting up an account that an applicant
10 may then use to submit a license application. The remaining paragraphs of §215.83 would be renumbered
11 to accommodate new §215.83(a).

12 §215.84

13 Proposed amendments to §215.84 would delete subsection (a) and reletter the remaining
14 subsections because the text in this subsection unnecessarily duplicates language in Occupations Code,
15 §2301.002(3) and §2301.006.

16 §215.85

17 Proposed amendments to §215.85 would streamline the language throughout the section to
18 improve readability without changing meaning, delete language found in statute, and clarify the
19 requirements for buyer referrals. Proposed amendments to §215.85(a) would streamline this subsection
20 by moving a descriptive phrase to eliminate unnecessary words and punctuation, and would delete an
21 unnecessary phrase and an unnecessary sentence because that language is included in statute. Proposed
22 amendments to §215.85(b) would substitute a phrase to clarify that a referral service, program, plan, or
23 club must meet each of the criteria listed for the referral service to be considered compliant. Proposed

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 6 of 33

Chapter 215 – Motor Vehicle Distribution

1 amendments to §215.85(b)(1) through §215.85(b)(7) would streamline these paragraphs by deleting
2 unnecessary words without changing meaning. Proposed amendments to §215.85(c) would substitute
3 “under” for “pursuant to” to streamline and modernize the phrase and would add “motor” to more
4 accurately describe the type of vehicles that a GDN holder under Transportation Code, §503.029(a)(6)(B)
5 is authorized to sell.

6 §215.89

7 Proposed amendments to §215.89(a) would delete an unnecessary phrase to streamline the
8 subsection language. A proposed amendment to §215.89(b)(2) would update for ease of reference a
9 citation to the criminal offense guidelines for the motor vehicle industry in 43 TAC Chapter 211, which
10 was renumbered on November 1, 2025. A proposed amendment to §215.89(b)(5) would add a modifying
11 phrase to identify a specific factor – consumer harm – which the department may consider when
12 evaluating if a license holder or applicant is unfit to hold a license due to insolvency or failure to obtain or
13 maintain financial resources sufficient to meet financial obligations. Consideration of this factor is
14 important as a license holder may need to reorganize finances due to a business setback but may not be
15 considered unfit if no consumer harm resulted. A proposed amendment to §215.89(b)(8) would delete an
16 unnecessary introductory verb and connector as a previous license is referenced later in the paragraph,
17 and would update a citation to the section referring to the criminal offense guidelines because this section
18 is proposed for renumbering to §211.9 in a rule proposal which the Board approved for publication on
19 December 11, 2025, and will consider adopting at the same board meeting in which this proposal is being
20 considered.

21 §215.91

22 Occupations Code, §55.004(b-1), as amended by Senate Bill 1818, 89th Texas Legislature, Regular
23 Session, requires all state licensing agencies including the department to issue a provisional license to

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 7 of 33

Chapter 215 – Motor Vehicle Distribution

1 military service members, veterans and military spouses while the agency processes the application for
2 licensure. Proposed amendments to §215.91(b) would clarify the license application process for a military
3 service member, military spouse, or military veteran to obtain a provisional license. These clarifications
4 are necessary for the department to be able to identify and process these applications on an expedited
5 basis as required by Occupations Code, §55.0041, as amended by House Bill (HB) 5629, 89th Legislature,
6 Regular Session. Proposed amendments to §215.91(b)(1) would align the rule with Occupations Code,
7 §55.004, as amended by Senate Bill (SB) 1818, 89th Legislature, Regular Session, to require licensing
8 agencies to issue a provisional license while the agency reviews the application of military service
9 members, spouses and veterans who are currently licensed and in good standing in another state or have
10 been licensed in Texas within the past five years. The proposed amendments to §215.91(b)(1) would
11 establish less onerous application requirements for a provisional license, as specified by Occupations
12 Code, §55.004 and §55.0041, and would clarify that a military service member, military spouse, or military
13 veteran may apply for a provisional license by downloading and completing the application form from the
14 department website or contacting the department. Proposed amendments to §215.91(b)(1) would also
15 require the applicant to submit the completed provisional license application to the department at the
16 email address designated in the application form, delete a requirement to submit the more
17 comprehensive online application specified in §215.83, and would reletter the required attachments that
18 must be submitted with the provisional license application. The proposed amendments would also add a
19 new §215.91(b)(1)(C) and amend relettered §215.91(b)(1)(A) to clarify and separate the documentation
20 requirements for military veterans from the documents that active-duty military and spouses need to
21 submit to prove their military service status. Proposed amendments to §215.91(b)(1)(D) would clarify that
22 the affidavit requirement of Occupations Code, §55.0041(b)(3) for applicants who have previously been
23 licensed by another state applies to not only military active duty and spouses but also veterans seeking

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 8 of 33

Chapter 215 – Motor Vehicle Distribution

1 provisional licensure, as a standard method for the department to get the information it needs to
2 determine eligibility for a provisional license.

3 Proposed amendments to §215.91(b)(2) would add the phrase “provisional license” to describe
4 the application type, to align with Occupations Code, §55.004 as amended by SB 1818. Proposed
5 amendments in §215.91(b)(2)(A) would add a reference to military veteran to align with Occupations
6 Code, §55.004 as amended by HB 5629, and update related punctuation and a conjunction. Proposed
7 amendments in §215.91(b)(2)(B) would change a verb to “confirm” for consistency with proposed
8 language in §215.91(b)(2)(C). Proposed amendments in §215.91(b)(2)(C) would add that if the department
9 confirms the information in subparagraphs (A) and (B), that the department will notify the applicant to
10 submit a sufficient application as described in §215.83 at the time the department issues the provisional
11 license, to align with Occupations Code, §55.0041(b-1) as amended by HB 5629. Proposed amendments
12 to §215.91(b)(3) would clarify that the department will issue a license within 10 days of receiving a
13 sufficient application – or notify the applicant why a license cannot currently be issued – as required under
14 Occupations Code, §55.0041(b-1) as amended by HB 5629, when an applicant holds a provisional license,
15 was licensed in good standing in another state with similar licensing requirements, or was licensed in good
16 standing in Texas in the last five years. Another proposed amendment to §215.91(b)(3) would move the
17 last sentence to a new §215.91(c) to improve readability and would reletter current §215.91(c) to
18 §215.91(d). These proposed amendments would streamline the process for military members, military
19 spouses, and military veterans to apply for and obtain a provisional license consistent with the
20 requirements of Occupations Code, Chapter 55 as amended by HB 5629 and SB 1818, without requiring
21 substantial licensing system changes that would impact implementation.

22

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 9 of 33

Chapter 215 – Motor Vehicle Distribution

1 Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters

2 §215.101

3 This section describing the purpose and scope of the subchapter is proposed for repeal because
4 it is unnecessary, as relevant statutory references may be incorporated into each rule.

5 §215.104

6 Proposed amendments to §215.104(a) and §215.104(b) would modernize and simplify text to
7 improve readability without changing meaning. Proposed amendment to §215.104(a)(2) would remove a
8 typographical error. Proposed amendments to §215.104(c) would add a requirement for a franchised
9 dealer to file a license amendment application within ten days if the person responsible for a franchised
10 dealer's business activities changes due to the appointment of a receiver or filing for bankruptcy, and
11 would make related changes in punctuation and placement of a conjunction. These proposed
12 amendments would help ensure that the proper representative receives department licensing and
13 enforcement notices and can act within the time limits established by statute and rule. Proposed
14 amendments to §215.104(d) would modernize and simplify text to improve readability without changing
15 meaning.

16 §215.105

17 Proposed amendments throughout §215.105 would modernize and simplify text to improve
18 readability without changing meaning.

19 §215.107

20 Proposed new §215.107 would describe the licensing requirements when a manufacturer or
21 distributor purchases, licenses, or otherwise accepts the transfer of an existing line-make from another
22 manufacturer or distributor. Proposed new §215.107(a) would require the manufacturer or distributor
23 acquiring the line-make to either apply for a manufacturer or distributor license or submit a license

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 10 of 33

Chapter 215 – Motor Vehicle Distribution

1 amendment to add the transferred line-make. Proposed new §215.107(b) would require the acquiring
2 manufacturer or distributor to identify the effective date of the transfer, identify the franchised dealers
3 authorized to sell and service the line-make, identify the person responsible for warranty and franchised
4 dealer obligations incurred prior to the transfer, and certify compliance with Occupations Code, Chapter
5 2301, Subchapter J. This proposed new section would enable the department to more efficiently
6 transition a line-make and clarify the manufacturer or distributor responsible for statutory warranty and
7 dealer obligations under Occupations Code, Chapter 2301.

8 §215.108

9 Proposed amendments to §215.108 would modernize and simplify text to improve readability
10 without changing meaning and would add “or relocated” for consistency.

11 §215.110

12 A proposed amendment to §215.110(b) would clarify that the information described is in
13 subsection (a) of the section, and not in other subsections, to prevent any reader confusion.

14 §215.113

15 Proposed amendments to §215.113(c) would update the Subchapter designation in 43 TAC,
16 Chapter 224, and delete “License” in a referenced section title to correct the name and subchapter
17 reference.

18 §215.114

19 Proposed amendments to §215.114 would modernize and simplify text to improve readability
20 without changing meaning.

21 §215.115

22 Proposed amendments to §215.115(e) would add “if applicable” and related punctuation because
23 certain records listed may not be relevant to an individual license holder’s business.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 11 of 33

Chapter 215 – Motor Vehicle Distribution

1 §215.120

2 Proposed amendments to §215.120(a) and (b) would remove the phrases “manufacturer’s” and
3 “manufacturer or converter” from modifying “standard license plate” because they are unnecessary since
4 the definition of “standard license plate” in §215.2(b)(7) includes plates issued to these types of license
5 holders. A proposed amendment to §215.120(d) would substitute “license holder” for “manufacturer,
6 distributor, or converter” to simplify rule text without changing meaning. A proposed amendment to
7 §215.120(d)(2) would substitute “secured” for “affixed” for consistency in terminology. A proposed
8 amendment to §215.120(g) would delete the phrase referencing a franchised or other GDN dealer
9 because this phrase is unnecessary as §215.139 addresses the process for license holders to request and
10 receive additional standard license plates. A proposed amendment to §215.120(g)(1) would clarify that a
11 business justification that a license holder could provide to receive additional standard license plates
12 would include the number of vehicles assembled or modified only in the prior twelve months and only at
13 facilities located in Texas or serving the Texas market. The proposed language would clarify the relevant
14 information that the department would consider and address a common question posed by
15 manufacturers when requesting additional standard license plates. A proposed amendment to
16 §215.120(h) would correct a capitalization error.

17 §215.121

18 Proposed amendments to §215.121(a) would delete that subsection as unnecessary because the
19 sanction actions the board or department may take are included in statute, and would delete the
20 orphaned remaining subsection designation. Further proposed amendments to §215.121 would
21 substitute “sanction” for a reference to deleted subsection (a) and would add “if the person:” before
22 listing common violations in the succeeding paragraphs to improve readability. Proposed amendments to
23 unlettered §215.121(10) would update references to relevant Transportation Code chapters that may

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 12 of 33

Chapter 215 – Motor Vehicle Distribution

1 result in a license holder receiving a sanction if a provision is violated. A proposed amendment to
2 unlettered §215.121(11) would update a citation to the criminal offense guidelines in 43 TAC Chapter 211,
3 which was renumbered to §211.10 on November 1, 2025.

4 Proposed amendments would add new §215.121(19) to enforce Transportation Code, Chapter
5 730, the Motor Vehicle Records Disclosure Act, by adding a sanction if a manufacturer, distributor,
6 converter, or franchised dealer, or employee or agent violates the Act, and would make related changes
7 in punctuation and placement of a conjunction. These license holders and their employees and agents
8 have access to motor vehicle records protected under the Motor Vehicle Records Disclosure Act and
9 disclosure in violation of the Act may cause significant consumer harm.

10

11 Subchapter D. General Distinguishing Numbers and In-Transit Licenses

12 §215.131

13 This section describing the purpose and scope of the subchapter is proposed for repeal because
14 it is unnecessary, as relevant statutory references may be incorporated into each rule.

15 §215.132

16 Proposed amendments would update definitions consistent with other proposed rule changes in
17 Subchapter D. Proposed amendments would delete the definition of “barrier” in §215.132(1) because a
18 proposed amendment in §215.140 would delete that term, and would renumber the following definitions
19 accordingly. A proposed amendment to renumbered §215.132(1) would delete the last sentence that
20 references a “buyer’s provisional license plate” to align with the proposal of a new definition for a “buyer’s
21 provisional license plate” in renumbered §215.132(2). Proposed amendments to renumbered §215.132(2)
22 would define a “buyer’s provisional license plate” as a license plate a dealer uses when the general issue
23 license plate for that vehicle or motor vehicle type is not in a dealer's license plate inventory, a dealer has

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 13 of 33

Chapter 215 – Motor Vehicle Distribution

1 submitted an application for an exempt license plate for the vehicle and that application is pending
2 department approval, or a retail buyer requires a commercial fleet specific-use license plate and will
3 obtain that license plate through the Motor Carrier division or other department system. This proposed
4 definition would clarify the uses of a buyer's provisional license plate and would allow a dealer to more
5 efficiently process retail sales for various types of vehicles.

6 §215.133

7 Proposed amendments to §215.133 would delete subsections (a) and (b) and reletter subsequent
8 subsections because the deleted subsections unnecessarily repeat statutory requirements. Proposed
9 amendments to relettered §215.133(a) would add "license" to clarify the application type referenced. The
10 proposed amendments to relettered §215.133(a) would also would clarify that a dealer or wholesale
11 motor vehicle auction reapplying for a GDN after the GDN expires or is closed must enter or verify
12 information in the application, provide related information and documents for any new requirements,
13 and pay required fees including any outstanding civil penalties owed the department under a final order.
14 A proposed amendment to relettered §215.133(b) would update a citation to the criminal offense
15 guidelines in 43 TAC Chapter 211, which was renumbered to §211.13 on November 1, 2025. Proposed
16 amendments would delete §215.133(i) because that language unnecessarily duplicates statutory
17 language, and would reletter the remaining subsections accordingly. Proposed amendments would also
18 delete an unnecessary reference to subsection §215.133(i) in relettered §215.133(g).

19 §215.134

20 Proposed amendments to §215.134 would delete subsection (a) and reletter subsequent
21 subsections because the deleted subsection unnecessarily repeats statutory requirements. A proposed
22 amendment to relettered §215.134(e) would update a citation to the criminal offense guidelines in 43
23 TAC Chapter 211, which was renumbered to §211.13 on November 1, 2025.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 14 of 33

Chapter 215 – Motor Vehicle Distribution

1 §215.137

2 Proposed amendments would delete §215.137(f) because Transportation Code, §503.033
3 describes the GDN holders to whom the security requirement applies, so describing the GDN holders to
4 which the surety bond does not apply is unnecessary.

5 §215.140

6 Proposed amendments to §215.140(a)(3)(A), §215.140(a)(4)(A)(i), and §215.140(b)(3)(A) would
7 add “legible” to describe the requirements for letters on a sign to ensure that the public and the
8 department can read the sign and identify the GDN holder. Proposed amendments to §215.140(a)(3)(B),
9 §215.140(a)(4)(A)(ii), and §215.140(b)(3)(B) would add flexibility to dealer and auction signage
10 requirements by adding a sign “permanently affixed or etched on an exterior window, wall, or door” to
11 the definition of a permanently mounted sign as an alternative to a sign “permanently installed in the
12 ground.” Proposed amendments to §215.140(a)(5)(F) would add “licensed” to describe a dealer’s physical
13 location and add language that would allow the department to mail or deliver license plates to another
14 physical location included in the dealer’s license record and approved by the department. This
15 amendment was requested by dealers to allow a dealer with multiple locations to centralize inventory
16 and management of license plates, if desired, in accordance with proposed new §215.159. Proposed
17 amendments to §215.140(a)(6)(E) would delete unnecessary license plate descriptors to improve
18 readability of the text without changing meaning. Proposed amendments to §215.140(a)(11)(B)(iv) and
19 §215.140(a)(11)(B)(vii) would remove the requirement that a dealer install and maintain a material object
20 or barrier that cannot be readily removed and that must be in place on all sides except for the space
21 necessary to allow vehicle entry and exit. The department received feedback that the current barrier
22 requirement was difficult for dealers in shared spaces to implement and manage on an ongoing basis. In
23 response, the department is proposing a simpler requirement: the proposed amendments to

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 15 of 33

Chapter 215 – Motor Vehicle Distribution

1 §215.140(a)(11)(B)(iv) and §215.140(a)(11)(B)(vii) would require a dealer to have permanent signage
2 identifying the dealer’s reserved display space if sharing a location with another business, including
3 another dealer. Dealers should find it easier and cheaper to comply with the proposed new requirement,
4 while the department and the public will still be able to identify which portions of a shared location belong
5 to a specific dealer.

6 §215.141

7 Proposed amendments to §215.141(a) would delete that subsection because the actions the
8 board or department may take are stated in statute, and would delete the orphaned remaining subsection
9 designation. Further proposed amendments to §215.141 would substitute “sanction” for a reference to
10 subsection (a) and add “if the person:” before listing common violations in the succeeding paragraphs for
11 readability. Proposed amendments to unlettered §215.141(16) would add references to relevant
12 Transportation Code Chapters and delete references to irrelevant Transportation Code Chapters because
13 a license holder could not violate a provision in those chapters. A proposed amendment to unlettered
14 §215.141(17) would update a citation to the criminal offense guidelines in 43 TAC Chapter 211, which was
15 renumbered to §211.10 on November 1, 2025. Proposed amendments to unlettered §215.141(26),
16 §215.141(28), and §215.141(34) would delete archaic references in the text that are no longer necessary
17 due to the passage of time or changes in the law. Proposed amendments would add new §215.141(36) to
18 enforce Transportation Code, Chapter 730, the Motor Vehicle Records Disclosure Act, by adding a sanction
19 if a general distinguishing number (GDN) holder, or employee or agent violates the Act, and would make
20 related changes in punctuation and placement of a conjunction. These license holders and their
21 employees and agents have access to motor vehicle records protected under the Motor Vehicle Records
22 Disclosure Act and disclosure in violation of the Act may cause significant consumer harm. Proposed
23 amendments would add new §§215.141(37) - (39) to specify that the following actions by a dealer would

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 16 of 33

Chapter 215 – Motor Vehicle Distribution

1 be a violation: issuing the wrong type of license plate for a vehicle transaction; securing a license plate to
2 a sold vehicle but failing to assign the license plate in the system designated by the department; and
3 voiding and reissuing the same license plate to a buyer to extend a title or registration filing deadline.
4 While investigating consumer complaints received after July 1, 2025, when temporary tags were
5 eliminated, department investigators have discovered evidence of dealers taking these actions, which
6 may cause law enforcement to make unnecessary vehicle stops and cause consumer harm by delaying
7 proper titling and registration.

8 §215.144

9 Proposed amendments to §215.144(e)(8)(L) would add a phrase to clarify that a dealer is not
10 required to copy a purchaser's photo identification document if doing so would violate federal law, to
11 address dealers' concerns about a potential conflict between state and federal requirements. Proposed
12 amendments to §215.144(e)(8)(M) would add a requirement that the odometer disclosure agreement be
13 properly executed by the seller of the motor vehicle and acknowledged by the purchaser, and would
14 delete the phrase "signed by the buyer" for consistency with 43 TAC §217.4(d)(2), relating to Initial
15 Application for Title. Proposed amendments to §215.144(e)(8)(M) and §215.144(e)(8)(N) would move a
16 conjunction and add punctuation to accommodate proposed new §215.144(e)(8)(O), which would require
17 that a dealer retain the dealer's copy of the buyer's license plate receipt in the dealer's record. Adding
18 this requirement will ensure a complete record is available to a department investigator should a
19 complaint be filed about the transaction. A proposed amendment to §215.144(l)(1) would remove
20 redundant language. A proposed amendment to §215.144(l)(2) would change "Buyer's License Plates" to
21 "License Plate" in the reference to §215.151 to correct the title of that section.

22 §215.145

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 17 of 33

Chapter 215 – Motor Vehicle Distribution

1 Proposed amendments to §215.145(d)(1) and §214.145(e)(1) would simplify the wording to
2 “amendment application” to improve readability without changing meaning. A proposed amendment to
3 §215.145 would add new subsection (h), which would require a dealer to file a license amendment
4 application with the department within ten days if the dealer has a change in the person responsible for
5 overseeing the business due to a receiver being appointed or after filing for bankruptcy. These proposed
6 amendments would help ensure that the proper representative receives department licensing and
7 enforcement notices and can act on behalf of the license holder within the time limits established by
8 statute and rule.

9 §215.152

10 A proposed amendment to §215.152(e) would revise wording to increase readability without
11 changing meaning. A proposed amendment to §215.152(h) would delete an extraneous word to improve
12 readability without changing meaning. Proposed amendments to §215.152(i)(6) would add a requirement
13 that the delivery service notify the department that a license plate shipment is undeliverable before a
14 dealer is considered ineligible for a quarterly allocation delivered to the dealer’s licensed location.
15 Proposed amendments would add new §215.152(i)(8), which would make an applicant or dealer ineligible
16 for a quarterly allocation delivered to the licensed location if the person has filed a change of address with
17 the department and the department has not yet approved the new location. The proposed amendments
18 would change punctuation and conjunctions as necessary to accommodate new §215.152(i)(8). Proposed
19 amendments to §215.152(l) and §215.152(m) would replace the term “general issue plates” with “buyer’s
20 license plates” because buyer’s license plates include more than just general issue license plates, and
21 would substitute the possessive term “buyer’s” for the singular term “buyer” for consistency in
22 terminology. An amendment to §217.152(n) would replace “receive” with “request” for consistency in
23 terminology. A proposed amendment to §215.152(o)(1) would substitute “dealer’s” for “requestor’s” for

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 18 of 33

Chapter 215 – Motor Vehicle Distribution

1 clarity and specificity, and because a dealer's license plate activity is a relevant factor the department may
2 consider in evaluating a request to change the number of license plates allocated to a dealer. A proposed
3 amendment to §215.152(p) would correct a cross-reference to a subsection.

4 §215.153

5 Proposed new §215.153 would describe a dealer's responsibilities when issuing a buyer's
6 provisional license plate, which is a type of buyer's license plate that a dealer may assign to a sold vehicle
7 if the dealer does not have an appropriate license plate in inventory. This license plate type was largely
8 implemented after the initial House Bill 718 rules were published on November 8, 2024. The purposes for
9 this license plate type are to facilitate retail sales for dealers who have depleted their inventory of general
10 issue license plates and not yet received a shipment of these license plates, to facilitate retail sales for
11 vehicles that are eligible for an exempt license plate, and to facilitate retail sales of commercial fleet
12 vehicles.

13 Proposed new §215.153(a) would specify that a dealer is responsible for managing the dealer's
14 inventory of buyer's provisional license plates within the buyer's license plate allocation provided in
15 §215.152, and that a dealer may order buyer's provisional license plates for any class of vehicle for which
16 the dealer holds a GDN by submitting a request in the license plate system designated by the department.
17 Proposed new §215.153(a) would also specify that a dealer may be required to submit information to
18 explain a request for buyer's provisional license plates such as fleet sales orders or fleet sales history, to
19 allow the department to identify unnecessary requests that would create additional license plate
20 manufacturing and delivery costs for the department and would increase the risk of license plate fraud by
21 allowing an excess supply of unassigned license plates.

22 Proposed new §215.153(b) would require a dealer to issue a buyer's provisional license plate
23 when the dealer does not have a general issue license plate in inventory and the retail purchaser does not

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 19 of 33

Chapter 215 – Motor Vehicle Distribution

1 have a license plate eligible to be assigned to the vehicle at the time of a retail sale. Proposed new
2 §215.153(b) would also require the dealer to secure the license plate and enter the license plate
3 information into the system designated by the department, consistent with 43 TAC §215.151, relating to
4 License Plate General Use Requirements, and §215.155, relating to Buyer's License Plates.

5 Proposed new §215.153(c) would authorize a dealer to issue a buyer's provisional license plate
6 for use on a vehicle eligible for an exempt license plate until the department processes the exempt license
7 plate application submitted by the dealer. If the department does not approve the application for an
8 exempt license plate, this proposed new subsection would require a dealer to issue a general issue license
9 plate and charge the retail buyer a registration fee.

10 Proposed new §215.153(d) would allow a dealer to issue a buyer's provisional license plate when
11 a purchased vehicle is eligible for a commercial fleet license plate, which is a license plate that a retail
12 purchaser is responsible for ordering in the department's designated system known as TxFLEET. For all
13 vehicles that are not part of a commercial fleet, proposed new §215.153(e) would ensure that the dealer
14 fulfills the requirements of Transportation Code, §503.063 by requiring the selling dealer to promptly
15 obtain a general issue license plate to assign to the vehicle, remove the provisional license plate if secured
16 to the vehicle, and secure a license plate provided by the retail purchaser or the tax assessor-collector.

17 Proposed new §215.153(f) would specify that a buyer's provisional license plate is for temporary use only
18 and expires fourteen days after a general issue, exempt, or a commercial fleet license plate, or other
19 eligible license plate is assigned to the vehicle, to prevent unexpired plates from creating an opportunity
20 for fraud. Proposed new §215.153(g) would require a dealer to mark and destroy the expired buyer's
21 provisional license plate as provided in 43 TAC §215.158, relating to General Requirements for Buyer's
22 License Plates, to further deter fraud.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 20 of 33

Chapter 215 – Motor Vehicle Distribution

1 §215.154

2 Proposed amendments to the attached graphic in §215.154(b) would increase the initial
3 allocation of dealer's temporary license plates for GDN dealers that sell trailers and semi-trailers and for
4 wholesale motor vehicle dealers who also hold a wholesale auction GDN. The department received a
5 substantial number of requests for additional dealer's temporary license plates from these two types of
6 license holders during the initial license plate implementation, suggesting that a higher initial allocation is
7 necessary for these two groups. Proposed amendments to the attached graphic in §215.154(b) would
8 increase the allocation of dealer's temporary license plates for GDN holders that sell trailers and semi-
9 trailers from 5 to 15, add a category for wholesale motor vehicle dealers who also hold a wholesale motor
10 vehicle auction, and establish an allocation of 40 dealer's temporary license plates for this new category.

11 Proposed amendments would delete §215.154(c) and reletter subsequent subsections because a
12 dealer licensed on July 1, 2025, has already received an initial allocation, so that subsection is no longer
13 necessary. Proposed amendments to relettered §215.154(f) would add a requirement for a dealer to
14 include proof of the number of vehicles transported within the last 12-month period, if applicable, so the
15 Motor Vehicle Division director may consider that information when evaluating a dealer's waiver request
16 to receive additional dealer's temporary license plates. This requirement would apply to a wholesale
17 motor vehicle dealer who also holds a wholesale motor vehicle auction general distinguishing number.
18 The number of vehicles transported is an important consideration for the department in evaluating a
19 waiver request for this type of license holder, to help the department determine whether a request is
20 necessary and avoid an excess of unassigned plates that create an avenue for fraud.

21 §215.155

22 Proposed amendments to §215.155(b) would delete the term "general issue" to describe buyer's
23 license plates because buyer's license plates may include provisional license plates. Proposed

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 amendments to §215.155(e) would delete the requirement for a dealer to remit the registration fee with
2 the title transfer application because each transaction is handled separately.

3 §215.157

4 Proposed amendments to §215.157 would streamline the text by deleting language that restates
5 statute, and refer instead to Transportation Code, §503.0631(d) and §215.156, relating to Buyer's License
6 Plate Receipt, to improve readability.

7 §215.158

8 Proposed amendments to §215.158 would delete the unnecessary phrase "buyer's license plate
9 or buyer's temporary" to describe license plates to clarify that the loss, theft, or destruction of any license
10 plate must be reported to the department to deter fraud.

11 §215.159

12 Proposed new §215.159 would set out the options and requirements for a dealer with two or
13 more licensed locations to store and manage license plate inventory away from the licensed location. This
14 new proposed rule would provide operational flexibility while ensuring security of license plates and
15 access by delivery services and department staff. Proposed new §215.159(a) would require such a dealer
16 to disclose the physical address of the license plate storage location in a license application, which could
17 be a new, renewal, or amendment application, and certify that the license plate storage location satisfies
18 all location requirements in new proposed subsection (b). Proposed new §215.159(b)(1) confirms that if
19 a dealer chooses to manage license plate inventory for a licensed location at another licensed location,
20 then that location must comply with the requirements of §215.140, regarding Established and Permanent
21 Place of Business Premises Requirements.

22 Proposed new §215.159(b)(2) contains the requirements for a license plate storage location that
23 is not located at another licensed location. Proposed new §215.159(b)(2)(A) would require the license

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 22 of 33

Chapter 215 – Motor Vehicle Distribution

1 plate storage location to be in Texas, at an address recognized by the U.S. Postal Service that is capable of
2 receiving U.S. mail, and has an assigned emergency services property address. These requirements would
3 ensure that the department has jurisdiction over the location, that a dealer can receive mailed
4 department notices, and that the location is not a post office box. These requirements are important to
5 deter fraud and ensure department access to the location so the department may monitor compliance
6 under Transportation Code, §503.063(d). Proposed new §215.159(b)(2)(B) would require the storage
7 location to be in a building with a permanent roof and connecting exterior walls on all sides. These
8 requirements are consistent with the requirements for a licensed location and deter fraud by requiring a
9 location that can be secured. Proposed new §215.159(b)(2)(C) would require that the licensed location be
10 equipped with a computer, internet access, a working telephone number listed in the business name or
11 assumed name, and a locked and secured room or closet or a least one securely locked and substantially
12 constructed safe or steel cabinet bolted or secured to a floor or wall and of sufficient size to store all plates
13 in the dealer's possession. These equipment requirements are necessary to allow a dealer to access the
14 department's license plate database, to allow dealer personnel to promptly respond to inquiries, and to
15 provide secure storage to prevent license plate inventory discrepancies and theft and fraud of license
16 plates. Proposed new §215.159(b)(2)(D) would require that the license plate inventory be organized so
17 that the inventory assigned to each licensed location is separate and easily identifiable, which would assist
18 both the dealer and the department in efficiently fulfilling their respective responsibilities under
19 Transportation Code, §§503.063, 503.0631, and 503.0633. Proposed new §215.159(b)(2)(E)-(G) would
20 require the address to be clearly visible from the street, would require business hours to be posted in a
21 public area, would set minimum business hours consistent with the requirements for a retail dealer's
22 licensed location, and would require an owner or bona fide employee to be present at the license plate
23 storage location. These requirements ensure that delivery services will have reasonable access to the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 23 of 33

Chapter 215 – Motor Vehicle Distribution

1 location to deliver and transport license plates, and that department staff may fulfill their responsibilities
2 under Transportation Code, §503.063(d). Proposed new §215.159(b)(2)(H) would require the telephone
3 to be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service,
4 voicemail service, or answering machine. This requirement ensures that the department and others may
5 contact the location and speak to a person or leave a message. Proposed new §215.159(b)(2)(I) would
6 allow a portable office building to be used as a license plate storage location if the building meets the
7 other requirements and is not readily moveable. This flexibility is consistent with premises requirements
8 in §215.140 for licensed locations and provides fraud prevention while providing flexibility which
9 especially benefits small dealers. Proposed new §215.159(b)(2)(I) and §215.159(2)(J) would restrict where
10 a license plate storage location may be located to prevent fraud and deter theft consistent with existing
11 requirements for a licensed location.

12 Proposed new §215.159(c) would notify dealers that the department may visit a license plate
13 storage location prior to approving a dealer's request to add that location to a dealer's license and during
14 the license term to monitor compliance with department rules as authorized by Occupations Code,
15 §2301.256 and Transportation Code, §503.063(d), because a department visit may be necessary to
16 confirm a dealer's compliance with statute and rule.

17

18 Subchapter E. Lessors and Lease Facilitators

19 §215.171

20 This section describing the purpose and scope of the subchapter is proposed for repeal because
21 it is unnecessary, as relevant statutory references may be incorporated into each rule.

22 §215.175

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 24 of 33

Chapter 215 – Motor Vehicle Distribution

1 Proposed amendments to §215.175(a) would delete that subsection as redundant because the
2 actions the board or department may take are stated in statute; the proposed amendments would reletter
3 the remaining subsections accordingly. Proposed amendments to §215.175 would add punctuation,
4 substitute “sanction” for a reference to deleted subsection (a), and add “if the person:” before listing
5 common violations in the succeeding paragraphs for readability. A proposed amendment to relettered
6 §215.175(a)(10) would update a reference to the applicable criminal offense guidelines in Chapter 211 of
7 this title, which are proposed to be renumbered in an adoption proposal also being considered by the
8 board. Proposed amendments would add new §215.175(a)(14) to enforce Transportation Code, Chapter
9 730, the Motor Vehicle Records Disclosure Act, by adding a sanction if a vehicle lessor, a vehicle lease
10 facilitator, or their employee or agent violates the Act, and proposes related changes in punctuation and
11 placement of a conjunction. Vehicle lessor and vehicle lease facilitator license holders and their employees
12 and agents have access to motor vehicle records protected under the Motor Vehicle Records Disclosure
13 Act, and disclosure in violation of the Act may cause significant consumer harm.

14 §215.177

15 A proposed amendment to §215.177(a)(2) would add “legible” to describe the requirements for
16 letters on a sign to ensure that the public and the department can read the sign and identify the license
17 holder.

18 §215.181

19 Proposed amendments to §215.181 would add a subject and rephrase a sentence to modernize
20 and improve readability without changing meaning.

21

22 Subchapter F. Advertising

23 §215.241

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 25 of 33

Chapter 215 – Motor Vehicle Distribution

1 This section describing the purpose and scope of the subchapter is proposed for repeal because
2 it is unnecessary, as relevant statutory references may be incorporated into each rule.

3 §215.242

4 Proposed amendments to §215.242 would delete unnecessary phrases to improve readability
5 without changing meaning.

6 §215.243

7 This section is proposed for repeal because it is unnecessary and redundant to consider an
8 advertising rule violation a prima facie violation of Occupations Code, Chapter 2301. Occupations Code,
9 §2301.263 states that a license issued under Chapter 2301 is subject to both Chapter 2301 and board rules
10 in effect on the date the license is issued, and to any statutory or rule change that takes effect during the
11 term of the license. Thus, considering an advertising rule violation to also be prima facie violation of
12 Occupations Code, Chapter 2301 is unnecessary because it is a restatement of the statute.

13 §215.244

14 Proposed amendments to §215.244 would add and modify definitions found in the advertising
15 rules. Proposed amendments would add §215.244(1)(A)(vi) and (vii) to modernize the definition of
16 advertisement by including in the definition a statement or representation displayed on an internet
17 website, social media platform, other digital application or platform, or sent electronically, such as in
18 email. Use of electronic forms of advertisement have changed and expanded and these amendments
19 would modernize the language to include the most common forms of digital advertisement. The proposed
20 amendments to §215.244 would also move a conjunction and change punctuation to accommodate new
21 §215.244(1)(A)(vi) and (vii). Proposed amendments to §215.244(1)(B) would define “direct
22 communication” and would clarify that direct communication is not considered an advertisement unless
23 a person or a person’s representative requires a prospective purchaser to provide contact information to

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 26 of 33

Chapter 215 – Motor Vehicle Distribution

1 obtain a sales price. These proposed amendments would protect consumers from unwanted contacts by
2 advertisers or from persons with whom an advertiser shares the consumers' contact information.

3 Proposed new §215.244(6) would add a definition for what would constitute a "cure" to an
4 alleged advertising violation in accordance with Occupations Code, §2301.203, which requires the
5 department to notify a license holder of an alleged advertising violation and give the license holder an
6 opportunity to cure the violation before sending a notice of violation and recommended sanction to the
7 license holder. The proposed new provision would define a cure as a license holder's agreement to not
8 violate the advertising rule cited in a department-issued opportunity-to-cure letter for a two-year period,
9 and would require the license holder to correct any consumer harm caused by the alleged violation.
10 Defining the term "cure" would provide license holders with a consistent way in which to cure an alleged
11 violation and avoid receiving a notice of violation and related sanction. Proposed amendments would
12 renumber subsequent paragraphs to accommodate proposed new §215.244(6) and update cross-
13 references within those paragraphs to the definition of "Monroney Label." Proposed amendments to
14 renumbered §215.224(18) would modify the definition of "subsequent violation" to be a violation of the
15 same advertising rule previously identified in an opportunity to cure notice within two years, for
16 consistency with the proposed new definition of "cure" in §215.244(6) and the requirements of
17 Occupations Code, §2301.203.

18 §215.246

19 Proposed amendments to §215.246 would delete a redundant and unnecessary sentence because
20 the requirement for an advertisement not to be false, deceptive, or misleading is already stated in
21 §215.242 of this title, relating to General Prohibition.

22 §215.250

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 27 of 33

Chapter 215 – Motor Vehicle Distribution

1 Proposed amendments to §215.250(d) would clarify that prohibited online advertising includes
2 requiring a prospective purchaser to provide contact information or consent to a data-tracking program
3 before viewing an online savings or discount offer. These proposed amendments would protect
4 consumers from unwanted contacts by advertisers or from persons with whom an advertiser shares the
5 consumers' contact information.

6 §215.264

7 Proposed amendments to §215.264(h) and §215.264(j) would modernize the options for a dealer
8 to provide the required disclosures in radio and television advertisements for leased vehicles. Instead of
9 a dealer's advertisement referring only to a written advertisement published in the community served by
10 the media station during a certain time period before and after the advertisement airs, a dealer will have
11 the option to include all information required by this section in the radio or television advertisement itself
12 without having to publish a concurrent written advertisement. These proposed amendments would
13 provide more flexibility for dealers in markets without a general circulation community publication and
14 would modernize the rule while still requiring dealers to provide consumers with important information
15 about vehicle leasing terms.

16 §215.269

17 This section is proposed for repeal because the procedures for finding a violation under
18 department rules were moved to 43 TAC Chapter 224. Therefore, this rule is redundant and no longer
19 required.

20 §215.270

21 Proposed amendments to §215.270(a)(1) would streamline rule language to improve readability,
22 and modernize the methods the department uses to contact licensees to include email. Proposed
23 amendments to §215.270(a)(2) would add subparagraphs (A) and (B) and related punctuation to state

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 28 of 33

Chapter 215 – Motor Vehicle Distribution

1 that the department may issue a Notice of Department Decision to a license holder who did not timely
2 respond to a notice of an opportunity to cure letter, or who agreed to cure the violation but failed
3 complete the cure process by either not correcting a consumer harm or by committing a subsequent
4 advertising violation. Another proposed amendment to §215.270(a)(2) would delete existing language
5 regarding a subsequent violation of the same advertising violation for consistency with proposed
6 amendments to the definitions of “cure” and “subsequent violation” in §215.244 of this title, relating to
7 Definitions. Proposed amendments to §215.270(b) would amend §215.270(b)(3), and amend related
8 punctuation and a conjunction, for consistency with proposed amendments to the definitions of “cure”
9 and “subsequent violation” in §215.244. Proposed amendments would delete §215.270(c) and reletter
10 the remaining subsection accordingly because printing a retraction notice in a local newspaper is no longer
11 an effective or efficient method to put the public on notice or cure an alleged advertising violation.

12

13 Subchapter G. Administrative Sanctions

14 §215.500

15 Proposed amendments to §215.500 would add in the first sentence a clarifying phrase that an
16 administrative sanction may include one or more penalties authorized by statute and rule, and would add
17 corresponding references to Occupations Code, Chapter 2301, Transportation Code, Chapter 503, and
18 §215.504, relating to Buyer or Lessee Refund. Proposed amendments to §215.500 would also delete
19 paragraphs (1) through (5) because these paragraphs duplicate language found in statute or this proposed
20 rule, and would delete unnecessary punctuation.

21 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
22 has determined that for each year of the first five years the new sections and amendments will be in

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 29 of 33

Chapter 215 – Motor Vehicle Distribution

1 effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement
2 or administration of the proposal.

3 Monique Johnston, Director of the Motor Vehicle Division (MVD), and Corrie Thompson, Director
4 of the Enforcement Division (ENF), have determined that there will be not be a measurable effect on local
5 employment or the local economy as a result of the proposal because the overall number of motor vehicle
6 sales will not be reduced.

7 **PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston, Ms. Thompson, and Ms. Bowman have also determined
8 that, for each year of the first five years amended and new sections are in effect, there are multiple public
9 benefits anticipated because these amendments will facilitate consumer vehicle sales, and reduce
10 opportunities for license plate fraud, and that vehicle registrants and certain applicants and license
11 holders may incur costs to comply with the proposal. The department prioritized the public benefits
12 associated with facilitating sales and reducing fraud and related crime, while carefully considering
13 potential costs to license holders, vehicle registrants, and the public consistent with board and
14 department responsibilities.

15 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include
16 facilitating retail vehicle sales; limiting the criminal activity of a small subset of dealers who may seek to
17 fraudulently obtain, sell, or issue license plates to persons seeking to engage in violent criminal activity,
18 including armed robbery, human trafficking, and assaults on law enforcement, or to criminally operate
19 uninsured and uninspected vehicles as a hazard to Texas motorists and the environment; to reduce the
20 misuse of motor vehicle record information by licensees; to reduce false or misleading advertising by
21 licensees; and to enhance clarity and readability of the rules for the public.

22 Anticipated Costs to Comply With The Proposal. Ms. Johnston anticipates that certain license
23 holders may incur costs to comply with these rules. Amendments to §215.104 and §215.145 would require

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 30 of 33

Chapter 215 – Motor Vehicle Distribution

1 a dealer to incur a \$25 statutorily required license amendment fee when a dealer principal or other person
2 overseeing the dealer's business activities changes. Ms. Johnston has determined that this cost is offset
3 by the reduced risk of a dealer incurring civil penalties, including a fine and the potential loss of a license,
4 if the person authorized to act on a dealer's behalf does not timely receive a department notice regarding
5 an enforcement or licensing matter. Amendments to §215.107 would require a manufacturer or
6 distributor who acquires an existing line-make to provide more information in the license amendment
7 application. Ms. Johnston has determined these costs will be offset by the reduced risk of a manufacturer
8 or distributor being required to respond to a protest or department notice for an alleged statutory or rule
9 violation for which the manufacturer or distributor is not responsible and will enable the department to
10 more efficiently process line-make-related dealer and consumer complaints. Amendments to §215.140
11 would require a dealer sharing a location with another business to post permanent signage to identify the
12 dealer's reserved vehicle display space rather than use barriers that cannot be readily removed.
13 Department research suggests that purchasing a sign for each of the five required spaces could range from
14 \$22 to \$40 for a 12-inch by 18-inch sign or between \$110 and \$200 in total. The cost of two larger signs,
15 such as 24-inch or 30-inch by 36-inch sign to cover multiple spaces could range from \$100 to \$225 per
16 sign. Department research suggests that purchasing signage is less expensive than purchasing barriers for
17 each space which may cost between \$100 and \$125 per vehicle space for a total of \$500 to \$625 for five
18 spaces and which may be more susceptible to damage or loss. Ms. Johnston has determined that going
19 forward this signage requirement is less expensive for dealers sharing a location, easier for these dealers
20 to implement, and a standard that is easier to interpret and enforce.

21 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
22 Code, §2006.002, the department has determined that this proposal may have an adverse economic
23 effect or disproportionate economic impact on small or micro-businesses. More specifically, the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 31 of 33

Chapter 215 – Motor Vehicle Distribution

1 department believes that the proposed amendments in §215.140 for dealers that share a location may
2 have an adverse impact if the dealer is a small or micro-business. The department believes the costs
3 associated with purchasing permanent signage for the dealer's display space may create an adverse
4 economic impact on a short-term basis but that this cost will be offset in the future because the dealer
5 will be more likely to not incur replacement or repair costs that would have been incurred under the prior
6 rule which required barriers be put in place for each vehicle display space.

7 The department has determined that the proposed amendments will not have an adverse
8 economic effect on rural communities because rural communities are exempt from the requirement to
9 hold a GDN under Transportation Code, §503.024.

10 The cost analysis in the Public Benefit and Cost Note section of this proposal determined that the
11 proposed new rule may result in additional costs for existing license holders. Based on data from the
12 Comptroller and the Texas Workforce Commission, the department estimates that most dealers are small
13 or micro-businesses, especially those dealers that share a location, which the department estimates to be
14 approximately 29% of all dealers. The department has tried to minimize costs for these dealers by
15 proposing a rule that is anticipated to be lower cost over time and by proposing other signage changes
16 that are more flexible and may be less expensive. The proposed new requirements are designed to set
17 minimum standards that will satisfy the requirements of Transportation Code, §503.032(3) and allow
18 these dealers to operate without incurring significant ongoing or unreasonable costs in the future. These
19 requirements do not include requirements that will cause a dealer to incur unnecessary or burdensome
20 costs, such as employing additional persons.

21 Under Government Code §2006.002, the department must perform a regulatory flexibility
22 analysis. The department considered the alternatives of not adopting amendments, exempting small and
23 micro-business license holders from these amendments, and adopting a limited version of these

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 32 of 33

Chapter 215 – Motor Vehicle Distribution

1 amendments for small and micro-business applicants and license holders. The department rejects all three
2 options. The department reviewed licensing records, including records for dealers who share locations
3 with other dealers and determined that these small and micro-business license holders are more likely to
4 violate department rules, including premises requirements under Transportation Code, §503.032. The
5 department, after considering the purpose of the authorizing statutes, does not believe it is feasible to
6 waive or limit the requirements of the proposed amendments for small or micro-business GDN dealers.
7 Also, Government Code §2006.002(c-1) does not require the department to consider alternatives that
8 might minimize possible adverse impacts on small businesses and micro-businesses if the alternatives
9 would not be protective of the health and safety of the state. The department has determined that the
10 proposed amendments will not have an adverse economic effect on rural communities because rural
11 communities are exempt from the requirement to hold a GDN under Transportation Code, §503.024.

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 33 of 33

Chapter 215 – Motor Vehicle Distribution

1 existing statutes. Lastly, the proposed new sections and amendments do not affect the number of
2 individuals subject to the rule's applicability and 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. CDT on May
5 26, 2026. 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.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 2 of 141

Chapter 215 – Motor Vehicle Distribution

1 issuance of a license to military service members, military veterans, or military spouses that allow
2 licensure if the applicant holds a current license issued by another state that is similar in scope to the
3 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
4 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
5 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
6 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
7 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
8 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
9 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
10 dealer complete web-based education and training developed or approved by the department;
11 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
12 of a surety bond and the procedure by which a claimant may recover against the surety bond;
13 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
14 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
15 implement and manage the department's database of dealer-issued buyer’s license plates; Transportation
16 Code, §730.014 which authorizes state agencies to adopt rules to implement and administer the Motor
17 Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt
18 rules that are necessary and appropriate to implement the powers and the duties of the department, as
19 well as the statutes referenced throughout this preamble.

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 3 of 141

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
2 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
3 rules to administer Transportation Code, Chapter 502.

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

9 **CROSS REFERENCE TO STATUTE.** These proposed amendments would implement Government Code,
10 Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters
11 501–503, 730, and 1002.

12

13 Text.

14 §215.2. Definitions; Conformity and Statutory Requirements.

15 (a) The definitions contained in Occupations Code, Chapters 2301 and 2305, and Transportation
16 Code, Chapters 503, 520, 730, and 1001-1005 govern this chapter. In the event of a conflict, the definition
17 or procedure referenced in Occupations Code, Chapter 2301 controls.

18 (b) The following words and terms, when used in this chapter, shall have the following meanings,
19 unless the context clearly indicates otherwise.

20 (1) Board--The Board of the Texas Department of Motor Vehicles, including department
21 staff to whom the board delegates a duty.

22 (2) Day--The word "day" refers to a calendar day.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 4 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) Director--The director of the division that regulates the distribution and sale of motor
2 vehicles, including any department staff to whom the director delegates a duty assigned under this
3 chapter.

4 (4) Employee--A natural person employed directly by the license holder for wages or a
5 salary.

6 (5) GDN--General distinguishing number, a license issued under Transportation Code,
7 Chapter 503.

8 (6) Governmental agency--A state agency other than the department, all local
9 governmental agencies, and all agencies of the United States government, whether executive, legislative,
10 or judicial.

11 (7) Standard license plate--A motor vehicle license plate issued by the department to a
12 license holder for use by the license holder that is not a personalized prestige dealer's license plate issued
13 under Transportation Code §503.0615 or a dealer's temporary license plate issued under Transportation
14 Code, §503.062.

15
16 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
17 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
18 and the authority to take any action that is necessary or convenient to exercise that authority;
19 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
20 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
21 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
22 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
23 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 5 of 141

Chapter 215 – Motor Vehicle Distribution

1 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
2 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
3 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
4 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
5 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
6 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
7 Code, §411.122(d), which authorizes department access to criminal history record information
8 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
9 (2025), which authorizes the department to obtain criminal history record information from DPS and the
10 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
11 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
12 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
13 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
14 issuance of a license to military service members, military veterans, or military spouses that allow
15 licensure if the applicant holds a current license issued by another state that is similar in scope to the
16 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
17 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
18 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
19 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
20 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
21 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
22 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
23 dealer complete web-based education and training developed or approved by the department;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 6 of 141

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
2 of a surety bond and the procedure by which a claimant may recover against the surety bond;
3 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
4 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
5 implement and manage the department's database of dealer-issued buyer's license plates; and
6 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
7 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
8 throughout this preamble.

9 The department also proposes a repeal under the authority of Government Code, §2001.039, in
10 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
11 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
12 the rule.

13 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
14 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
15 and 1002.

16

17 [~~§215.1. Purpose and Scope.~~]

18 [~~Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 504, 520,~~
19 ~~and 1001–1005 require the Texas Department of Motor Vehicles to license and regulate the vehicle~~
20 ~~industry to ensure a sound system of distributing and selling vehicles; provide for compliance with~~
21 ~~manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and other~~
22 ~~abuses of the people of this state in connection with the distribution and sale of vehicles. This chapter~~
23 ~~describes licensing requirements and the rules governing the vehicle industry.]~~

1

2

SUBCHAPTER B. LICENSES, GENERALLY.

3

STATUTORY AUTHORITY. The department proposes amendments to Chapter 215 under Occupations

4

Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor

5

vehicles and the authority to take any action that is necessary or convenient to exercise that authority;

6

Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license

7

holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute

8

and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in

9

connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations

10

Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which

11

authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter

12

2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives

13

the board authority to deny an application for a license, revoke or suspend a license, place on probation,

14

or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,

15

violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds

16

a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government

17

Code, §411.122(d), which authorizes department access to criminal history record information

18

maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature

19

(2025), which authorizes the department to obtain criminal history record information from DPS and the

20

FBI for license applicants, license holders, and representatives whose act or omission would be cause for

21

denying, revoking, or suspending a general distinguishing number or license issued under Transportation

22

Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as

23

amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 8 of 141

Chapter 215 – Motor Vehicle Distribution

1 issuance of a license to military service members, military veterans, or military spouses that allow
2 licensure if the applicant holds a current license issued by another state that is similar in scope to the
3 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
4 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
5 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
6 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
7 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
8 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
9 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
10 dealer complete web-based education and training developed or approved by the department;
11 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
12 of a surety bond and the procedure by which a claimant may recover against the surety bond;
13 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
14 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to
15 implement and manage the department's database of dealer-issued buyer’s license plates; Transportation
16 Code, §730.014 which authorizes state agencies to adopt rules to implement and administer the Motor
17 Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt
18 rules that are necessary and appropriate to implement the powers and the duties of the department, as
19 well as the statutes referenced throughout this preamble.

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 9 of 141

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
2 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
3 rules to administer Transportation Code, Chapter 502.

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

9 **CROSS REFERENCE TO STATUTE.** The proposed amendments would implement Government Code,
10 Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters
11 501–503, 730, and 1002.

12

13 Text.

14 §215.82. Replacement Standard and Dealer's Temporary License Plates and Stickers.

15 A license holder may receive a replacement [~~dealer's, converter's, drive-a-way in transit, or~~
16 ~~manufacturer's~~] standard license plate or a dealer's temporary license plate or assigned sticker, as
17 applicable, at no charge if the license holder:

18 (1) did not receive the applicable [~~standard~~] license plate or sticker;

19 (2) makes the request within 45 days of the date the applicable [~~standard~~] license plate
20 or sticker was mailed to the license holder; and

21 (3) submits a request electronically in the licensing system designated by the
22 department.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 10 of 141

Chapter 215 – Motor Vehicle Distribution

1 §215.83. License Applications, Amendments, or Renewals.

2 (a) An applicant for a new license must register for an account in the department-designated
3 licensing system by:

4 (1) accessing the licensing system through the department's website;

5 (2) designating the account administrator, which must be an owner, officer, manager, or
6 bona fide employee;

7 (3) providing the name and email address for the account administrator; and

8 (4) providing the applicant's business telephone number, name, business type, and
9 social security number or employer identification number, as applicable.

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 11 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

17 (g) ~~[(f)]~~ If an applicant, license holder, or authorized representative does not provide the
18 information or documentation required by the department, the department will issue a written notice
19 of deficiency. The information or documentation requested in the written notice of deficiency must be
20 received by the department within 20 calendar days of the date of the notice of deficiency, unless the
21 department issues a written extension of time. If an applicant, license holder, or authorized
22 representative fails to respond or fully comply with all deficiencies listed in the written notice of

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 12 of 141

Chapter 215 – Motor Vehicle Distribution

1 deficiency within the time prescribed by this subsection, the application will be deemed withdrawn and
2 will be administratively closed.

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

8 (i) [~~(h)~~] The department will process an application for a new license, license amendment, or
9 license renewal filed by a military service member, military spouse, or military veteran in accordance
10 with Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military
11 Service Members, Spouses, and Veterans).

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 13 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

14

15 §215.84. Brokering, New Motor Vehicles.

16 [~~(a) Unless excluded from the definition of "Broker" in Occupations Code, §2301.002, a person~~
17 ~~may not act, offer to act, or claim to be a broker.~~]

18 (a) [~~(b)~~] For purposes of this chapter, the phrase "arranges or offers to arrange a transaction," as
19 used in the definition of broker in Occupations Code, §2301.002, includes the practice of arranging or
20 offering to arrange a transaction involving the sale of a new motor vehicle for a fee, commission, or
21 other valuable consideration. Advertising is not acting as a broker, provided the person's business
22 primarily is broadcasting, printing, publishing, or advertising for others in their own names.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 14 of 141

Chapter 215 – Motor Vehicle Distribution

1 **(b)** ~~[(c)]~~ A buyer referral service, program, plan, club, or any other entity that accepts a fee for
2 arranging a transaction involving the sale of a new motor vehicle is a broker. The payment of a fee to
3 such entity is aiding and abetting brokering. However, a referral service, program, plan, club, or other
4 entity that forwards a referral to a franchised dealership may lawfully operate in a manner that includes
5 all ~~[of]~~ the following conditions:

6 (1) There is no exclusive market area offered to a dealer by the program. All dealers are
7 allowed to participate in the program on equal terms.

8 (2) Participation by a dealer in the program is not restricted by conditions, such as
9 limiting the number of line-makes or discrimination by size of dealership or location. The total number
10 of participants in the program may be restricted if the program is offered to all dealers at the same time,
11 with no regard to the line-make.

12 (3) All participants pay the same fee for participation in the program. The program fee
13 shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes sold by the
14 franchised dealer.

15 (4) A person is not to be charged a fee on a per referral fee basis or any other basis that
16 could be considered a transaction-related fee.

17 (5) The program does not set or suggest to the dealer any price of a motor vehicle or a
18 trade-in.

19 (6) The program does not advertise or promote its plan in a manner that implies that the
20 buyer, as a customer of that program, receives a special discounted price that cannot be obtained unless
21 the customer is referred through that program.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 15 of 141

Chapter 215 – Motor Vehicle Distribution

1 (7) A program must comply with Subchapter F of this chapter (related to Advertising).

2 (c) ~~(d)~~ This section does not apply to a person who is not a broker as defined in Occupations
3 Code, §2301.002.

4

5 §215.85. Brokering, Used Motor Vehicles.

6 (a) Transportation Code, §503.021 prohibits a person from directly or indirectly engaging in
7 business as a dealer ~~[, directly or indirectly, including by consignment]~~ without a GDN. Except as
8 provided by this section, "directly or indirectly" includes the practice of arranging or offering to arrange
9 a transaction involving the sale of a used motor vehicle for a fee, commission, or other valuable
10 consideration. ~~[A person who is a bona fide employee of a dealer holding a GDN and acts for the dealer
11 is not a broker for the purposes of this section.]~~

12 (b) A buyer referral service, program, plan, club, or any other entity that accepts a fee for
13 arranging a transaction involving the sale of a used motor vehicle is required to meet the requirements
14 for and obtain a GDN, unless the referral service, program, plan, or club meets each of the following
15 criteria ~~[is operated in the following manner]:~~

16 (1) ~~[There is no]~~ No exclusive market area is offered to a dealer ~~[by the program]~~. All
17 dealers are allowed to participate ~~[in the program]~~ on equal terms.

18 (2) Dealer participation ~~[Participation by a dealer in the program]~~ is not restricted by
19 conditions, such as limiting the number of line-makes or discriminating ~~[discrimination]~~ by dealer size ~~[of
20 dealer]~~ or location. The ~~[total]~~ number of participants ~~[in the program]~~ may be restricted if ~~[the program
21 is]~~ offered to all dealers at the same time, with no regard to the line-make.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 16 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) All participants pay the same participation fee ~~[for participation in the program]~~. The
2 ~~[program]~~ fee shall be a weekly, monthly, or annual fee, regardless of the size, location, or line-makes
3 sold by the dealer.

4 (4) A person is not ~~[to be]~~ charged a fee on a per referral fee basis or any other basis
5 that could be considered a transaction-related fee.

6 (5) No motor vehicle or trade-in price is set or suggested to the dealer. ~~[The program~~
7 ~~does not set or suggest to the dealer any price of a motor vehicle or a trade-in.]~~

8 (6) Advertisements or promotions do not imply that a buyer ~~[The program does not~~
9 ~~advertise or promote its plan in a manner that implies that the buyer, as a customer of that program,~~
10 receives a special discounted price by being referred. ~~[that cannot be obtained unless the customer is~~
11 ~~referred through that program.]~~

12 (7) Advertising ~~[A program]~~ complies with Subchapter F of this chapter (relating to
13 Advertising).

14 (c) A dealer holding a GDN under ~~[pursuant to]~~ Transportation Code, §503.029(a)(6)(B), may pay
15 a referral fee in cash or value to an individual who has purchased a motor vehicle from the dealer within
16 the four-year period preceding the referral. The fee may be paid contingent upon either the new
17 referred individual:

18 (1) purchasing a motor vehicle from the dealer; or

19 (2) the referral of a new potential purchaser.

20

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 17 of 141

Chapter 215 – Motor Vehicle Distribution

1 §215.89. Fitness.

2 (a) In determining a person's fitness for a license [~~issued or to be issued by the department~~]

3 under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, the board will consider:

4 (1) the requirements of Occupations Code, Chapter 53;

5 (2) the provisions of Occupations Code, §2301.651 and Transportation Code §503.034;

6 (3) any specific statutory licensing criteria or requirements;

7 (4) mitigating factors; and

8 (5) other evidence of a person's fitness, as allowed by law, including the standards

9 identified in subsection (b) of this section.

10 (b) The board may determine that a person is unfit to perform the duties and discharge the

11 responsibilities of a license holder and may, following notice and an opportunity for hearing, deny a

12 person's license application or revoke or suspend a license if the person:

13 (1) fails to meet or maintain the qualifications and requirements of licensure;

14 (2) is convicted, or considered convicted under Occupations Code §53.021(d), by any

15 local, state, federal, or foreign authority of an offense that directly relates to the duties or

16 responsibilities of the licensed occupation as described in §211.10 [~~§211.3~~] of this title (relating to

17 Criminal Offense Guidelines) or is convicted, or considered convicted under Occupations Code

18 §53.021(d), of an offense that is independently disqualifying under Occupations Code §53.021;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 18 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) omits information or provides false, misleading, or incomplete information on an
2 initial application, renewal application, or application attachment, for a license or other authorization
3 issued by the department or by any local, state, or federal regulatory authority;

4 (4) is found to have violated an administrative or regulatory requirement based on
5 action taken on a license, permit, or other authorization, including disciplinary action, revocation,
6 suspension, denial, corrective action, cease and desist order, or assessment of a civil penalty,
7 administrative fine, fee, or similar assessment, by the board, department, or any local, state, or federal
8 regulatory authority;

9 (5) is insolvent or fails to obtain or maintain financial resources sufficient to meet the
10 financial obligations of the license holder causing consumer harm;

11 (6) is a corporation or other legal entity that fails to maintain its charter, certificate,
12 registration, or other authority to conduct business in Texas;

13 (7) is assessed a civil penalty, administrative fine, fee, or similar assessment, by the
14 board, department, or a local, state, or federal regulatory authority, for violation of a requirement
15 governing or impacting the distribution or sale of a vehicle or a motor vehicle, or the acquisition, sale,
16 repair, rebuild, reconstruction, or other dealing of a salvage motor vehicle or nonrepairable motor
17 vehicle, and fails to comply with the terms of a final order or fails to pay the penalty pursuant to the
18 terms of a final order;

19 (8) ~~[was or]~~ is a person described in §211.9 (Relating to Application of Subchapter B)
20 ~~[§211.2 of this title (relating to Application of Subchapter)]~~ whose actions or omissions could be
21 considered unfit, who is ineligible for licensure, or whose current or previous license, permit, or other
22 authorization issued by any local, state, or federal regulatory authority has been subject to disciplinary

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 19 of 141

Chapter 215 – Motor Vehicle Distribution

1 action including suspension, revocation, denial, corrective action, cease and desist order, or assessment
2 of a civil penalty, administrative fine, fee, or similar assessment;

3 (9) has an ownership, organizational, managerial, or other business arrangement, that
4 would allow a person the power to direct or cause the direction of the management, policies, and
5 activities, of an applicant or license holder, whether directly or indirectly, when the person could be
6 considered unfit, ineligible for licensure, or whose current or previous license, permit, or other
7 authorization issued by any local, state, or federal regulatory authority, has been subject to disciplinary
8 action, including suspension, revocation, denial, corrective action, cease and desist order, or assessment
9 of a civil penalty, administrative fine, fee, or similar assessment, by the board, department, or any local,
10 state, or federal regulatory authority;

11 (10) is found in a final order issued after a contested case hearing to be unfit or acting in
12 a manner detrimental to the system of distribution or sale of motor vehicles in Texas, the economy of
13 the state, the public interest, or the welfare of Texas residents.

14

15 §215.91. License Processing for Military Service Members, Spouses, and Veterans.

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 20 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

9 ~~[(A) a sufficient application as described in §215.83(e) of this title (relating to~~
10 ~~License Applications, Amendments, or Renewals);]~~

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

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

16 (C) if the applicant is a military veteran, a copy of the applicant's discharge
17 certificate or other official document verifying military service and an identification document listed in
18 the applicable license application rule; and

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 21 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

9 (C) if both (A) and (B) are confirmed, promptly issue a provisional license and
10 notify the applicant to submit a sufficient application as described in §215.83(f) of this title (relating to
11 License Applications, Amendments, or Renewals).

12 (3) The department shall issue a license, or notify the applicant why the department is
13 currently unable to issue a license, within 10 days of receiving a complete application as
14 described in §215.83(f) of this title (relating to License Applications, Amendments, or Renewals)
15 if the applicant:

16 (A) has been issued a provisional license;

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

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

20 [~~If the department confirms that a military service member or military spouse is~~
21 ~~currently licensed in good standing in another state with licensing requirements that are similar in scope~~
22 ~~and practice, or was licensed in good standing in Texas in the last five years, the department shall issue a~~

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 22 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~license to the military service member or military spouse for the relevant business or occupation, or~~
2 ~~notify the applicant why the department is currently unable to issue a license pursuant to Occupations~~
3 ~~Code, §55.0041(b-1), within 10 days.]~~

4 (c) The license is subject to the requirements of this chapter and Occupations Code, Chapter
5 2301, and Transportation Code, Chapter 503, in the same manner as a license issued under the standard
6 application process, unless exempted or modified under Occupations Code, Chapter 55.

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

10

11 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
12 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
13 and the authority to take any action that is necessary or convenient to exercise that authority;
14 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
15 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
16 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
17 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
18 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
19 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
20 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
21 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
22 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 23 of 141

Chapter 215 – Motor Vehicle Distribution

1 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
2 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
3 Code, §411.122(d), which authorizes department access to criminal history record information
4 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
5 (2025), which authorizes the department to obtain criminal history record information from DPS and the
6 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
7 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
8 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
9 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
10 issuance of a license to military service members, military veterans, or military spouses that allow
11 licensure if the applicant holds a current license issued by another state that is similar in scope to the
12 license in Texas and is in good standing with that state's licensing authority, or has held a license in Texas
13 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
14 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
15 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
16 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
17 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
18 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
19 dealer complete web-based education and training developed or approved by the department;
20 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
21 of a surety bond and the procedure by which a claimant may recover against the surety bond;
22 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of
23 dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 24 of 141

Chapter 215 – Motor Vehicle Distribution

1 implement and manage the department's database of dealer-issued buyer's license plates; and
2 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
3 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
4 throughout this preamble.

5 The department also proposes a repeal under the authority of Government Code, §2001.039, in
6 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
7 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
8 the rule.

9 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
10 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
11 and 1002.

12

13 [~~§215.81. Purpose and Scope.~~]

14 [~~This subchapter implements Occupations Code, Chapter 2301 and Transportation Code,~~
15 ~~Chapter 503, regarding licenses required under those chapters.]~~

16

17 **SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTERS, AND CONVERTERS.**

18 **STATUTORY AUTHORITY.** The department proposes amendments and new sections to Chapter 215 under
19 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease
20 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that
21 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of
22 license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 25 of 141

Chapter 215 – Motor Vehicle Distribution

1 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses
2 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
3 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
4 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
5 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
6 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
7 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
8 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
9 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
10 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
11 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
12 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
13 §503.0633, which allows the department to establish the maximum number of license plates or sets of
14 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
15 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
16 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
17 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
18 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
19 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
20 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of
21 the department's automated registration and titling system; Transportation Code, §730.014 which
22 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
23 Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 26 of 141

Chapter 215 – Motor Vehicle Distribution

1 necessary and appropriate to implement the powers and the duties of the department, as well as the
2 statutes referenced throughout this preamble.

3 The department also adopts amendments under the authority of Transportation Code,
4 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
5 §2001.054, in addition to the statutory authority referenced throughout this preamble.
6 Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation
7 Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to
8 administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to
9 adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011
10 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code,
11 §520.003 authorizes the department to adopt rules to administer Chapter 520.

12 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
13 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
14 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
15 of a license.

16 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
17 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–
18 504, 520, and 1002.

19

20 Text.

21 §215.104. Changes to Franchised Dealer’s License.

22 (a) In accordance with Occupations Code, §2301.356, a franchised dealer must file an
23 amendment application [~~to amend the franchised dealer's license~~] to add a line-make [~~request an~~

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 27 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~additional line make~~] at the dealer's currently licensed showroom. The amendment application must be
2 filed electronically in the licensing system designated by the department.

3 (1) In accordance with §215.110 of this title (relating to Evidence of Franchise), the
4 franchised dealer must attach to the amendment application a legible and accurate electronic image of:

5 (A) the executed franchise agreement;

6 (B) the required excerpt from the executed franchise agreement; or

7 (C) an evidence of franchise form completed by the manufacturer, distributor,
8 or representative.

9 (2) The amendment application for an additional franchise at the showroom is
10 considered an original application and is subject to protest, in accordance with Occupations Code,
11 Chapter 2301, this chapter, and Chapter 224 of this title [~~(relating to)~~](relating to Adjudicative Practice
12 and Procedure).

13 (b) A franchised dealer may propose to sell or assign to another any interest in the licensed
14 entity, whether a corporation or otherwise, provided the physical location of the licensed entity remains
15 the same.

16 (1) The franchised dealer shall notify the department in writing within 10 days of the
17 sale or assignment of interest by filing a license amendment application [~~an application to amend the~~
18 ~~franchised dealer's license~~] electronically in the licensing system designated by the department.

19 (2) If the sale or assignment of any portion of the business results in a change of
20 business entity, then the purchasing entity or assignee must apply for and obtain a new license in the
21 name of the new business entity.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 28 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) A publicly-held corporation must file an amendment application if one person or
2 entity acquires 10% or greater interest in the licensed entity.

3 (c) A franchised dealer must file an amendment application electronically in the licensing system
4 designated by the department within 10 days of a license change, including:

5 (1) deletion of a line-make from the dealer's license;

6 (2) a change of assumed name on file with the Office of the Secretary of State or county
7 clerk;

8 (3) a change of mailing address;

9 (4) a change of telephone number; ~~[or]~~

10 (5) a change of email address; or[-]

11 (6) a change in the person responsible for a franchised dealer's business activities due to
12 a receiver being appointed or a dealer filing bankruptcy.

13 (d) A franchised dealer must file an ~~[a business entity]~~ amendment application electronically in
14 the licensing system designated by the department within 10 days of a business ~~[an]~~ entity change,
15 including:

16 (1) a change in management, dealer principal, or change of other person who oversees a
17 franchised dealer's business activities, including a managing partner, officer, director of a corporation, or
18 similar person; or

19 (2) a change of legal entity name on file with the Office of the Secretary of State.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 29 of 141

Chapter 215 – Motor Vehicle Distribution

1 (e) If a franchised dealer changes or converts from one type of business entity to another type of
2 business entity without changing ownership of the dealership, the submission of a franchise agreement
3 in the name of the new entity is not required in conjunction with an amendment application. The
4 franchise agreement on file with the department prior to the change or conversion of the dealer's
5 business entity type applies to the successor entity until the parties agree to replace the franchise
6 agreement. This subsection does not apply to a sole proprietorship or general partnership.

7 (f) If a franchised dealer adopts a plan of conversion under a state or federal law that allows one
8 legal entity to be converted into another legal entity, only an amendment application is necessary to be
9 filed with the department. The franchise agreement on file with the department continues to apply to
10 the converted entity. If a license holder becomes another legal entity by any means other than by
11 conversion, a new application is required, subject to subsection (e) of this section.

12 (g) In addition to obtaining permission from the manufacturer or distributor, a franchised dealer
13 must obtain department approval prior to opening a supplemental location or relocating an existing
14 location by filing an amendment application electronically in the licensing system designated by the
15 department. A franchised dealer must notify the department electronically in the licensing system
16 designated by the department when closing an existing location.

17

18 §215.105. Notification of License Application; Protest Requirements.

19 (a) This [The provisions of this] section does not apply [are not applicable] to a franchised
20 dealer's [an] application filed with the department as part of a buy-sell or other transfer agreement [for
21 a franchised dealer's license as a result of the purchase or transfer of an existing entity holding a current

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 30 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~franchised dealer's license]~~ that does not involve a physical relocation of the purchased or transferred
2 line-makes.

3 (b) Upon receipt of a franchised dealer's license ~~[an]~~ application ~~[for a franchised dealer's~~
4 ~~license]~~, including a relocation ~~[an]~~ application ~~[filed with the department by reason of the relocation]~~ of
5 an existing dealership, the department shall notify ~~[give notice of the filing of the application to]~~ each
6 franchised dealer that may have standing to protest the application. The department shall send notice
7 electronically and by certified mail, return receipt requested, to the email address and mailing address
8 in the franchised dealer's license record.

9 (c) If it appears to the department that ~~[there are]~~ no franchised dealers have ~~[with]~~ standing to
10 protest, then no notice shall be given.

11 (d) A person holding a franchised dealer's license for the sale of the same new motor vehicle
12 line-make ~~[of a new motor vehicle as proposed for sale in the subject application and]~~ that has standing
13 to protest the application may file with the department a notice of protest opposing the granting of a
14 license by timely filing a protest electronically in the licensing system designated by the department and
15 paying the required fee.

16 (e) A franchised dealer that wishes to protest the application shall give notice in accordance with
17 Occupations Code, Chapter 2301.

18 (1) The notice of protest must be in writing and ~~[shall be]~~ signed by an authorized officer
19 or other official authorized to sign on behalf of the protesting dealer ~~[filing the notice]~~.

20 (2) The notice of protest must state the statutory basis upon which the protest is made
21 and assert how the protesting dealer meets the standing requirements under §215.119 of this title
22 (relating to Standing to Protest) ~~[to protest the application]~~.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 31 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) The notice of protest must state that the protest is not made for purposes of delay or
2 for any other purpose except for justifiable cause.

3 (4) If a protest is filed against an application for the establishment of a dealership or for
4 addition of a line-make at an existing dealership, the notice of protest must state under which provision
5 of Occupations Code, Chapter 2301 the protest is made.

6

7 §215.107. Sale or Transfer of a Line-Make.

8 (a) If a manufacturer or distributor sells, licenses, or otherwise transfers an existing line-make to
9 another person, the acquiring person must:

10 (1) apply for a manufacturer or distributor license and add that line-make to the license;

11 or

12 (2) amend an existing license to add that line-make.

13 (b) As part of the application or license amendment application process the person acquiring the
14 line-make must:

15 (1) identify the effective date of the transfer;

16 (2) identify the franchised dealers authorized to sell and service the line-make;

17 (3) identify the person responsible for warranty and franchised dealer obligations

18 incurred prior to the transfer; and

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 32 of 141

Chapter 215 – Motor Vehicle Distribution

1 (4) certify compliance with Occupations Code, Chapter 2301, Subchapter J, which
2 includes manufacturer or distributor responsibilities to existing dealers of that line-make if a franchise
3 agreement is changed or terminated.

4

5 §215.108. Addition or Relocation of Line-make

6 A franchised dealer's amendment application to add or relocate a line-make to an existing
7 dealership [~~An application to amend an existing franchised dealer's license for the addition of another~~
8 ~~line-make at the existing dealership or for the relocation of a line-make to the existing dealership]~~ shall
9 be deemed an "application to establish a dealership" insofar as the line-make to be added or relocated
10 is concerned, and shall be subject to the provisions of §215.105 of this title (relating to Notification of
11 License Application; Protest Requirements) and §215.106 of this title (relating to Time for Filing Protest).

12

13 §215.110. Evidence of Franchise.

14 (a) Upon application for a franchised dealer's license or an amendment of an existing franchised
15 dealer's license to add a line-make, the applicant must submit a legible and accurate electronic image of
16 the franchise agreement pages that reflect:

17 (1) the parties,

18 (2) the authorized signatures of the parties,

19 (3) each line-make listed in the application, and

20 (4) the address of the franchised dealership's physical location.

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (b) To meet this requirement temporarily for the purpose of application processing, a form
2 prescribed by the department and completed by the manufacturer or distributor may be electronically
3 submitted with the application in lieu of the information described in subsection (a) of this section.

4 (c) The applicant must submit the required franchise agreement pages described in this section
5 immediately upon the applicant's receipt of the franchise agreement as the department will not issue a
6 license without verifying that the franchise agreement has been executed.

7 (d) Upon application to relocate a franchised dealership, the franchised dealer applicant must
8 submit a form prescribed by the department and completed by the manufacturer or distributor that
9 identifies the license holder and the new franchised dealership location.

10

11 §215.113. Manufacturer Ownership of Franchised Dealer; Good Cause Extension; Dealer Development.

12 (a) In the absence of a showing of good cause, an application for a franchised dealer's license of
13 which a manufacturer or distributor owns any interest in or has control of the dealership entity must be
14 submitted to the department electronically in the licensing system designated by the department no
15 later than 30 days before:

16 (1) the opening of the dealership;

17 (2) close of the buy-sell agreement; or

18 (3) the expiration of the current license.

19 (b) If a manufacturer or distributor applies for a franchised dealer's license of which the
20 manufacturer or distributor holds an ownership interest in or has control of the dealership entity in
21 accordance with Occupations Code, §2301.476(d) - (f), the license application must contain a sworn

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 34 of 141

Chapter 215 – Motor Vehicle Distribution

1 statement from the manufacturer or distributor that the dealership was purchased from a franchised
2 dealer and is for sale at a reasonable price and under reasonable terms and conditions, and that the
3 manufacturer or distributor intends to sell the dealership to a person not controlled or owned by the
4 manufacturer or distributor within 12 months of acquiring the dealership, except as provided by
5 subsection (h) of this section.

6 (c) A request for an extension of the initial 12-month period for manufacturer or distributor
7 ownership or control of a franchised dealership, in accordance with Occupations Code, §2301.476(e),
8 must be submitted to the department in accordance with subsection (a) of this section along with a
9 sufficient application to renew the new motor vehicle dealer's license. The request must contain a
10 detailed explanation, including appropriate documentary support, to show the manufacturer's or
11 distributor's good cause for failure to sell the dealership within the initial 12-month period. The director
12 shall evaluate the request and determine whether the license should be renewed for a period not to
13 exceed 12 months or deny the renewal application. If the renewal application is denied, the
14 manufacturer or distributor may request a hearing on the denial in accordance with Occupations Code,
15 Chapter 2301, Subchapter O and the matter will be referred to SOAH for a hearing under Chapter 224,
16 Subchapter B [C] of this title (relating to Motor Vehicle, Salvage Vehicle, and Trailer Industry [License]
17 Enforcement).

18 (d) Requests for extensions after the first extension is granted, as provided by Occupations
19 Code, §2301.476(e), must be submitted at least 120 days before the expiration of the current license
20 electronically in the licensing system designated by the department. Upon receipt of a subsequent
21 request, the department shall initiate a hearing in accordance with Occupations Code, Chapter 2301,
22 Subchapter O, at which the manufacturer or distributor will be required to show good cause for the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 35 of 141

Chapter 215 – Motor Vehicle Distribution

1 failure to sell the dealership. The manufacturer or distributor has the burden of proof and the burden of
2 going forward on the sole issue of good cause for the failure to sell the dealership.

3 (e) The department shall give notice of the hearing described in subsection (d) of this section to
4 all other franchised dealers holding franchises for the sale and service or service only of the same line-
5 make of new motor vehicles that are located in the same county in which the dealership owned or
6 controlled by the manufacturer or distributor is located or in an area within 15 miles of the dealership
7 owned or controlled by the manufacturer or distributor. Such dealers, if any, will be allowed to
8 intervene and protest the granting of the subsequent extension. Notices of intervention by dealers
9 afforded a right to protest under Occupations Code, §2301.476(e) must be filed with the department
10 electronically in the licensing system designated by the department within 15 days of the date of mailing
11 of the notice of hearing, and a copy must be provided to the manufacturer or distributor. The
12 department shall reject a notice of intervention if the notice is not filed at least 30 days before:

- 13 (1) the opening of the dealership;
- 14 (2) close of the buy-sell agreement; or
- 15 (3) the expiration of the current license.

16 (f) A hearing under subsection (d) of this section will be referred to SOAH for a hearing under
17 Chapter 224, Subchapter C of this title (relating to Contested Cases Between Motor Vehicle Industry
18 License Holders or Applicants). The franchised dealer's license that is the subject of the hearing will
19 continue in effect until a final decision on the request for a subsequent extension is issued by the board.

20 (g) The procedures described in subsections (d) - (f) of this section will be followed for all
21 extensions requested by the manufacturer or distributor after the initial extension.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 36 of 141

Chapter 215 – Motor Vehicle Distribution

1 (h) An application for a new motor vehicle dealer's license of which a manufacturer or
2 distributor owns any interest in the dealership entity in accordance with Occupations Code,
3 §2301.476(g) must contain sufficient documentation to show that the applicant meets the requirements
4 of Occupations Code, §2301.476(g).

5

6 §215.114. Sale of a Vehicle by a Manufacturer or Distributor at a Wholesale Motor Vehicle Auction.

7 A licensed manufacturer or distributor [~~licensed under Occupations Code, Chapter 2301~~] or a
8 wholly owned subsidiary [~~of a manufacturer or distributor~~], may sell motor vehicles it owns to dealers
9 through a licensed Texas wholesale motor vehicle auction. The department shall cancel a [A] GDN issued
10 to a licensed manufacturer, distributor, or wholly owned subsidiary of a manufacturer or distributor
11 [~~shall be canceled,~~] unless otherwise allowed under Occupations Code, Chapter 2301.

12

13 §215.115. Manufacturer, Distributor, and Converter Vehicle Sales Records.

14 (a) A manufacturer or distributor must maintain, for a minimum period of 48 months, a record
15 of each vehicle sold to any person in this state. The manufacturer or distributor shall make the record
16 available during business hours for inspection and copying by the department or be available to submit
17 electronically to the department upon request.

18 (b) A converter must maintain, for a minimum period of 48 months, a record of each vehicle
19 converted for a person in this state, including a Texas franchised dealer. The converter shall make the
20 record available during business hours for inspection and copying by the department or be available to
21 submit electronically to the department upon request.

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (c) A manufacturer, distributor, or converter is required to maintain at its licensed location a
2 record reflecting each purchase, sale, or conversion for a minimum period of 24 months. Records for
3 prior time periods may be kept off-site.

4 (d) Within 15 days of receipt of a request sent by mail or electronic document transfer from the
5 department, a manufacturer, distributor, or converter must submit a copy of specified records to the
6 address listed in the request.

7 (e) Records required to be maintained and made available to the department must include the
8 following, if applicable:

9 (1) the date of sale or conversion of the motor vehicle;

10 (2) the VIN;

11 (3) the name and address of the person purchasing the motor vehicle;

12 (4) a copy of or a record with the information contained in the manufacturer's
13 certificate of origin or title;

14 (5) information regarding the prior status of the motor vehicle such as the Reacquired
15 Vehicle Disclosure Statement;

16 (6) the repair history of any motor vehicle subject to a warranty complaint;

17 (7) technical service bulletin or equivalent advisory; and

18 (8) any audit of a franchised dealership.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 38 of 141

Chapter 215 – Motor Vehicle Distribution

1 (f) Any record required by the department may be maintained in an electronic format, if the
2 electronic record can be printed at the licensed location upon request by the department or be available
3 to submit electronically to the department upon request.

4

5 §215.120. Standard License Plates.

6 (a) A manufacturer, distributor, or converter may apply for a [~~manufacturer or converter~~]
7 standard license plate for use on a new unregistered vehicle of the same vehicle type assembled or
8 modified in accordance with Transportation Code §503.064 or §503.0618, as applicable:

9 (1) when applying for a new or renewal license, or

10 (2) by submitting a standard license plate request application electronically in the
11 system designated by the department.

12 (b) A manufacturer may use a [~~manufacturer's~~] standard license plate to test a prototype motor
13 vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry
14 a load. A [~~manufacturer's~~] standard license plate may not be used on a commercial motor vehicle
15 prototype or new commercial motor vehicle to carry a load for which the manufacturer or other person
16 receives compensation.

17 (c) A manufacturer, distributor, or converter shall attach a standard license plate to the rear of a
18 vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

19 (d) A manufacturer, distributor, or converter shall maintain a record of each standard license
20 plate issued to the license holder [~~manufacturer, distributor, or converter~~] by the department either in

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 39 of 141

Chapter 215 – Motor Vehicle Distribution

1 the license holder's recordkeeping system or in the department-designated system. The license plate
2 record must contain:

3 (1) the license plate number;

4 (2) the year and make of the vehicle to which the license plate is secured [~~affixed~~];

5 (3) the VIN of the vehicle, if one has been assigned; and

6 (4) the name of the person in control of the license plate.

7 (e) If a manufacturer, distributor, or converter cannot account for a standard license plate or a
8 standard license plate is damaged, the manufacturer, distributor, or converter shall:

9 (1) document the license plate as "void" in the department-designated system; and

10 (2) within three days of discovering that the license plate is missing or damaged, report
11 the license plate as lost, stolen, or damaged electronically in the system designated by the department;
12 and

13 (3) if found after reported missing, cease use of the license plate.

14 (f) A standard license plate is no longer valid for use after the manufacturer, distributor, or
15 converter reports to the department that the license plate is lost, stolen, or damaged. A manufacturer,
16 distributor, or converter must render a void license plate unusable by permanently marking the front of
17 the plate with the word "VOID" or a large "X" and once marked, shall destroy or recycle the license
18 plate, or return the license plate to the department within 10 days.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 40 of 141

Chapter 215 – Motor Vehicle Distribution

1 (g) In evaluating requests for additional standard license plates [~~from any eligible license holder,~~
2 ~~including a franchised or other GDN dealer,~~] the department shall consider the business justification
3 provided by a license holder including the following:

4 (1) the number of vehicles assembled or modified in the prior 12 months at facilities in
5 or serving the Texas market;

6 (2) the highest number of motor vehicles in inventory in the prior 12 months;

7 (3) the size and type of business;

8 (4) how the license holder typically uses standard licenses plates;

9 (5) the license holder's record of tracking and reporting missing or damaged license
10 plates to the department; and

11 (6) any other factor the Department in its discretion deems necessary to support the
12 number of license plates requested.

13 (h) A [~~a~~] license holder shall return a department-issued license plate to the department within
14 10 days of the license holder closing the associated license or the associated license being revoked,
15 canceled, or closed by the department.

16
17 §215.121. Sanctions.

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

20 [~~(1) deny an application;]~~

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 41 of 141

Chapter 215 – Motor Vehicle Distribution

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) take other authorized action.]~~

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

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

10 (2) refuses or fails within 15 days to comply with a request for records made by a
11 representative of the department;

12 (3) sells or offers to sell a motor vehicle to a retail purchaser other than through a
13 licensed or authorized dealer;

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

17 (5) fails to timely submit a license amendment application in the electronic licensing
18 system designated by the department to notify the department of a license holder's business or
19 assumed name change, deletion of a line-make, or management or ownership change;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 42 of 141

Chapter 215 – Motor Vehicle Distribution

1 (6) fails to notify the department or pay or reimburse a franchised dealer as required by
2 law;

3 (7) misuses or fails to display a license plate as required by law, or fails to report a lost,
4 stolen, or damaged license plate within the time designated by rule;

5 (8) is a manufacturer or distributor and fails to provide a manufacturer's certificate for a
6 new vehicle;

7 (9) fails to remain regularly and actively engaged in the business of manufacturing,
8 assembling, or modifying a new motor vehicle of the type and line make for which a license has been
9 issued by the department;

10 (10) violates a provision of Occupations Code, Chapter 2301; Transportation Code
11 Chapters 501-504 [~~501-503~~] or 520 [~~1001-1005~~]; a board order or rule; or a regulation of the
12 department relating to the manufacture, assembly, sale, lease, distribution, financing, or insuring of
13 vehicles, including advertising rules under Subchapter F of this chapter (relating to Advertising);

14 (11) is convicted of an offense that directly relates to the duties or responsibilities of the
15 occupation in accordance with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines);

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

18 (13) omits information or makes a material misrepresentation in any application or
19 other documentation filed with the department including providing a false or forged identity document
20 or a false or forged photograph, electronic image, or other document;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 43 of 141

Chapter 215 – Motor Vehicle Distribution

1 (14) fails to remit payment as ordered for a civil penalty assessed by the board or
2 department;

3 (15) violates any state or federal law or regulation relating to the manufacture,
4 distribution, modification, or sale of a motor vehicle;

5 (16) fails to issue a refund as ordered by the board or department;

6 (17) fails to participate in statutorily required mediation without good cause; [øø]

7 (18) fails to keep or maintain records required under Occupations Code, Chapter 2305,
8 Subchapter D; or [-]

9 (19) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
10 Disclosure Act, including a violation by an employee or other agent.

11

12 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
13 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
14 and the authority to take any action that is necessary or convenient to exercise that authority;
15 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
16 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
17 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
18 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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 44 of 141

Chapter 215 – Motor Vehicle Distribution

1 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
2 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
3 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
4 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
5 Code, §411.122(d), which authorizes department access to criminal history record information
6 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
7 (2025), which authorizes the department to obtain criminal history record information from DPS and the
8 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
9 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
10 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
11 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
12 issuance of a license to military service members, military veterans, or military spouses that allow
13 licensure if the applicant holds a current license issued by another state that is similar in scope to the
14 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
15 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
16 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
17 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
18 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
19 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
20 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
21 dealer complete web-based education and training developed or approved by the department;
22 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
23 of a surety bond and the procedure by which a claimant may recover against the surety bond;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 45 of 141

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §503.061, which authorizes the board to adopt rules regulating the issuance of
2 dealer's license plates; and Transportation Code, §, 503.0631, which require the board to adopt rules
3 necessary to implement and manage the department's database of dealer-issued license plates; and
4 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
5 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
6 throughout this preamble.

7 The department also proposes a repeal under the authority of Government Code, §2001.039, in
8 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
9 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
10 the rule.

11 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
12 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
13 and 1002.

14

15 [~~§215.101. Purpose and Scope.~~]

16 [~~This subchapter implements Occupations Code, Chapters 2301 and 2305, and Transportation~~
17 ~~Code, Chapters 503, 504, 520, and 1001–1005, and applies to franchised dealers, manufacturers,~~
18 ~~distributors, and converters.]~~

19

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

21 **STATUTORY AUTHORITY.** The department proposes amendments and new sections to Chapter 215 under
22 Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 46 of 141

Chapter 215 – Motor Vehicle Distribution

1 of motor vehicles and the authority to take any action that is necessary or convenient to exercise that
2 authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of
3 license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by
4 statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses
5 in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
6 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
7 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
8 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
9 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
10 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
11 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
12 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
13 Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license
14 plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and
15 manage the department's database of dealer-issued buyer's license plates; Transportation Code,
16 §503.0633, which allows the department to establish the maximum number of license plates or sets of
17 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
18 Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer
19 Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying
20 deputies performing titling and registration duties, the duties and obligations of these deputies, the type
21 and amount of bonds that may be required by a county tax assessor-collector for a deputy performing
22 titling and registration duties, and the fees that may be charged or retained by deputies; Transportation
23 Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 47 of 141

Chapter 215 – Motor Vehicle Distribution

1 the department's automated registration and titling system; Transportation Code, §730.014 which
2 authorizes state agencies to adopt rules to implement and administer the Motor Vehicle Records
3 Disclosure Act; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
4 necessary and appropriate to implement the powers and the duties of the department, as well as the
5 statutes referenced throughout this preamble.

6 The department also adopts amendments under the authority of Transportation Code,
7 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
8 §2001.054, in addition to the statutory authority referenced throughout this preamble.

9 Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation
10 Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to
11 administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to
12 adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011
13 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code,
14 §520.003 authorizes the department to adopt rules to administer Chapter 520.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
16 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
17 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
18 of a license.

19 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
20 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501–
21 504, 520, 730, and 1002.

22

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 48 of 141

Chapter 215 – Motor Vehicle Distribution

1 Text.

2 §215.132. Definitions.

3 The following words and terms, when used in this subchapter, shall have the following meanings,
4 unless the context clearly indicates otherwise.

5 ~~[(1) Barrier--A material object or set of objects that separates or demarcates.]~~

6 (1) [(2)] Buyer's license plate--A general issue license plate or set of license plates issued
7 by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled and
8 registered in Texas. [This term also includes a buyer's provisional license plate that a dealer issues when
9 the general issue license plate or set of license plates for that vehicle or motor vehicle type is not in a
10 dealer's license plate inventory at the time of retail sale.]

11 (2) Buyer's provisional license plate--A license plate that a dealer issues when at the time
12 of a retail sale:

13 (A) the general issue license plate for that vehicle or motor vehicle type is not in
14 a dealer's license plate inventory;

15 (B) the dealer has submitted an application for an exempt license plate for the
16 vehicle and that application is pending department approval; or

17 (C) a retail buyer requires a commercial fleet specific use license plate and will
18 obtain that license plate from the department.

19 (3) Buyer's temporary license plate--A temporary license plate issued by a dealer to a
20 non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in accordance with
21 Transportation Code, §503.063(i).

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 49 of 141

Chapter 215 – Motor Vehicle Distribution

1 (4) Consignment sale--The owner-authorized sale of a motor vehicle by a person other
2 than the owner.

3 (5) Dealer's temporary license plate--A license plate that a dealer may purchase and use
4 for the purposes allowed under Transportation Code, §503.062.

5 (6) House trailer--A nonmotorized vehicle designed for human habitation and for
6 carrying persons and property on its own structure and for being drawn by a motor vehicle. A house
7 trailer does not include manufactured housing. A towable recreational vehicle, as defined by
8 Occupations Code, §2301.002, is included in the terms "house trailer" or "travel trailer."

9 (7) Municipality--As defined according to the Local Government Code, Chapter 1.

10 (8) Person--Has the meaning assigned by Occupations Code, §2301.002.

11 (9) Sale--With regard to a specific vehicle, the transfer of possession of that vehicle to a
12 purchaser for consideration.

13 (10) Towable recreational vehicle--Has the same meaning as "house trailer" defined by
14 this section.

15 (11) Travel Trailer--Has the same meaning as "house trailer" defined by this section.

16 (12) Vehicle--Has the meaning assigned by Transportation Code, §503.001.

17 (13) VIN--Vehicle identification number.

18

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 50 of 141

Chapter 215 – Motor Vehicle Distribution

1 §215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

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

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

8 (a) [(c)] A GDN dealer or wholesale motor vehicle auction license application must be on a
9 form prescribed by the department and properly completed by the applicant as required under
10 §215.83 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or
11 wholesale motor vehicle auction application must include all required information, required
12 supporting documents, and required fees and must be submitted to the department electronically
13 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle
14 auction GDN holder renewing or amending its GDN, or a dealer or wholesale motor vehicle auction
15 reapplying for a GDN, must enter or verify current license information, provide related
16 information and documents for any new requirements or changes to the GDN, and pay required
17 fees including any outstanding civil penalties owed the department under a final order. An
18 applicant for a new dealer or wholesale motor vehicle auction GDN must provide the following:

19 (1) Required information:

20 (A) type of GDN requested;

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 51 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

14 (H) the name, social security number, date of birth, and identity document
15 information of at least one manager or other bona fide employee who will be present at the
16 established and permanent place of business if the owner is out of state or will not be present
17 during business hours at the established and permanent place of business in Texas;

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 52 of 141

Chapter 215 – Motor Vehicle Distribution

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

4 (K) military service status;

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

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

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 53 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

5 (i) driver license;

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

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

10 (iv) passport; or

11 (v) United States military identification card.

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 54 of 141

Chapter 215 – Motor Vehicle Distribution

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

3 (3) Required fees:

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

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

8 (b) [~~(d)~~] An applicant for a dealer or wholesale auction GDN must also comply with
9 fingerprint requirements in §211.13 [~~§211.6~~] of this title (relating to Fingerprint Requirements for
10 Designated License Types), as applicable.

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

17 (d) [~~(f)~~] A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with
18 licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or
19 exchange vehicles at retail.

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 55 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 56 of 141

Chapter 215 – Motor Vehicle Distribution

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

4

5 §215.134. Requirements for a Drive-a-way Operator In-Transit License.

6 ~~[(a) No drive-a-way operator may engage in business in Texas unless that person has a~~
7 ~~currently valid drive-a-way operator in-transit license issued by the department.]~~

8 (a) ~~[(b)]~~ A drive-a-way operator in-transit license application must be on a form prescribed
9 by the department and properly completed by the applicant as required under §215.83 of this title
10 (relating to License Applications, Amendments, or Renewals). A drive-a-way operator in-transit
11 application must include all required information, required supporting documents, and required
12 fees, and must be submitted to the department electronically in the licensing system designated
13 by the department.

14 (b) ~~[(c)]~~ A drive-a-way operator in-transit license holder renewing or amending its license
15 must verify current license information, provide related information and documents for any new
16 requirements or changes to the license, and pay required fees.

17 (c) ~~[(d)]~~ An applicant for a new license must register for an account in the department-
18 designated licensing system by selecting the licensing system icon on the dealer page of the
19 department website. An applicant must designate the account administrator and provide the name
20 and email address for that person, and provide the business telephone number, name, business
21 type, and social security number or employer identification number, as applicable. The applicant's
22 licensing account administrator must be an owner, officer, manager, or bona fide employee.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 57 of 141

Chapter 215 – Motor Vehicle Distribution

1 (d) ~~[(e)]~~ Once registered, an applicant may apply for a new license and must provide the
2 following:

3 (1) Required information:

4 (A) type of license 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 services offered;

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

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

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

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

23 (I) military service status;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 58 of 141

Chapter 215 – Motor Vehicle Distribution

1 (J) licensing history required to evaluate fitness for licensure under §215.89

2 of this title (relating to Fitness);

3 (K) signed Certification of Responsibility, which is a form provided by the

4 department; and

5 (L) any other information required by the department to evaluate the

6 application under current law and board rules.

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

8 (A) the certificate of filing, certificate of incorporation, or certificate of

9 registration on file with the Secretary of State, as applicable;

10 (B) each assumed name certificate on file with the Secretary of State or

11 county clerk;

12 (C) one of the following unexpired identity documents for each natural

13 person listed in the application:

14 (i) driver license;

15 (ii) Texas Identification Card issued by the Texas Department of

16 Public Safety under Transportation Code, Chapter 521, Subchapter E;

17 (iii) license to carry a handgun issued by the Texas Department of

18 Public Safety under Government Code, Chapter 411, Subchapter H;

19 (iv) passport; or

20 (v) United States military identification card;

21 (D) a list of manufacturers, distributors, dealers, or auctions for which the

22 applicant provides drive-a-way services;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 59 of 141

Chapter 215 – Motor Vehicle Distribution

1 (E) a description of the business model or business process, transportation
2 methods, compensation agreements, products, and services used or offered sufficient to allow
3 department to determine if the license type applied for is appropriate under Texas law; and

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

6 (3) Required fees:

7 (A) the license fee as prescribed by law; and

8 (B) the fee, including any taxes, for each drive-a-way in-transit standard
9 license plate requested by the applicant as prescribed by law.

10 (e) ~~[(f)]~~ An applicant for a drive-a-way operator in-transit license must also comply with
11 fingerprint requirements in §211.13 ~~[\$211.6]~~ of this title (relating to Fingerprint Requirements for
12 Designated License Types).

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

19
20 §215.137. Surety Bond.

21 (a) The surety bond required by Transportation Code, §503.033 shall be in the legal
22 business name in which the dealer's GDN will be issued and shall contain the complete physical
23 address of each location licensed under the GDN that the surety bond is intended to cover.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 60 of 141

Chapter 215 – Motor Vehicle Distribution

1 (b) A surety bond executed by an agent representing a bonding company or surety must be
2 supported by an original power of attorney from the bonding company or surety.

3 (c) The identity of the obligee on a surety bond or a rider to a surety bond must be
4 approved by the department. An obligee may be identified as:

5 (1) a person who obtains a court judgment assessing damages and attorney's fees
6 for an act or omission on which the bond is conditioned; or

7 (2) unknown.

8 (d) A bonding company that pays any claim against a surety bond shall immediately report
9 the payment to the department.

10 (e) A bonding company shall give written notice to the department 30 days prior to
11 canceling any surety bond.

12 ~~[(f) The surety bond required by this section does not apply to a:]~~

13 ~~[(1) franchised motor vehicle dealer licensed by the department;]~~

14 ~~[(2) franchised motorcycle dealer licensed by the department;]~~

15 ~~[(3) franchised house trailer or travel trailer dealer licensed by the department; or]~~

16 ~~[(4) trailer or semitrailer dealer licensed by the department.]~~

17

18 §215.140. Established and Permanent Place of Business Premises Requirements.

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

22 (1) Business hours for retail dealers.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 61 of 141

Chapter 215 – Motor Vehicle Distribution

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

3 (B) The retail dealer's business hours for each day of the week must be posted at
4 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.
5 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location
6 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
7 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
8 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
9 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business
10 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona
11 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
12 to speak to a natural person or leave a message during these hours.

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

23 (3) Business sign requirements for retail dealers.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 62 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

18 (A) Exterior Sign

19 (i) A wholesale motor vehicle dealer must display a conspicuous,
20 permanent sign with legible letters at least six inches in height showing the wholesale motor vehicle
21 dealer's business name or assumed name substantially similar to the name reflected on the wholesale
22 motor vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 63 of 141

Chapter 215 – Motor Vehicle Distribution

1 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
2 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to
3 the public within 100 feet of the main entrance of the business office. A business sign is considered
4 permanent only if it is made of durable, weather-resistant material.

5 (ii) The sign must be permanently mounted on the business property at
6 the physical address listed on the application. A business sign is considered permanently mounted if
7 bolted to an exterior building wall, ~~or~~ bolted or welded to a dedicated sign pole or sign support
8 permanently installed in the ground, or permanently affixed or etched on an exterior window, wall, or
9 door. A wholesale motor vehicle dealer may use a temporary exterior sign or banner if the wholesale
10 motor vehicle dealer can show proof that a sign that meets the requirements of this paragraph has been
11 ordered and provides a written statement that the sign will be promptly and permanently mounted upon
12 delivery.

13 (B) Interior Sign

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

20 (ii) An interior business sign is considered conspicuous if it is easily
21 visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office.
22 An interior sign is considered permanent if made from durable material and has lettering that cannot be

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 64 of 141

Chapter 215 – Motor Vehicle Distribution

1 changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed
2 to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or
3 banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of
4 this paragraph has been ordered and provides a written statement that the sign will be promptly and
5 permanently mounted upon delivery.

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 65 of 141

Chapter 215 – Motor Vehicle Distribution

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

4 (F) The physical address of the dealer's office must be in Texas and recognized by
5 the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services
6 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state
7 address and will only mail or deliver a license plate to a dealer's licensed physical location or other
8 physical location listed in the dealer's license record and approved by the department.

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

11 (H) The dealer's office space must:

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

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

15 (iii) accommodate required office equipment; and

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

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

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

20 (A) a desk;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 66 of 141

Chapter 215 – Motor Vehicle Distribution

- 1 (B) two chairs;
- 2 (C) internet access;
- 3 (D) a working telephone number listed in the business name or assumed name
- 4 under which the dealer conducts business; and
- 5 (E) a locked and secured room or closet or at least one securely locked,
- 6 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
- 7 safe or steel cabinet cannot be readily removed and of sufficient size to store all ~~dealer's and buyer's~~
- 8 license plates ~~[in a dealer's possession including unissued and unassigned buyer's license plates]~~.
- 9 (7) Number of retail dealers in one building. Not more than four retail dealers may be
- 10 located in the same building. Each retail dealer located in the same building must meet the requirements
- 11 of this section.
- 12 (8) Number of wholesale motor vehicle dealers in one office building. Not more than
- 13 eight wholesale motor vehicle dealers may be located in the same office building. Each wholesale motor
- 14 vehicle dealer located in the same office building must meet the requirements of this section.
- 15 (9) Office sharing prohibition for retail dealers and wholesale motor vehicle dealers.
- 16 Unless otherwise authorized by the Transportation Code, a retail dealer and a wholesale motor vehicle
- 17 dealer licensed after September 1, 1999, may not be located in the same building.
- 18 (10) Dealer housed with other business.
- 19 (A) If a person conducts business as a dealer in conjunction with another
- 20 business owned by the same person and under the same name as the other business, the same

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 67 of 141

Chapter 215 – Motor Vehicle Distribution

1 telephone number may be used for both businesses. If the name of the dealer differs from the name of
2 the other business, a separate telephone listing and a separate sign for each business are required.

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

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

10 (11) Display area and storage lot requirements.

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

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

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

19 (ii) The display area must be of sufficient size to display at least five
20 vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the
21 retail dealer's inventory and may not be used for customer parking, employee parking, general storage,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 68 of 141

Chapter 215 – Motor Vehicle Distribution

1 or shared or intermingled with another business or a public parking area, a driveway to the office, or
2 another dealer's display area.

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

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

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

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

20 (vii) The display area may be located inside a building; however, if
21 multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by
22 permanent signage identifying the area as reserved display space for that retail dealer's inventory. [a

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 69 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is~~
2 ~~one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material~~
3 ~~object or barrier must be in place on all sides except for the space necessary to allow for entry and exit~~
4 ~~of vehicle inventory.]~~

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

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

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

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

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

21 (C) the street address or legal description of the property, provided that if only a
22 legal description of the property is included, a dealer must attach a statement verifying that the property

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 70 of 141

Chapter 215 – Motor Vehicle Distribution

1 description in the lease agreement is the physical street address identified on the application as the
2 physical address for the established and permanent place of business;

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 71 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 72 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 73 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

11 (A) a desk;

12 (B) a chair;

13 (C) internet access; and

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

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

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

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

2 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,
3 employee parking, general storage, or shared or intermingled with another business or a public parking
4 area, or a driveway to the office.

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 75 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 76 of 141

Chapter 215 – Motor Vehicle Distribution

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

4

5 §215.141. Sanctions.

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

8 ~~[(1) deny an application;]~~9 ~~[(2) revoke a license;]~~10 ~~[(3) suspend a license;]~~11 ~~[(4) assess a civil penalty;]~~12 ~~[(5) issue a cease and desist order; or]~~13 ~~[(6) take other authorized action.]~~

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 77 of 141

Chapter 215 – Motor Vehicle Distribution

- 1 (3) fails to maintain records required under this chapter;
- 2 (4) refuses or fails to comply with a request by the department for electronic records or
3 to examine and copy electronic or physical records during the license holder's business hours at the
4 licensed business location:
- 5 (A) sales records required to be maintained by §215.144 of this title (relating to
6 Vehicle Records);
- 7 (B) ownership papers for a vehicle owned by that dealer or under that dealer's
8 control;
- 9 (C) evidence of ownership or a current lease agreement for the property on
10 which the business is located; or
- 11 (D) the Certificate of Occupancy, Certificate of Compliance, business license or
12 permit, or other official documentation confirming compliance with county and municipal laws or
13 ordinances for a vehicle business at the licensed physical location.
- 14 (5) refuses or fails to timely comply with a request for records made by a representative
15 of the department;
- 16 (6) holds a wholesale motor vehicle dealer's license and sells or offers to sell a motor
17 vehicle to a person other than a licensed or authorized dealer;
- 18 (7) sells or offers to sell a type of vehicle that the person is not licensed to sell;
- 19 (8) fails to submit a license amendment application in the electronic licensing system
20 designated by the department to notify the department of a change of the license holder's physical
21 address, mailing address, telephone number, or email address within 10 days of the change;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 78 of 141

Chapter 215 – Motor Vehicle Distribution

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

4 (10) issues more than one buyer's license plate or buyer's temporary license plate for a
5 vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1,
6 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

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

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

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

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

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

17 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
18 Chapters 501-504, or 520 [~~503 or 1001-1005~~]; a board order or rule; or a regulation of the department
19 relating to the sale, lease, distribution, financing, or insuring of vehicles, including advertising rules
20 under Subchapter F of this chapter (relating to Advertising);

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 79 of 141

Chapter 215 – Motor Vehicle Distribution

1 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
2 occupation in accordance with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines);

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

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

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

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

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

11 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
12 provision of Occupations Code, Chapter 2301, 2302, 2305; Transportation Code, Chapters 503 [~~and 1001~~
13 ~~—1005~~]; or other laws;

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 80 of 141

Chapter 215 – Motor Vehicle Distribution

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

3 (26) [~~on or after July 1, 2025,~~] fails to securely store a license plate or fails to destroy a
4 [~~previously issued but currently unassigned~~] license plate within the time prescribed by statute;

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

7 (28) [~~on or after July 1, 2025,~~] fails to file or enter a vehicle transfer notice;

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

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

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

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

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

19 (34) [~~on or after July 1, 2025,~~] fails to remove a license plate from a vehicle as required
20 by statute or rule; [~~or~~]

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 81 of 141

Chapter 215 – Motor Vehicle Distribution

1 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,
2 Subchapter D or to allow an inspection of these records by the department; [-]

3 (36) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
4 Disclosure Act, including a violation by an employee or other agent; or

5 (37) issues the wrong type of license plate based on the transaction or vehicle type;

6 (38) secures a license plate to a sold vehicle but fails to assign the license plate to the
7 vehicle in the system designated by the department; or

8 (39) voids and reissues the same license plate to a buyer to extend a title or registration
9 filing deadline.

10

11 §215.144. Vehicle Records.

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

15 (b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer
16 shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work
17 performed on each vehicle for a minimum period of 36 months after the date the adaptive work is
18 performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce
19 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and
20 all information and records required under Transportation Code §503.0295.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 82 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

11 (1) the date of the purchase;

12 (2) the date of the sale;

13 (3) the VIN;

14 (4) the name and address of the person selling the vehicle to the dealer;

15 (5) the name and address of the person purchasing the vehicle from the dealer;

16 (6) the name and address of the consignor if the vehicle is offered for sale by

17 consignment;

18 (7) except for a purchase or sale where the Tax Code does not require payment of motor

19 vehicle sales tax, a county tax assessor-collector receipt marked paid;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 83 of 141

Chapter 215 – Motor Vehicle Distribution

- 1 (8) a copy of all documents, forms, and agreements applicable to a particular sale,
2 including a copy of:
- 3 (A) the title application;
 - 4 (B) the work-up sheet;
 - 5 (C) the front and back of the manufacturer's certificate of origin or
6 manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in
7 §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);
 - 8 (D) the front and back of the title for the purchase and the sale, unless the
9 dealer enters or obtains the title through webDEALER as defined in §217.71 of this title;
 - 10 (E) the factory invoice, if applicable;
 - 11 (F) the sales contract;
 - 12 (G) the retail installment agreement;
 - 13 (H) the buyer's order;
 - 14 (I) the bill of sale;
 - 15 (J) any waiver;
 - 16 (K) any other agreement between the seller and purchaser;
 - 17 (L) the purchaser's photo identification, unless prohibited by federal law;
 - 18 (M) the odometer disclosure statement properly executed by the motor vehicle
19 seller and acknowledged by the purchaser ~~signed by the buyer~~, unless the vehicle is exempt; ~~and~~

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 84 of 141

Chapter 215 – Motor Vehicle Distribution

1 (N) the rebuilt salvage disclosure, if applicable; and [-]

2 (O) the dealer's copy of the buyer's license plate receipt.

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

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

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

10 (f) Title assignments.

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

13 (A) title;

14 (B) manufacturer's statement of origin;

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

16 (D) other evidence of ownership.

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 85 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

5 (C) 60 days of the vehicle sale date for a vehicle purchased by a member or

6 reserve member of the United States armed forces, Texas National Guard, or National Guard of another
7 state serving on active duty.

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

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

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

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

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

20 (h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written
21 consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 86 of 141

Chapter 215 – Motor Vehicle Distribution

1 take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of
2 the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax
3 assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle
4 offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for
5 sale by consignment.

6 (i) Public motor vehicle auctions.

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

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

10 (A) is not required to take assignment of title of a vehicle before offering the
11 vehicle for sale at auction;

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

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

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

18 (j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder
19 shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale
20 occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 87 of 141

Chapter 215 – Motor Vehicle Distribution

1 holder shall make the record available for inspection and copying by the department during business
2 hours.

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

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

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

10 (A) the date of sale;

11 (B) the VIN;

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 88 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

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

19

20 §215.145. Change of Dealer's Status.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 89 of 141

Chapter 215 – Motor Vehicle Distribution

1 (a) A dealer's name change requires a new bond or a rider to the existing bond reflecting the
2 new name, unless the dealer is not otherwise required to purchase a bond.

3 (b) A dealer shall notify the department in writing within 10 days of a change of ownership by
4 submitting a license amendment application in the department-designated electronic licensing system. A
5 licensed dealer that proposes to sell or assign to another any interest in the licensed entity, whether a
6 corporation or otherwise, and provided the physical location of the licensed entity remains the same,
7 shall notify the department in writing within 10 days of the change by filing an application to amend the
8 license in the department-designated electronic licensing system. If the sale or assignment of any
9 portion of the business results in a change of entity, then the new entity must apply for and obtain a new
10 license. A publicly held corporation only needs to inform the department of a change in ownership if one
11 person or entity acquires a 10% or greater interest in the licensed entity.

12 (c) Upon the death of a dealer operating as a sole proprietor, either the surviving spouse of the
13 deceased dealer or other individual deemed qualified by the department shall submit to the department
14 a bond rider adding the name of the surviving spouse or other qualifying person to the bond for the
15 remainder of the bond and license term. The surviving spouse or other qualifying person may continue
16 operating under the current dealer license until the end of the license term.

17 (d) For purposes of subsection (c) of this section, the sole proprietor's surviving spouse may
18 change the ownership of the dealership at the time the license is renewed without applying for a new
19 GDN. At the time the renewal application is filed, the sole proprietor's surviving spouse must submit to
20 the department:

21 (1) an amendment application [~~to amend the business entity~~];

22 (2) a copy of the sole proprietor's certificate of death, naming the surviving spouse;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 90 of 141

Chapter 215 – Motor Vehicle Distribution

1 (3) the required ownership information; and

2 (4) if applicable, a bond in the name of the surviving spouse.

3 (e) For purposes of subsection (c) of this section, a qualifying person who is not the surviving
4 spouse may operate the sole proprietorship business during the term of the license. The qualifying
5 person must file with the department:

6 (1) an amendment application [~~to amend the business entity,~~] identifying the qualifying
7 person as the manager;

8 (2) an ownership information form, indicating that the qualifying person has no
9 ownership interest in the business; and

10 (3) a bond rider adding the qualified person's name to the existing bond.

11 (f) For purposes of subsection (c) of this section, a qualifying person who is not the surviving
12 spouse must file with the department an application for a new GDN on or before the expiration of the
13 license term in the department-designated electronic licensing system.

14 (g) A determination made under this section does not impact a decision made by the board
15 under Occupations Code, §2301.462 (relating to Succession Following Death of Franchised Dealer).

16 (h) A dealer shall notify the department in writing within 10 days of a change in dealer principal
17 or other person who oversees a dealer's business activities, including a change resulting from a receiver
18 being appointed or a dealer filing bankruptcy, by submitting a license amendment application in the
19 electronic licensing system designated by the department.

20

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 91 of 141

Chapter 215 – Motor Vehicle Distribution

1 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

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

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

9 (1) the vehicle;

10 (2) the buyer; and

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

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

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

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

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

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

18 (A) changes in the market;

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

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

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

6 (1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised
7 dealer unless the dealer provides credible information indicating that a greater number of buyer's
8 license plates is warranted based on anticipated sales, and growth, to include new and used vehicle
9 sales, including information from the manufacturer or distributor, or as otherwise provided in this
10 section.

11 (2) 100 buyer's license plates and 48 buyer's temporary license plates for a
12 nonfranchised dealer unless the dealer provides credible information indicating that a greater number of
13 license plates is warranted based on anticipated sales as otherwise provided in this section.

14 (f) An existing dealer that is:

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 94 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 95 of 141

Chapter 215 – Motor Vehicle Distribution

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

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 receive a future allocation by submitting a request to DealerCompliance@txdmv.gov. The department
2 will conduct the compliance review within 14 days of the dealer's request.

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

6 (l) A dealer may request more buyer's license plates or buyer's temporary license plates:

7 (1) after using 50 percent of the quarterly allocation of buyer's license [~~general issue~~]
8 plates or buyer's [~~buyer~~] temporary plates, a dealer may request an advance on the next quarter's
9 allotment; or

10 (2) after using 50 percent of the allotted annual maximum number of buyer's license
11 [~~general issue~~] plates or buyer's [~~buyer~~] temporary plates a dealer may request an increase in the annual
12 allotted number of license plates.

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

14 (1) after using less than 50 percent of the quarterly allocation of buyer's [~~general issue~~]
15 license plates or buyer's [~~buyer~~] temporary license plates in a quarter; or

16 (2) after using less than 50 percent of the allotted annual maximum number of buyer's
17 [~~general issue~~] license plates or buyer's [~~buyer~~] temporary license plates in a year.

18 (n) To request [~~receive~~] more buyer's license plates or buyer's temporary license plates or to
19 request a decrease in a quarterly or annual allocation, a dealer must submit a request in the
20 department's designated license plate system.

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

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

12 (2) The department may allocate a lesser or greater number of license plates than the
13 amount requested. Allocation of a lesser or greater number of license plates is not a denial of the
14 request. Allocation of license plates under this paragraph does not limit the dealer's ability to submit
15 additional requests.

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

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

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

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

3 (D) The designated director in the Vehicle Titles and Registration Division will
4 review the appeal and any additional statements concerning the information submitted in the original
5 request and render an opinion within 15 days of receiving the appeal. The designated director in the
6 Vehicle Titles and Registration Division may decide to deny the appeal or award an amount of license
7 plates that is lesser, equal to, or greater than the request.

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

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

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

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

19 (5) Once a denial is final, a dealer may only submit a subsequent request during that
20 calendar year if the dealer is able to provide additional information not considered in a prior request.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 99 of 141

Chapter 215 – Motor Vehicle Distribution

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

3 (q) The department may at any time initiate an enforcement action against a dealer if license
4 plate system activity suggests that misuse or fraud has occurred as described in Transportation Code
5 §503.0633(f) or §503.0671.

6

7 §215.153. Dealer's Use of Buyer's Provisional License Plates.

8 (a) In the license plate system designated by the department, a dealer may order buyer's
9 provisional license plates for the class of vehicle for which the dealer holds a GDN, and must manage
10 buyer's provisional license plate inventory within the buyer's license plate allocation provided by
11 §215.152 of this title (relating to Obtaining Dealer-Issued Buyer's License Plates). A dealer may be
12 required to submit information supporting a request for buyer's provisional license plates, such as
13 anticipated fleet vehicle sales based on sales history or orders in process.

14 (b) When a purchased vehicle is eligible for a general issue license plate and a general issue
15 license plate for that vehicle type is not in a dealer's license plate inventory and the purchaser does not
16 have an existing license plate eligible to be reassigned, a dealer must assign a buyer's provisional license
17 plate to the vehicle by securing the provisional license plate to the vehicle and entering the license plate
18 information into the license plate system designated by the department consistent with the
19 requirements of §215.151 of this title (relating to License Plate General Use Requirements) and §215.155
20 of this title (relating to Buyer's License Plates).

21 (c) When a purchased vehicle is eligible for an exempt license plate, a dealer may issue a buyer's
22 provisional license plate for use on the vehicle until the department processes the exempt license plate

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 100 of 141

Chapter 215 – Motor Vehicle Distribution

1 application. If the department does not approve the exempt license plate application, a dealer must
2 issue a general issue license plate, and the retail buyer must pay the related registration fee.

3 (d) When a purchased vehicle is eligible for a commercial fleet license plate, such as an
4 apportioned, forestry, token, combination, extended trailer, or multi-year license plate, a dealer may
5 issue a buyer's provisional license plate for use on the vehicle. The retail purchaser is responsible for
6 requesting the appropriate commercial fleet license plate in the department's designated system.

7 (e) Unless the sale is of a commercial fleet vehicle, the selling dealer is responsible for promptly:

8 (1) submitting the title and registration application to the county tax assessor-collector;

9 (2) removing the buyer's provisional license plate if secured to the vehicle; and

10 (3) securing the assigned license plate to the vehicle if that license plate is provided to
11 the dealer by either the county tax assessor-collector or the retail buyer.

12 (f) A buyer's provisional license plate is for temporary use only and expires 14 days after a
13 general issue, exempt, commercial fleet, or other eligible license plate is assigned to the vehicle.

14 (g) A dealer must mark and destroy an expired buyer's provisional license plate in the dealer's
15 possession as provided in §215.158 of this title (relating to General Requirements for Buyer's License
16 Plates).

17

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 §215.154. Dealer's Temporary License Plate Allocation.

2 (a) The number of dealer's temporary license plates a dealer may order for business use is based
3 on the type of license for which the dealer applied and the number of vehicles the dealer sold during the
4 previous year.

5 (b) Unless otherwise qualified under this section, the maximum number of dealer's temporary
6 license plates the department will issue to a new license applicant during the applicant's first license
7 term is indicated in the following table.

8 [Attached Graphic](#)

9 ~~[(c) A person holding a dealer license on July 1, 2025, is eligible to receive the following~~
10 ~~maximum number of dealer's temporary plates:]~~

11 ~~[(1) the number designated for that license type in subsection (b) of this section; and]~~

12 ~~[(2) the number designated in subsection (c) of this section based on vehicle sales in the~~
13 ~~last 12-month period.]~~

14 (c) ~~[(d)]~~ A dealer that applies for a license is not subject to the initial allotment limits described in
15 this section and may rely on that dealer's existing allocation of dealer's temporary license plates if that
16 dealer is:

17 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the
18 entity of ownership;

19 (2) any type of dealer that is relocating and has been licensed by the department for a
20 period of one year or longer; or

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (3) any type of dealer that is changing its business entity type and has been licensed by
2 the department for a period of one year or longer.

3 (d) ~~[(e)]~~ A dealer may obtain more than the maximum number of dealer's temporary license
4 plates provided by this section by submitting to the department proof of sales for the previous 12-month
5 period that justifies additional license plates.

6 (1) The number of additional dealer's temporary license plates the department will issue
7 to a dealer that demonstrates need through proof of sales is indicated in the following table.

8 [Attached Graphic](#)

9 (2) For purposes of this section, proof of sales for the previous 12-month period may
10 consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with
11 the taxing authority in the county of the dealer's licensed location. Each copy must be stamped as
12 received by the taxing authority.

13 (e) ~~[(f)]~~ A wholesale motor vehicle dealer may obtain more than the maximum number of
14 dealer's temporary license plates provided by this section by submitting to the department proof of the
15 number of vehicles the dealer has purchased in the previous 12-month period that justifies additional
16 license plates.

17 (1) Evidence of the wholesale motor vehicle dealer's vehicle purchases for the previous
18 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling
19 dealer's name, and any other information the department in its discretion deems necessary to
20 determine the need for additional dealer's temporary license plates for the wholesale motor vehicle
21 dealer.

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (2) Upon review and approval of a wholesale motor vehicle dealer's proof of vehicle
2 purchases documentation, the department shall issue up to 5 additional dealer's temporary license
3 plates to the dealer.

4 (f) ~~[(g)]~~ The Director of the Motor Vehicle Division may waive the dealer's temporary license
5 plate issuance restrictions if the waiver is essential for the continuation of the business. The director will
6 determine the number of dealer's temporary license plates the department will issue based on the
7 dealer's past sales, dealer's inventory, and any other factor the Director determines pertinent.

8 (1) A request for a waiver must be submitted to the director in writing and specifically
9 state why the additional dealer's temporary license plates are necessary for the continuation of the
10 dealer's business.

11 (2) A request for a waiver must be accompanied by proof of the dealer's sales and the
12 number of vehicles transported for the previous 12-month period, if applicable.

13

14 §215.155. Buyer's License Plates.

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

17 (1) from the selling dealer's inventory;

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

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

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

21 unless:

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

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

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

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

5 (c) For a wholesale transaction, a dealer may not issue a buyer's license plate; rather the
6 purchasing dealer places on the motor vehicle its own:

7 (1) dealer's temporary license plate; or

8 (2) dealer's standard or personalized prestige license plate.

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

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

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 105 of 141

Chapter 215 – Motor Vehicle Distribution

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

5

6 §215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available.

7 ~~[In accordance with Transportation Code, §503.0631(d), if]~~ If a dealer or governmental agency is
8 unable to access the internet at the time of a sale, the dealer or governmental agency must comply with
9 Transportation Code, §503.0631(d) ~~[document the issuance of a buyer's license plate or a buyer's~~
10 ~~temporary license plate on a receipt form prescribed by the department and enter the required~~
11 ~~information regarding the sale in the license plate system not later than the close of the next business~~
12 ~~day. The buyer's receipt must include a statement that the dealer or governmental agency, has internet~~
13 ~~access but, at the time of the sale, the dealer or governmental agency, was unable to access the internet~~
14 ~~or the license plate system]~~ and ~~[meet]~~ the requirements in §215.156 of this title (relating to Buyer's
15 License Plate Receipt).

16

17 §215.158. General Requirements for Buyer's License Plates

18 (a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the
19 dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title
20 (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report
21 any loss, theft, or destruction of a ~~[buyer's license plate or buyer's temporary]~~ license plate to the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 106 of 141

Chapter 215 – Motor Vehicle Distribution

1 department in the system designated by the department within 24 hours of discovering the loss, theft,
2 or destruction.

3 (b) When a dealer is required to void a previously assigned buyer's license plate or other type of
4 license plate from a vehicle, the dealer shall render a void plate unusable by permanently marking the
5 front of the plate with the word "VOID" or a large "X"; and within 10 days:

6 (1) destroy the license plate;

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

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

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

13

14 §215.159. License Plate Storage Away from the Licensed Location.

15 (a) Application Requirements. A dealer with two or more licensed locations may store and
16 manage license plate inventory at one of the licensed locations or from another location if, in a license
17 application, the dealer:

18 (1) discloses the physical address of the license plate storage location; and

19 (2) certifies that the license plate storage location satisfies all requirements in subsection

20 (b) of this section.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 107 of 141

Chapter 215 – Motor Vehicle Distribution

1 (b) Location Requirements.

2 (1) If the license plate storage location is at a licensed location, the location must comply
3 with the requirements of §215.140 of this title (related to Established and Permanent Place of Business
4 Premises Requirements).

5 (2) If the license plate storage location is not at a licensed location, the location must:

6 (A) be located in Texas at an address recognized by the U.S. Postal Service and
7 which is capable of receiving U.S. mail, and has an assigned emergency services property address;

8 (B) be located in a building with a permanent roof and connecting exterior walls
9 on all sides;

10 (C) be equipped with:

11 (i) a computer;

12 (ii) internet access;

13 (iii) a working telephone number listed in the business name or assumed
14 name under which the dealer conducts business;

15 (iv) a locked and secured room or closet or at least one securely locked,
16 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
17 safe or steel cabinet cannot be readily removed and of sufficient size to store all license plates in a dealer's
18 possession;

19 (D) be organized so the license plate inventory for each licensed location is
20 separate and easily identifiable and is properly assigned to a location in the license plate management
21 system;

22 (E) have the address clearly visible from the street;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 108 of 141

Chapter 215 – Motor Vehicle Distribution

1 (F) have business hours posted at the main entrance in a manner and place
2 accessible to delivery services and department staff;

3 (G) be open at least four days per week for at least four consecutive hours per
4 day and may not be open solely by appointment, with the owner or a bona fide employee at the license
5 plate storage location during the posted business hours for purposes of processing license plates,
6 including acceptance of license plate deliveries;

7 (H) have a telephone that is answered from 8:00 a.m. to 5:00 p.m. weekdays by
8 a bona fide employee, owner, answering service, voicemail service, or answering machine, so that a caller
9 is able to speak to a natural person or leave a message during these hours;

10 (I) not be in a residence, apartment, hotel, motel, rooming house, provided by a
11 subscription for office or storage space, or in a rented storage unit, but it may be in a portable-type office
12 building if the building meets the requirements of this subsection and is not a readily moveable trailer or
13 other vehicle; and

14 (J) not be in a restaurant, gas station, or convenience store, unless the location
15 has a separate entrance door that does not require a person to pass through the other business.

16 (c) Site Visit. The department may visit the location prior to approving a dealer's application to
17 add a license plate storage location and during the term of the license to monitor compliance with
18 department rules as authorized under Occupations Code, §2301.256 and Transportation Code,
19 §503.063(d).

20

21 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
22 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
23 and the authority to take any action that is necessary or convenient to exercise that authority;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 109 of 141

Chapter 215 – Motor Vehicle Distribution

1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
14 (2025), which authorizes the department to obtain criminal history record information from DPS and the
15 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
16 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
17 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
18 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
19 issuance of a license to military service members, military veterans, or military spouses that allow
20 licensure if the applicant holds a current license issued by another state that is similar in scope to the
21 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
22 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
23 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 110 of 141

Chapter 215 – Motor Vehicle Distribution

1 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
2 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
3 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
4 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
5 dealer complete web-based education and training developed or approved by the department;
6 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
7 of a surety bond and the procedure by which a claimant may recover against the surety bond;
8 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
9 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632, which require the
10 board to adopt rules necessary to implement and manage the department's temporary tag databases;
11 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
12 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
13 throughout this preamble.

14 The department also proposes a repeal under the authority Government Code, §2001.039, in
15 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
16 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
17 the rule.

18 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
19 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
20 and 1002.

21

22 [~~§215.131. Purpose and Scope.~~]

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 112 of 141

Chapter 215 – Motor Vehicle Distribution

1 representatives whose act or omission would be cause for denying, revoking, or suspending a general
2 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
3 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
4 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
5 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
6 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
7 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
8 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
9 board to adopt rules necessary to implement and manage the department's temporary tag databases;
10 Transportation Code, §730.014 which authorizes state agencies to adopt rules to implement and
11 administer the Motor Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which
12 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
13 duties of the department, as well as the statutes referenced throughout this preamble.

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

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

20

21 Text.

22

23 §215.175. Sanctions.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 113 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~[(a) The board or department may:]~~

2 ~~[(1) deny a vehicle lessor or vehicle lease facilitator application;]~~

3 ~~[(2) revoke or suspend a vehicle lessor or vehicle lease facilitator license; or]~~

4 ~~[(3) assess a civil penalty or take other action on a vehicle lessor or vehicle lease~~

5 ~~facilitator applicant or license holder, or a person engaged in business for which a vehicle lessor or~~

6 ~~vehicle lease facilitator license is required.]~~

7 (a) ~~[(b)]~~ The board or department may sanction ~~[take action described in subsection (a) of this~~

8 ~~section if]~~ a vehicle lessor or vehicle lease facilitator applicant or license holder, or a person engaged in

9 business for which a vehicle lessor or vehicle lease facilitator license is required, if the person:

10 (1) fails to maintain an established and permanent place of business required by

11 §215.177 of this title (relating to Established and Permanent Place of Business);

12 (2) fails to maintain records required under this subchapter;

13 (3) refuses or fails to comply with a request by a representative of the department to

14 examine during the vehicle lessor's or vehicle lease facilitator's posted business hours at the vehicle

15 lessor's or vehicle lease facilitator's licensed location:

16 (A) a vehicle leasing record required to be maintained by §215.178 of this title

17 (relating to Records Required for Vehicle Lessors and Vehicle Lease Facilitators);

18 (B) ownership papers for a vehicle owned, leased, or under that vehicle lessor's

19 or vehicle lease facilitator's control; or

20 (C) evidence of ownership or a current premises lease agreement for the

21 property upon which the business is located;

22 (4) refuses or fails to timely comply with a request for records made by a representative

23 of the department;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 114 of 141

Chapter 215 – Motor Vehicle Distribution

1 (5) fails to notify the department in writing by electronically submitting a license
2 amendment in the licensing system designated by the department within 10 days of a change of the
3 vehicle lessor or vehicle lease facilitator license holder's:

- 4 (A) mailing address;
5 (B) physical address;
6 (C) telephone number; or
7 (D) email address;

8 (6) fails to notify the department in writing by electronically submitting a license
9 amendment in the licensing system designated by the department within 10 days of a change of the
10 vehicle lessor or vehicle lease facilitator license holder's name, assumed name, management, or
11 ownership;

12 (7) fails to comply with the fee restrictions or other requirements under Occupations
13 Code, §2301.357 or Chapter 2301, Subchapter L. Vehicle Lessors and Vehicle Lease Facilitators;

14 (8) fails to maintain advertisement records or otherwise fails to comply with the
15 advertising requirements of:

- 16 (A) §215.178; or
17 (B) Subchapter F of this chapter (relating to Advertising);

18 (9) violates any law relating to the sale, lease, distribution, financing, or insuring of
19 motor vehicles;

20 (10) is convicted of an offense that, in accordance with Occupations Code, Chapter 53
21 and with §211.10 [~~§211.3~~] of this title (relating to Criminal Offense Guidelines), directly relates to the
22 duties or responsibilities of the licensed occupation;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 115 of 141

Chapter 215 – Motor Vehicle Distribution

1 (11) is determined by the board or department, in accordance with §215.89 of this title
2 (relating to Fitness), to be unfit to hold a vehicle lessor or vehicle lease facilitator license;

3 (12) uses or allows use of a vehicle lessor or vehicle lease facilitator license in violation
4 of any law or for the purpose of avoiding any provision of Occupations Code, Chapter 2301; ~~or~~

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

8 (14) violates a provision of Transportation Code, Chapter 730, Motor Vehicle Records
9 Disclosure Act, including a violation by an employee or other agent.

10 (b) ~~(e)~~ The board or department may take action on a vehicle lessor's license or assess civil
11 penalties for the vehicle lessor's failure to notify the department in writing by electronically submitting a
12 license amendment in the licensing system designated by the department within 10 days of any change,
13 addition, or deletion to the list of vehicle lease facilitators with whom the vehicle lessor conducts
14 business, including any change to a vehicle lease facilitator's mailing address, physical address,
15 telephone number, or email address.

16 (c) ~~(d)~~ The board or department may take action on a vehicle lease facilitator's license or
17 assess civil penalties for the failure to notify the department in writing within 10 days by electronically
18 submitting a license amendment in the licensing system designated by the department of any change,
19 addition, or deletion to the list of vehicle lessors for whom the vehicle lease facilitator conducts
20 business, including any change to a vehicle lessor's mailing address, physical address, telephone
21 number, or email address.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 116 of 141

Chapter 215 – Motor Vehicle Distribution

1 (d) ~~[(e)]~~ The board or department may take action on a vehicle lessor's or vehicle lease
2 facilitator's license if the vehicle lessor or vehicle lease facilitator accepts a fee from a dealer, directly or
3 indirectly, for referring a customer who purchases or considers purchasing a motor vehicle.

4

5 §215.177. Established and Permanent Place of Business Premises Requirements.

6 (a) A vehicle lessor or vehicle lease facilitator operating within Texas must meet the following
7 requirements at each location where vehicles are leased or offered for lease.

8 (1) Physical location requirements.

9 (A) A vehicle lessor or vehicle lease facilitator operating within Texas must be
10 open to the public. The vehicle lessor's or vehicle lease facilitator's business hours for each day of the
11 week must be posted at the main entrance of the office. The business telephone must be answered
12 from 8:00 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail
13 service, or answering machine. A caller must be able to speak to a natural person or leave a message
14 during these hours. The owner or an employee of the vehicle lessor or vehicle lease facilitator must be
15 at the location during the posted business hours for the purpose of leasing vehicles. In the event the
16 owner or an employee is not available to conduct business during the posted business hours, a separate
17 sign must be posted indicating the date and time such owner or employee will resume vehicle leasing
18 operations.

19 (B) A vehicle lessor's or vehicle leasing facilitator's office structure must be of
20 sufficient size to accommodate the following required equipment:

21 (i) a desk and two chairs from which the vehicle lessor or vehicle lease
22 facilitator transacts business;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 117 of 141

Chapter 215 – Motor Vehicle Distribution

1 (ii) a working telephone number listed in the business name or assumed
2 name under which the vehicle lessor or vehicle lease facilitator conducts business; and

3 (iii) internet access.

4 (C) A vehicle lessor or vehicle lease facilitator that files an application for a new
5 license or a vehicle lessor that files an application for a satellite location must comply with the following
6 requirements:

7 (i) The office must be located in a building with a permanent roof and
8 connecting exterior walls on all sides.

9 (ii) The office must comply with all applicable local zoning ordinances
10 and deed restrictions.

11 (iii) The office may not be located within a residence, apartment, hotel,
12 motel, or rooming house or building not open to the public.

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

16 (v) The office may not be virtual or provided by a subscription for office
17 space or office services. Access to office space or office services is not considered an established and
18 permanent location.

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

21 (E) One or more licensed vehicle lessors or vehicle lease facilitators, or a
22 combination of one or more licensed vehicle lessors and vehicle lease facilitators may occupy the same
23 business structure and conduct vehicle leasing operations in accordance with the license held by the

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 vehicle lessor or licensed vehicle lease facilitator. Each vehicle lessor or vehicle lease facilitator must
2 have:

3 (i) a separate desk from which that vehicle lessor or vehicle lease
4 facilitator transacts business;

5 (ii) a separate working telephone number listed in the vehicle lessor or
6 vehicle lease facilitator's business name or assumed name;

7 (iii) a separate right of occupancy that meets the requirements of this
8 section; and

9 (iv) a vehicle lessor or vehicle lease facilitator license issued by the
10 department in the name of the vehicle lessor or vehicle lease facilitator.

11 (F) A vehicle lease facilitator's established and permanent place of business
12 must be physically located within Texas.

13 (2) Business Sign requirements. A vehicle lessor or vehicle lease facilitator shall display a
14 conspicuous and permanent business sign at the licensed location showing the name under which the
15 vehicle lessor or vehicle lease facilitator conducts business. Outdoor business signs must contain legible
16 letters that are at least six inches in height. The business name or assumed name on the sign must be
17 substantially similar to the name reflected on the license issued by the department. A business sign is
18 considered conspicuous if it is easily visible to the public within 100 feet of the main entrance of the
19 business office. A business sign is considered permanent only if it is made of durable, weather-resistant
20 material.

21 (3) Premises lease requirements. If the premises from which a licensed vehicle lessor or
22 vehicle lease facilitator conducts business is not owned by the license holder, the license holder must
23 maintain for the licensed location a valid premises lease that is continuous during the period of time for

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 which the vehicle lessor's or vehicle lease facilitator's license will be issued. The premises lease
2 agreement must be on a properly executed form containing at a minimum:

3 (A) the name of the property owner of the premises and the name of the vehicle
4 lease facilitator as the tenant or lessee of the premises;

5 (B) the street address or legal description of the property, provided that if only a
6 legal description of the property is included, the applicant must attach a statement that the property
7 description in the lease agreement is the street address identified on the application as the physical
8 address for the established and permanent place of business;

9 (C) the signature of the property owner as the lessor and the signature of the
10 applicant or holder as the tenant or lessee;

11 (D) the period of time for which the premises lease is valid; and

12 (E) if the lease agreement is a sublease in which the property owner is not the
13 lessor, the applicant or holder must also obtain a signed and notarized statement from the property
14 owner including the following information:

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

17 (ii) property owner's statement confirming that the license holder is
18 authorized to sublease the location and may operate a motor vehicle leasing business from the location.

19 (b) A vehicle lessor or vehicle lease facilitator shall be independent of financial institutions and
20 dealerships in location and in business activities, unless that vehicle lessor or vehicle lease facilitator is
21 an:

22 (1) employee or legal subsidiary of the financial institution or dealership; or

23 (2) entity wholly owned by the financial institution or dealership.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 120 of 141

Chapter 215 – Motor Vehicle Distribution

1 (c) For purposes of this section, an employee is a person who meets the requirements of
2 §215.173(b) of this title (relating to License).

3

4 §215.181. General Distinguishing Number Exception

5 A licensed vehicle lessor is not required to hold a GDN in order to sell a motor vehicle that the
6 vehicle lessor owns to the lessee or to a duly licensed dealer, either directly or through a licensed
7 wholesale motor vehicle auction. A licensed vehicle lessor may not purchase a motor vehicle at a
8 wholesale motor vehicle auction. The department shall cancel a vehicle lessor's GDN if the vehicle lessor
9 is not qualified to hold the GDN. [Any existing GDN held by a vehicle lessor that does not otherwise
10 qualify for a GDN shall be canceled.] A vehicle lessor whose GDN has been canceled under this section
11 may reapply for a GDN once all the qualifications for a GDN are met.

12

13 **STATUTORY AUTHORITY.** The department proposes a repeal to Chapter 215 under Occupations Code,
14 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
15 and the authority to take any action that is necessary or convenient to exercise that authority;
16 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
17 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
18 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
19 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
20 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
21 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
22 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
23 the board authority to deny an application for a license, revoke or suspend a license, place on probation,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 121 of 141

Chapter 215 – Motor Vehicle Distribution

1 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
2 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
3 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
4 Code, §411.122(d), which authorizes department access to criminal history record information
5 maintained by DPS; Government Code, §411.12511, as amended by Senate Bill (SB) 2587, 89th Legislature
6 (2025), which authorizes the department to obtain criminal history record information from DPS and the
7 FBI for license applicants, license holders, and representatives whose act or omission would be cause for
8 denying, revoking, or suspending a general distinguishing number or license issued under Transportation
9 Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as
10 amended by House Bill (HB) 5629, 89th Legislature, which requires the department to adopt rules for the
11 issuance of a license to military service members, military veterans, or military spouses that allow
12 licensure if the applicant holds a current license issued by another state that is similar in scope to the
13 license in Texas and is in good standing with that state’s licensing authority, or has held a license in Texas
14 within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules
15 as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
16 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
17 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
18 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
19 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
20 dealer complete web-based education and training developed or approved by the department;
21 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
22 of a surety bond and the procedure by which a claimant may recover against the surety bond;
23 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 122 of 141

Chapter 215 – Motor Vehicle Distribution

1 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632, which require the
2 board to adopt rules necessary to implement and manage the department's temporary tag databases;
3 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
4 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
5 throughout this preamble.

6 The department also proposes a repeal under the authority of Government Code, §2001.039, in
7 addition to the statutory authority referenced throughout this preamble. Government Code, §2001.039
8 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing
9 the rule.

10 **CROSS REFERENCE TO STATUTE.** This proposed repeal would implement Government Code, Chapters 411
11 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501–503,
12 and 1002.

13

14 [~~§215.171. Purpose and Scope.~~]

15 [~~This subchapter implements Occupations Code, Chapter 2301 specifically, §§2301.251,~~
16 ~~2301.253, 2301.254, 2301.261, 2301.262, 2301.357, and Subchapter L. Vehicle Lessors and Vehicle Lease~~
17 ~~Facilitators, and Transportation Code Chapters 1001–1005.~~]

18

19

20

SUBCHAPTER F. ADVERTISING.

21 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 215 under Occupations
22 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor
23 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 123 of 141

Chapter 215 – Motor Vehicle Distribution

1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
12 Code, §411.122(d), which authorizes department access to criminal history record information
13 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
14 history record information from DPS and the FBI for license applicants, license holders, and
15 representatives whose act or omission would be cause for denying, revoking, or suspending a general
16 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
17 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
18 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
19 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
20 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
21 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
22 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
23 dealer complete web-based education and training developed or approved by the department;

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 124 of 141

Chapter 215 – Motor Vehicle Distribution

1 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
2 of a surety bond and the procedure by which a claimant may recover against the surety bond;
3 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
4 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
5 board to adopt rules necessary to implement and manage the department's temporary tag databases;
6 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
7 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
8 throughout this preamble.

9 The department also proposes amendments under the authority of Transportation Code,
10 §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to
11 the statutory authority referenced throughout this preamble.

12 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
13 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
14 rules to administer Transportation Code, Chapter 502.

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

20 **CROSS REFERENCE TO STATUTE.** These proposed amendments would implement Government Code,
21 Chapters 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters
22 501–503, 1001–1003, and 1005.

23

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 125 of 141

Chapter 215 – Motor Vehicle Distribution

1 Text.

2

3 §215.242. General Prohibition.

4 ~~[A person advertising motor vehicles shall not use false, deceptive, unfair, or misleading~~

5 ~~advertising.]~~ In addition to a violation of a specific advertising rule, any other advertising or advertising

6 practices found by the department to be false, deceptive, or misleading, ~~[whether herein described,]~~

7 shall be deemed a violation of Occupations Code, Chapter 2301 and ~~[shall also be deemed a violation of]~~

8 this rule.

9

10 §215.244. Definitions.

11 The following words and terms, when used in this subchapter, shall have the following

12 meanings, unless the context clearly indicates otherwise.

13 (1) Advertisement--

14 (A) An oral, written, graphic, or pictorial statement or representation made in

15 the course of soliciting business, including, but not limited to a statement or representation:

16 (i) made in a newspaper, magazine, or other publication;

17 (ii) contained in a notice, sign, poster, display, circular, pamphlet,

18 business card, or letter;

19 (iii) aired on the radio;

20 (iv) broadcast on the internet or television; ~~[or]~~

21 (v) streamed via an online service;

22 (vi) displayed on an internet website, social media platform, or other

23 digital application or platform; or

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 127 of 141

Chapter 215 – Motor Vehicle Distribution

1 (6) Cure--A license holder's agreement to not violate for a two-year period an
2 advertising rule cited in a department opportunity-to-cure notice, and if applicable, any action necessary
3 to correct a consumer harm caused by the alleged advertising violation, such as issuing a consumer
4 refund.

5 (7) [(6)] Dealership addendum--A form that is displayed on a window of a motor vehicle
6 when a dealership installs special features, equipment, parts, or accessories, or charges for services not
7 already compensated by the manufacturer or distributor for work required to prepare a motor vehicle
8 for delivery to a buyer.

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

10 (i) that it is supplemental;

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

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

15 (iv) the total dealer selling price.

16 (B) The dealership addendum form shall not be deceptively similar in
17 appearance to the Monroney label, as defined by paragraph (14) [(13)] of this section.

18 (8) [(7)] Demonstrator--A new motor vehicle that is currently in the inventory of the
19 automobile dealership and used primarily for test drives by customers and for other purposes
20 designated by the dealership.

21 (9) [(8)] Disclosure--Required information that is clear, conspicuous, and accurate.

22 (10) [(9)] Distributor Suggested Retail Price (DSRP)--means the total price shown on the
23 Monroney Label as specified by subparagraph (D) of paragraph (14) [(13)] of this section.

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 128 of 141

Chapter 215 – Motor Vehicle Distribution

1 (11) [~~(10)~~] Factory executive/official motor vehicle--A new motor vehicle that has been
2 used exclusively by an executive or official of the dealer's franchising manufacturer, distributor, or their
3 subsidiaries.

4 (12) [~~(11)~~] Limited rebate--A rebate that is not available to every consumer purchasing
5 or leasing a motor vehicle because qualification for receipt of the rebate is conditioned or restricted in
6 some manner. A rebate conditioned or restricted to purchasers who are residents of the contiguous
7 United States is not a limited rebate.

8 (13) [~~(12)~~] Manufacturer's Suggested Retail Price (MSRP)--means the total price shown
9 on the Monroney Label as specified by subparagraph (D) of paragraph (14) [~~(13)~~] of this section.

10 (14) [~~(13)~~] Monroney Label--The label required by the Automobile Information
11 Disclosure Act, 15 U.S.C. §§1231 - 1233, to be affixed to the windshield or side window of certain new
12 motor vehicles delivered to the dealer and that contains information about the motor vehicle, including,
13 but not limited to:

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

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

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

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

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 129 of 141

Chapter 215 – Motor Vehicle Distribution

1 (15) [(14)] Online service--A network that connects computer users.

2 (16) [(15)] Rebate or cash back--A sum of money applied to the purchase or lease of a
3 motor vehicle or refunded after full payment has been rendered for the benefit of the purchaser.

4 (17) [(16)] Savings claim or discount--An offer to sell or lease a motor vehicle at a
5 reduced price, including, but not limited to, a manufacturer's or distributor's customer rebate, a dealer
6 discount, or a limited rebate.

7 (18) [(17)] Subsequent violation—A license holder's violation of the same advertising
8 rule cited in an opportunity to cure notice within a two-year period. [~~Conduct that is the same or~~
9 ~~substantially the same as conduct the department has previously alleged in a notice of an opportunity to~~
10 ~~cure to be a violation of an advertising provision.~~]

11
12 §215.246. Accuracy.

13 Advertisements shall be accurate, clear, and conspicuous. [~~Advertisements shall not be false,~~
14 ~~deceptive, or misleading.~~] For an internet advertisement, a disclosure may be considered accurate,
15 clear, and conspicuous if:

16 (1) the viewer highlights, hovers a mouse or cursor over, or otherwise selects certain
17 text or images on a screen that results in an immediate and legible visible disclosure; or

18 (2) only one click on select text or image(s) is required to view the disclosure; and

19 (3) the internet advertisement clearly and conspicuously indicates where to hover or
20 click for the disclosure and is in close proximity to the information being disclosed.

21
22 §215.250. Dealer Price Advertising; Savings Claims; Discounts

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (a) When featuring a sales price of a motor vehicle in an advertisement, the dealer must be
2 willing to sell the motor vehicle for that featured sales price to any retail buyer. The featured sales price
3 must be the price before the addition or subtraction of any other negotiated items. Destination and
4 dealer preparation charges and additional dealership markup, if any must be included in the featured
5 sales price.

6 (b) The only costs and charges that may be excluded from the featured sales price are:

7 (1) registration, certificate of title, or license fees;

8 (2) taxes; and

9 (3) other fees or charges that are expressly allowed by law.

10 (c) A qualification may not be used when featuring a sales price for a motor vehicle such as "with
11 trade," "with acceptable trade," "with dealer-arranged financing," "rebate assigned to dealer," or "with
12 down payment."

13 (d) Advertising an "internet price," "e-price," or using similar terms that indicate or create the
14 impression that there is a different or unique sales price for an online or internet consumer or
15 transaction is prohibited. Prohibited internet advertising under this subsection also includes requiring a
16 prospective purchaser to provide contact information or consent to a data-tracking program before
17 viewing an online savings or discount offer.

18 (e) A savings claim or discount offer is prohibited except to advertise a new motor vehicle. No
19 person may advertise a savings claim or discount offer on a used motor vehicle.

20 (f) Statements such as "up to," "as much as," and "from" shall not be used by a dealer in
21 connection with savings claims or discount offers.

22 (g) The savings claim or discount offer for a new motor vehicle, when advertised by a dealer,
23 must be the savings claim or discount available to any and all members of the buying public.

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (h) If an advertisement includes a savings claim or discount offer, the amount and type of each
2 incentive that makes up the total amount of the savings claim or discount offer must be disclosed.

3 (1) If a savings claim or discount offer includes only a dealer discount, that incentive
4 must be disclosed as a deduction from the MSRP/DSRP, as applicable. The following are acceptable
5 formats for advertising a dealer discount with and without a sales price.

6 [Attached Graphic](#)

7 (2) If a savings claim or discount offer includes only a customer rebate, that incentive
8 must be disclosed as a deduction from the MSRP/DSRP, as applicable. The following are acceptable
9 formats for advertising a customer rebate with and without a sales price.

10 [Attached Graphic](#)

11 (3) If a savings claim or discount offer includes both a customer rebate and a dealer
12 discount, the incentives must be disclosed as deductions from the MSRP/DSRP, as applicable. The
13 following are acceptable formats for advertising both a customer rebate and a dealer discount with and
14 without a sales price.

15 [Attached Graphic](#)

16 (i) If a savings claim or discount offer includes an option package discount, that discount should
17 be disclosed above, or prior to, the MSRP/DSRP, as applicable, with a total sales price of the motor
18 vehicle before option discounts. Any additional savings or discounts should then be disclosed below the
19 MSRP/DSRP, as applicable. The following are acceptable formats for advertising an option package
20 discount with and without a sales price.

21 [Attached Graphic](#)

22 (j) Except as provided herein, the calculation of the featured sales price or featured savings
23 claim or discount may not include a limited rebate. A limited rebate may be advertised by providing the

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 132 of 141

Chapter 215 – Motor Vehicle Distribution

1 amount of the limited rebate and explaining the conditions or restrictions on qualification for the limited
2 rebate in a statement below the featured sales price or featured savings claim or discount.

3 [Attached Graphic](#)

4 (k) In an internet advertisement with multiple limited rebates available on an advertised new
5 motor vehicle, a dealer may display each limited rebate separately allowing a potential buyer to "click"
6 on the limited rebate to view the sales price after deducting the applicable limited rebate or applicable
7 multiple rebates.

8 [Attached Graphic](#)

9 (l) If a dealer has added an option that was not obtained from the manufacturer or distributor of
10 the motor vehicle, a dealer discount may not be advertised for that vehicle. If a dealer has added an
11 option obtained from the manufacturer or distributor and disclosed that option and its suggested retail
12 price on a dealership addendum, the dealer may advertise a dealer discount for that motor vehicle if the
13 option is listed, and the difference is shown between the dealer's sales price and the MSRP/DSRP, as
14 applicable, of the vehicle including the option obtained from the manufacturer or distributor.

15 [Attached Graphic](#)

16

17 §215.264. Payment Disclosure - Vehicle Lease

18 (a) An advertisement that promotes a consumer lease and contains the amount of any payment
19 or that contains either a statement of any capitalized cost reduction or other payment or a statement
20 that no payment is required at consummation or prior to consummation or delivery, if delivery occurs
21 after consummation, must clearly and conspicuously include the following:

22 (1) that the transaction advertised is a vehicle lease;

TITLE 43. TRANSPORTATION

Part 10. Texas Department of Motor Vehicles

Chapter 215 – Motor Vehicle Distribution

1 (2) the total amount due at consummation or prior to consummation or delivery, if
2 delivery occurs after consummation;

3 (3) the number, amount, and due date or period of scheduled payments under the
4 vehicle lease;

5 (4) a statement of whether a security deposit is required; and

6 (5) a statement that an extra charge may be imposed at the end of the vehicle lease
7 term where the lessee's liability, if any, is based on the difference between the residual value of the
8 leased property and its realized value at the end of the vehicle lease term.

9 (b) Except for a periodic payment, a reference to a charge described in subsection (a)(2) of this
10 section cannot be more prominently advertised than the disclosure of the total amount due at vehicle
11 lease signing or delivery.

12 (c) Except for disclosures of limitations on rate information, if a percentage rate is advertised,
13 that rate shall not be more prominently advertised than any other disclosure or deal term.

14 (d) If a vehicle lessor provides a percentage rate in an advertisement, a notice stating "this
15 percentage may not measure the overall cost of financing this lease" shall accompany the rate
16 disclosure. The vehicle lessor shall not use the terms "annual percentage rate," "annual lease rate," or
17 any equivalent terms in any advertisement containing a percentage rate.

18 (e) A multi-page advertisement that provides a table or schedule of the required disclosures is
19 considered a single advertisement, provided that for vehicle lease terms appearing without all of the
20 required disclosures, the advertisement refers to the page or pages on which the table or schedule
21 appears.

22 (f) A merchandise tag stating any item listed in subsection (a) of this section must comply with
23 subsection (a) of this section by referring to a sign or to a display prominently posted in the vehicle

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 134 of 141

Chapter 215 – Motor Vehicle Distribution

1 lessor's place of business. The sign or display must contain a table or schedule of the required
2 disclosures under subsection.

3 (g) An advertisement made through television or radio stating any item listed in subsection (a)
4 of this section, must include the following statements:

5 (1) that the transaction advertised is a vehicle lease;

6 (2) the total amount due at consummation or due prior to consummation or delivery, if
7 delivery occurs after consummation; and

8 (3) the number, amount, and due date or period of scheduled payments under the
9 vehicle lease.

10 (h) In addition to the requirements of subsection (g) of this section, an advertisement made
11 through television or radio stating any item listed in subsection (a) of this section, must:

12 (1) provide a toll-free telephone number along with a statement that the telephone
13 number may be used by consumers to obtain the information in subsection (a) of this section; or

14 (2) include all information required by this section in the advertisement. ~~direct the
15 consumer to a written advertisement in a publication of general circulation in the community served by
16 the media station, including the name and the date of the publication, with a statement that the
17 required disclosures in subsection (a) of this section are included in the advertisement.]~~

18 (i) The toll-free telephone number required by subsection (h)(1) of this section shall be available
19 for at least 10 days, beginning on the date of the broadcast. Upon request, the vehicle lessor shall
20 provide the information in subsection (a) of this section orally or in writing.

21 ~~[(j) The written advertisement required by subsection (h)(2) of this section shall be published
22 beginning at least three days before the broadcast and ending at least 10 days after the broadcast.]~~

23

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 135 of 141

Chapter 215 – Motor Vehicle Distribution

1 §215.270. Enforcement.

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

5 (1) that the department notified the license holder ~~[who allegedly violated an~~
6 ~~advertising provision]~~ of the opportunity to cure the alleged violation ~~[has received from the~~
7 ~~department a notice of an opportunity to cure the violation]~~ by email and certified mail, return receipt
8 requested, and that the notice complied ~~[in compliance]~~ with subsection (b) of this section; and

9 (2) that the license holder:

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

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

12 correct a consumer harm or by committing a subsequent violation. ~~[committed a subsequent violation~~
13 ~~of the same advertising provision.]~~

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

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

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

19 (3) state that if the license holder does not timely agree to cure the violation or violates

20 a cure agreement ~~[commits a subsequent violation of the same advertising provision]~~, the department

21 will file a Notice of Department Decision under §224.56 of this title (relating to Notice of Department

22 Decision).

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 136 of 141

Chapter 215 – Motor Vehicle Distribution

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

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

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

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

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

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

14
15 **STATUTORY AUTHORITY.** The department proposes repeals to Chapter 215 under Occupations Code,
16 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles
17 and the authority to take any action that is necessary or convenient to exercise that authority;
18 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
19 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
20 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
21 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
22 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
23 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 137 of 141

Chapter 215 – Motor Vehicle Distribution

1 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
2 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
3 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
4 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
5 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
6 Code, §411.122(d), which authorizes department access to criminal history record information
7 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
8 history record information from DPS and the FBI for license applicants, license holders, and
9 representatives whose act or omission would be cause for denying, revoking, or suspending a general
10 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
11 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
12 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
13 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
14 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
15 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
16 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
17 dealer complete web-based education and training developed or approved by the department;
18 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
19 of a surety bond and the procedure by which a claimant may recover against the surety bond;
20 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
21 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
22 board to adopt rules necessary to implement and manage the department's temporary tag databases;
23 and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 138 of 141

Chapter 215 – Motor Vehicle Distribution

1 appropriate to implement the powers and the duties of the department, as well as the statutes referenced
2 throughout this preamble.

3 The department also proposes repeals under the authority of Transportation Code, §501.0041
4 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory
5 authority referenced throughout this preamble.

6 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
7 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
8 rules to administer Transportation Code, Chapter 502.

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

14 **CROSS REFERENCE TO STATUTE.** These proposed repeals would implement Government Code, Chapters
15 411 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503,
16 1001–1003, and 1005.

17

18 Text.

19 [~~§215.241. Purpose and Scope.~~]

20 [~~This subchapter implements Occupations Code, Chapter 2301 by regulating the advertising of~~
21 ~~persons under the jurisdiction of the department by requiring truthful and accurate advertising practices~~
22 ~~for the benefit of the citizens of this state.~~]

23

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 139 of 141

Chapter 215 – Motor Vehicle Distribution

1 ~~§215.243. Specific Rules~~

2 ~~[The violation of an advertising rule shall be considered by the department as a prima facie~~

3 ~~violation of Occupations Code, Chapter 2301.]~~

4

5 ~~§215.269. Finding of Violation~~

6 ~~[A person shall not be held in violation of the rules, including the general prohibition, except~~

7 ~~upon a finding of a violation made by the department after the filing of a Notice of Department Decision~~

8 ~~and an opportunity to request a hearing as provided in Occupations Code, Chapter 2301.]~~

9

10

11

SUBCHAPTER G. ADMINISTRATIVE SANCTIONS.

12

13 **STATUTORY AUTHORITY.** The department proposes amendments to Chapter 215 under Occupations

14 Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor

15 vehicles and the authority to take any action that is necessary or convenient to exercise that authority;

16 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license

17 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute

18 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in

19 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations

20 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which

21 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter

22 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives

23 the board authority to deny an application for a license, revoke or suspend a license, place on probation,

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 140 of 141

Chapter 215 – Motor Vehicle Distribution

1 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
2 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
3 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government
4 Code, §411.122(d), which authorizes department access to criminal history record information
5 maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal
6 history record information from DPS and the FBI for license applicants, license holders, and
7 representatives whose act or omission would be cause for denying, revoking, or suspending a general
8 distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code,
9 Chapters 2301 and 2302; Occupations Code, §2302.051, which authorizes the board to adopt rules as
10 necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which
11 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503;
12 Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases;
13 Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for
14 an original or renewal general distinguishing number who proposes to be an independent motor vehicle
15 dealer complete web-based education and training developed or approved by the department;
16 Transportation Code, §503.033, which authorizes the board to adopt rules prescribe the form of the notice
17 of a surety bond and the procedure by which a claimant may recover against the surety bond;
18 Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of
19 dealer's license plates; and Transportation Code, §§503.0626, 503.0631, and 503.0632 which require the
20 board to adopt rules necessary to implement and manage the department's temporary tag databases;
21 Transportation Code, §730.014 which authorizes state agencies to adopt rules to implement and
22 administer the Motor Vehicle Records Disclosure Act; and Transportation Code, §1002.001, which

TITLE 43. TRANSPORTATION

Proposed Sections

Part 10. Texas Department of Motor Vehicles

Page 141 of 141

Chapter 215 – Motor Vehicle Distribution

1 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
2 duties of the department, as well as the statutes referenced throughout this preamble.

3 The department also proposes amendments under the authority of Transportation Code,
4 §501.0041 and §502.0021; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to
5 the statutory authority referenced throughout this preamble.

6 **CROSS REFERENCE TO STATUTE.** These amendments would implement Government Code, Chapters 411
7 and 2001; Occupations Code, Chapters 2301 and 2302; and Transportation Code, Chapters 501–503, 730,
8 1001–1003, and 1005.

9
10 Text.

11 §215.500. Administrative Sanctions.

12 An administrative sanction may include one or more penalties authorized by Occupations Code,
13 Chapter 2301 or Transportation Code, Chapter 503, including a refund under §215.504 of this title
14 (relating to Buyer or Lessee Refund).[:]

15 [~~(1) denial of an application for a license;~~]

16 [~~(2) suspension of a license;~~]

17 [~~(3) revocation of a license;~~]

18 [~~(4) the imposition of civil penalties; or~~]

19 [~~(5) a refund under §215.504 of this title (relating to Buyer or Lessee Refund).]~~

Figure: 43 TAC §215.154(b)

If a new license applicant is:	Maximum number of dealer's temporary license plates issued during the first license term is:
1. a franchised motor vehicle dealer	200
2. a franchised motorcycle dealer	50
3. an independent motor vehicle dealer	25
4. an independent motorcycle dealer	10
5. a franchised or independent travel trailer dealer	10
6. a trailer or semitrailer dealer	<u>15</u> [5]
7. an independent mobility motor vehicle dealer	5
8. a wholesale motor vehicle dealer	10
<u>9. a wholesale motor vehicle dealer who also holds a wholesale motor vehicle auction GDN</u>	<u>40</u>

Board Meeting Date: 4/9/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Monique Johnston, Motor Vehicle Division Director
Agenda Item: 12
Subject: Chapter 221, Salvage Vehicle Dealers
Amendments to §221.17
(Relating to License Processing for Military Service Members, Spouses, and Veterans; and Cleanup)

RECOMMENDATION

Action Item. Approval to publish proposed rule amendments in the *Texas Register* for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The proposed amendments would streamline and clarify the license application process for a military service member, military veteran, or a military spouse to obtain a provisional license as a salvage vehicle dealer.

FINANCIAL IMPACT

No financial impact.

BACKGROUND AND DISCUSSION

Occupations Code, §55.004(b-1), as amended by Senate Bill 1818, 89th Texas Legislature, Regular Session, requires all state licensing agencies including the department to issue a provisional license to military service members, veterans and military spouses while the agency processes the application for licensure.

Proposed amendments would clarify the license application process for a military service member, military veteran, or a military spouse to obtain a provisional license as a salvage vehicle dealer. These clarifications are necessary for the department to be able to identify and process these applications on an expedited basis as required by Occupations Code, §55.0041 and will benefit the applicant because the provisional license application is less onerous to complete and submit.

The department requests board approval to publish this proposal in the *Texas Register* for public comment.

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

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

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

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

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

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

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

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

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

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

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

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

15 **REQUEST FOR PUBLIC COMMENT.**

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

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

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

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

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

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

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

5
6 TEXT.

7
8 §221.17. License Processing for Military Service Members, Spouses, and Veterans

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

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

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

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

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

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

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

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

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

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

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

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

TITLE 43. TRANSPORTATION
Part 10. Texas Department of Motor Vehicles
Chapter 221- Salvage Vehicle Dealers

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

4 (A) has been issued a provisional license;

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

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

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

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

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

20

To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles & Registration Division Director
Agenda Item: 13
Subject: Specialty Plate Designs

RECOMMENDATION

Action Item. The Vehicle Titles and Registration Division seeks board approval or denial for two plate designs submitted for your consideration. Plate designs are from the marketing vendor, My Plates

PURPOSE AND EXECUTIVE SUMMARY

Texas Exes Black is a new plate design and Houston Texans (H-Town) is a crossover design.

FINANCIAL IMPACT

Costs incurred by the department related to the My Plates program and an \$8 administrative fee per plate are recouped from the My Plates vendor. Revenue generated from the sale of vendor specialty license plates is split between the state (General Revenue Fund) and My Plates. The details of the revenue splits can be found in Section IV (State/Contractor Revenue Sharing) of the Specialty License Plate Marketing contract.

BACKGROUND AND DISCUSSION

Statutory authority for the board to approve vendor specialty license plates and invite the public's comment on proposed vendor plate designs is in Texas Transportation Code §504.851(g) and (g-1) (1). Statutory authority for a sponsor of a specialty license plate under Texas Transportation Code Chapter 504, Subchapter J, to contract with the private vendor authorized under Texas Transportation Code §504.851 for the marketing and sale of the specialty license plate is in Texas Transportation Code §504.6011. Statutory authority for the board to approve non-profit organization specialty license plates and invite the public's comment on proposed plate designs is in Texas Transportation Code §504.801. The board's approval criteria are clarified in Texas Administrative Code §217.45 Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.52 Marketing of Specialty License Plates through a Private Vendor.

The vendor contract (Statement of Work paragraph #2, Marketing Services) specifies that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval for a plate to be produced (*existing* plates must also maintain 200 registrations to stay in the program). My Plates' procedure is to first offer a plate to the public to register their interest. Following the board's contingent approval, My Plates then offers a plate online for prepaid orders and confirms when 200 prepaid orders are achieved.

TxDMV's procedure is to invite comments on all proposed plates ahead of the board's review. The department's intent is to determine if there are any unforeseen public concerns about a plate design. The department publishes a 10-day "like/dislike/comment-by-email" survey, called an eVIEW, on its website. Although the survey counts the public's "likes" and "dislikes," it is unscientific and not used as an indicator of a plate's popularity.

The plate designs listed below were presented to the public in a February 2026 eVIEW. The count of the public’s “like/dislikes” are noted below:

<p>TEXAS EXES BLACK</p> <p>186 people liked this design and 114 did not</p>	<p>NEW</p> 	
<p>HOUSTON TEXANS (H-TOWN)</p> <p>212 people liked this design and 59 did not</p>	<p>CURRENT</p> 	<p>CROSSOVER</p> 

TEXAS EXES BLACK



HOUSTON TEXANS (CROSSOVER)



TEXAS SPECIALTY PLATE BUSINESS

Vehicle Titles and
Registration Division
Special Plates Unit (5FTEs) 12/25



VTR Director
Annette Quintero

FY 2025



FY 2025 PLATES AVAILABLE

SLP AVAILABLE _____ **570**
MILITARY AND DV _____ **220**
RESTRICTED USE _____ **64**
STATE SPECIALTY _____ **129**
VENDOR SPECIALTY _____ **157**

TOP TEN DATA FY 2025



	LINKED	UNLINKED	TOTAL
1. ANIMAL FRIENDLY	5,926	263	6,189
2. CONSERVATION: HORNED LIZARD	5,236	248	5,484
3. CONSERVATION: BLUEBONNET	4,172	242	4,414
4. CONSERVATION: WHITE-TAILED DEER	2,926	166	3,092
5. CONSERVATION: HUMMINGBIRD	1,927	129	2,056
6. BIG BEND NATIONAL PARK	1,760	104	1,864
7. CONSERVATION: LARGE MOUTH BASS	1,747	134	1,881
8. NATIVE TEXAN	1,573	90	1,663
9. CONSERVATION: CAMPING	1,567	115	1,682
10. CONSERVATION: MONARCH BUTTERFLY	1,508	132	1,640



1. CLASSIC BLACK	60,762	10,664	71,426
2. LARGE STAR WHITE-BLACK	32,891	4,415	37,306
3. CLASSIC BLACK-SILVER	24,288	3,521	27,809
4. CARBON FIBER	14,847	3,020	17,867
5. LONE STAR BLACK	14,320	2,423	16,743
6. TEXAS BLACK 1845	14,240	2,461	16,701
7. EMBOSSED BLACK & WHITE E	7,148	3,440	10,588
8. LOVE HEART	5,475	813	6,288
9. LONE STAR 1836	5,244	919	6,163
10. TEXAS OIL & GAS	4,627	832	5,459



1. DISABLED VETERAN	230,023	7,163	237,186
2. DV U.S. ARMY	64,897	1,923	66,820
3. DV U.S. MARINE CORPS	38,854	1,084	39,938
4. DV U.S. AIR FORCE	30,225	872	31,097
5. DV U.S. NAVY	27,942	838	28,780
6. DV BRONZE STAR MEDAL	16,369	439	16,808
7. MERITORIOUS SERVICE MEDAL	14,285	692	14,977
8. PURPLE HEART	11,716	379	12,095
9. U.S. MARINE CORPS	11,568	567	12,135
10. DV MERITORIOUS SERVICE MEDAL	10,252	256	10,508

SPECIAL PLATES UNIT CUSTOMER SERVICE STATISTICS FY 2025

80,641	25,424	76	12,379	2,393	22	4,886
Personalized Plate Applications Reviewed (96% Approved)	Telephone Calls	Walk-in Customers	Emails	Refunds	Public Information Open Records	Correspondence (Including Plate Applications)

To: Texas Department of Motor Vehicles Board
From: Glenna Bowman, Chief Financial Officer
Agenda Item: 14.A
Subject: Enterprise Projects: Camp Hubbard Renewal Project

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

This item provides an update on the Camp Hubbard Renewal Project.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

- **Building CH-2 Renovation:** 93% complete
 - Modernization of the elevator lobbies, stairwells, and restrooms is complete.
 - Office suites on the 1st, 3rd, and 4th floors and the Lobby are ready for occupancy.
 - Outstanding work includes the 1st floor data center and minor corrective work on all floors.
 - 87% of the furniture has been installed. 13% is in purchasing.
 - Exterior improvements are complete aside from the north entry vestibule and new south entrance canopy roofing, siding, and finishes.
- **Site Work and Utilities:** 49% complete
 - Electric infrastructure for the new building is in place and will be energized in April.
 - The south parking lot and new Fleet lot are expected to be ready in early April.
- **New Building Construction:** 55% complete
 - Structure: The concrete structure is complete. 90% of structural metal and stairs are complete.
 - Exterior envelope: 95% of all exterior walls are framed, insulated, and waterproofed. The clip and rail system for exterior siding installation has begun on the west side.
 - Curtain walls and openings: 37% of openings have been framed and the glazing installation is nearing completion on the north and west elevations.
 - Roof: Parapets and the penthouse are 80% complete. Roofing membrane will be completed in April.
 - Interior walls: 40% of all interior walls have been framed. Rough mechanical, electrical, and plumbing runs are progressing in walls. Insulation and one side drywall have started on the first level.
 - Mechanical systems: All large mechanical HVAC system equipment has been installed in the utility plant, roof, and throughout the building.
- **Budget:** TPFA has disbursed \$67,645,000 of the \$143,000,000 appropriation from the 88th legislative session.
 - 90% of appropriated funds have been encumbered.

- 39% of those encumbrances have been expended.
- Schedule: Overall project completion is 62%. The certificate of occupancy for the new building is on target for the end of 2026. The final phase of site work will finish in July 2027.

Board Meeting Date: 4/9/2026
BRIEFING

To: Texas Department of Motor Vehicles Board
From: Wendy Barron, Chief Information Officer
Agenda Item: 14.B.i
Subject: Technology Projects: Registration and Title System (RTS) Replacement and Ecosystem Modernization

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

This item provides an update on the status of the RTS Modernization Program.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

RTS is a flagship application within TxDMV originally designed and built by TxDOT in the mid-1990s. RTS has undergone continuous rebuilding, upgrades, and process improvements over time to maintain primary system functionality. While the system is stabilized for continued near-term use, advancements in technology and application development, as well as the workload demands of a growing state, are rendering this system obsolete. In the years since RTS was placed in service, the cost of maintaining the system has increased while the department's ability to adapt and change its use to better serve the evolving needs of the motoring public and state regulatory structures has decreased. For these reasons, the department must begin the process of replacing RTS and its associated applications.

Phase Two, the "Foundational" phase, is now underway for state fiscal years 2026-27. The strategy for this biennium involves upgrading existing technology and making strategic preparations for development of the future state RTS core application. This includes:

- Acquisition of a Procurement Assistance vendor which will facilitate drafting department solicitations for key procurements.
- Securing a contract for a suitable vendor for the implementation of the future state RTS Core application.
- Ensuring existing network, servers, and supporting applications and middleware are upgraded to current supported versions.
- Comprehensive analysis of the data ecosystem and development of a suitable data migration and maintenance plan.
- Initiation of key projects including "ITSM Upgrade," "Firewall Upgrade," "Document Management and Storage," and others, each of which contribute to a stronger and more secure technological foundation for further development and integration.

- Implementation of “Early Service Improvements,” a class of small projects dedicated to ensuring continuous value delivery for key stakeholder groups.

Project Status:

- Various “Currency and Security” projects are underway to improve our network, servers, and infrastructure.
- Vendor services have been contracted for the “Enterprise-wide Okta Implementation” project.
- Final vendor selection is in progress for the “Procurement Advisory” workstream.
- The contract project manager and PMO are facilitating delivery of approved QAT assets to the Quality Assurance Team, as well as establishing the program framework, facilitating governance, integrating projects, and driving best practices.

Anticipated Program End Date: August 31, 2031

To: Texas Department of Motor Vehicles Board
From: Wendy Barron, Chief Information Officer
Agenda Item: 14.B.ii.a.
Subject: Other Projects: Tax Assessor Collector (TAC) T1 Upgrade

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update on the current active projects including project descriptions and status.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Current network circuit technology servicing most of the county tax assessor-collector (TAC) offices is outdated, using older T1 technology. This technology is not reliable, leading to frequent loss of connectivity for our TAC partners and impacting the Department's and the TACs' ability to provide good customer service to our constituents. These types of circuits are being phased out by the major service providers, including TxDMV's vendor, AT&T. This project will execute the upgrade of current T1 connections to metro-ethernet. This conversion will increase circuit reliability and increase network speeds for our county TAC partners. In conjunction with the fiber upgrade, the current routing and switching equipment at the county TAC locations will be upgraded to newer equipment with LTE (cellular) capabilities.

A second networking route will be established in locations where cellular is available and reliable to act as a failover in the event the fiber route became disabled. The TAC T1 Upgrade Project is a multi-phased effort. The project is in its final phase of implementing the alternate solution, using Starlink as the primary connection and AT&T Internet Air for Business (AIA-B) as the backup where fiber is unavailable or not cost-effective.

Project Status:

- Circuits and network equipment upgrade is complete in 446/520 (86%) locations.
- Roughly 10% of locations are pending installation for an alternate solution.
- As an alternate solution, the plan is to use Starlink as the primary connection and AIA-B as the backup. Waiting for DIR contract with AT&T to be finalized and signed. 62 priority sites were identified by AT&T for the alternate solution where fiber is unavailable or not cost-effective.

To: Texas Department of Motor Vehicles Board
From: Wendy Barron, Chief Information Officer and ITSD Division Director
Agenda Item: 14.B.ii.b
Subject: Other Projects: Grants Management Tracking System (GMTS)

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update on the search for a new Grants Management Tracking System (GMTS).

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The existing Motor Vehicle Crime Prevention Authority (MVCPA) grants management and tracking legacy system was built in 2017 and managed by Texas A&M University. A new GMTS vendor was recently procured that can handle the transfer of existing data in compliance with applicable state laws and department data retention rules. The new system must meet both current and future operational needs, especially for MVCPA's law enforcement grant program and comply with state information security and accessibility standards.

Project Status

- CGI, a Texas Department of Information Resources (DIR) approved vendor, has been selected to build the modern, fully functional GMTS to replace the existing legacy system. The contract procuring GMTS has been signed and approved by DIR, CGI and TxDMV.

Upcoming Activities (30-60 days)

- Planning for project kickoff meeting,
- Building the internal project team and onboarding vendor,
- Vendor will start Discovery sessions with MVCPA and ITSD stakeholders, and gather details of the current system; and
- Work with the vendor to estimate the software licenses the department needs to procure.

To: Texas Department of Motor Vehicles Board
From: Clint Thompson, Motor Carrier Division Director
Agenda Item: 14.B.ii.c.
Subject: Motor Carrier Credentialing System (MCCS) Rewrite

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

This briefing item provides an update on the MCCS Rewrite project, including system explanation, functionality, stakeholder impact, and overall status of the project.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

MCCS is the department's web-based application used to credential motor carriers and support associated compliance, monitoring, and enforcement activities.

The MCCS Rewrite project is a major modernization effort to replace the department's legacy system with a more sustainable, secure, and supportable platform. The scope includes rebuilding core compliance functionality, modernizing system architecture to meet current IT and security standards, preserving and migrating historical compliance data, and enabling better integration with internal and external systems. Strategically, the rewrite is intended to provide a durable system that could evolve over time, reduce operational risk, and better support public safety, regulatory oversight, and long-term Motor Carrier Division needs.

The MCCS Rewrite project is nearing completion, targeting go live in July 2026 renamed as TxMCCS. Following the passage of Senate Bill 2807 (89th Legislature), the project scope was expanded to incorporate new statutory requirements related to the issuance of automated motor vehicle authorizations. To support timely implementation of these requirements, the automated motor vehicle authorization component is scheduled to go live in April 2026, allowing companies to obtain authorizations ahead of the May 28 enforcement date.

Current project activities are focused on the rollout of the automated motor vehicle authorization functionality and include internal and external user acceptance testing and training. Following the April 2026 launch of the automated motor vehicle component, project focus will shift to completing the remaining milestones in preparation for the full MCCS system rollout in July 2026.

To: Texas Department of Motor Vehicles Board
From: Eric Horn, Director of Accounting Operations
Agenda Item: 14.C
Subject: Accounts Receivable Project Update

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

This item provides an update on the Accounts Receivable 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 Accounts Receivable (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 ongoing, with initial invoicing and returned payment collection capabilities being successfully implemented on November 10, 2025. The remaining deliverables for this release are currently planned for the third quarter of FY 2026 and 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 cloud-based Motor Vehicle Inquiry Commercial Account (MVICA) 2.0 application is scheduled to deploy in May 2026. The MVICA 2.0 application will replace existing Access databases and be used for active directory user account management 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 department. 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, and will also move to production.

Board Meeting Date: 4/9/2026
ACTION ITEM

To: Texas Department of Motor Vehicles Board
From: Daniel Avitia, Executive Director
Agenda Item: 15
Subject: Appointment of Members to the Automated Vehicle Regulation Advisory Committee (AVRAC), Customer Service and Protection Advisory Committee (CSPAC), Motor Vehicle Industry Regulation Advisory Committee (MVIAC) and the Vehicle Titles and Registration Advisory Committee (VTRAC)

RECOMMENDATION

Action Item. That the Texas Department of Motor Vehicles Board (board) appoint the individuals from the list of potential members presented to the board by the executive director for the Automated Vehicle Regulation Advisory Committee, Customer Service and Protection Advisory Committee, Motor Vehicle Industry Regulation, and the Vehicle Titles and Registration Advisory Committee.

PURPOSE AND EXECUTIVE SUMMARY

To implement Transportation Code §1001.031, which directs the board to establish advisory committees by appointing advisory members to the Automated Vehicle Regulation Advisory Committee, Customer Service and Protection Advisory Committee, Motor Vehicle Industry Regulation Advisory Committee, and the Vehicle Titles and Registration Advisory Committee.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Transportation Code §1001.031 requires the board to establish advisory committees to make recommendations to the board. The board adopted rules to establish six advisory committees in 43 Texas Administrative Code, Chapter 206, Subchapter D. Those rules require the board to “appoint members to an advisory committee by selecting them from a list of potential members provided by the executive director.” Further, the board is required by statute and rule to consider the balance of the advisory committee to ensure representation of:

- industries or occupations relevant to the committee subject area that are regulated by the board,
- consumers of services provided by the regulated industry, and
- different geographical regions of the state.

Under 43 Texas Administrative Code §206.93, advisory committee members serve four-year terms. There cannot be more than 24 members on any advisory committee, in accordance with Government Code §2110.002.

The Automated Vehicle Regulation Advisory Committee makes recommendations on topics related to regulation of the automated vehicle industry. Of the recommended new members, three are members of law enforcement, three are

manufacturer/distributor representatives, two are franchise dealers, one is an independent dealer, one is an autonomous vehicle research representative, two are members of the public, one is an energy representative, five are autonomous vehicle representatives, and six are autonomous vehicle representatives for trucks. These appointments would bring the total number of regulated-industry members on the Automated Vehicle Regulation Advisory Committee to 12 and the total number of consumer members to 12.

The Customer Service and Protection Advisory Committee makes recommendations on topics related to improving and enhancing department customer service including infrastructure; new customer service initiatives; policy and process improvements; technology; investigation and enforcement issues, including vehicle titles and registration fraud; lemon law; the warranty performance program; household goods movers; and other consumer protection topics. The appointment of the two potential members of the Customer Service and Protection Advisory Committee will add two regulated industry members who are both independent dealers. These appointments would bring the total number of regulated-industry members on the Customer Service and Protection Advisory Committee to 11 and the total number of consumer members to 13.

The Motor Vehicle Industry Regulation Advisory Committee makes recommendations on topics related to the motor vehicle industry. The appointment of the two potential members of the Motor Vehicle Industry Regulation Advisory Committee will add two consumer members, one member of the public and one tax assessor-collector. These appointments would bring the total number of regulated-industry members on the Motor Vehicle Industry Regulation Advisory Committee to 11 and the total number of consumer members to 11.

The Vehicle Titles and Registration Advisory Committee makes recommendations on topics related to vehicle titles and registration. The appointment of the three potential members of the Vehicle Titles and Registration Advisory Committee will add three regulated industry members, one franchise dealer, one independent dealer, and one salvage dealer. These appointments would bring the total number of regulated-industry members on the Vehicle Titles and Registration Advisory Committee to 11 and the total number of consumer members to 11.

The map below shows numbered geographic regions of Texas that are used in the lists that follow to denote the location of each recommended member of the advisory committees.



Potential Members					
No.	Member	GeoRegion	County	Employer	License Affiliation
1	Lloyd (Buddy) Ferguson	11	McLennan	Barack Ferrazzano Kirschbaum & Nagelberg, LLP - Of Counsel (Semi-retired)	Attorney for Manufacture/Distributor
2	Anna McAuley	10	Bexar	University of Texas at Austin Center for Transportation Research - Research Engineer	Autonomous Vehicle Research
3	Ethan Edwards	01	Irion	Merced Energy LLC/Bendito Ranch and Wildlife Services - Chief Operations Manager	Energy Representative
4	William Hardeman	11	Travis	Continental Automotive Group - Partner	Franchise Dealer
5	Misty Woodard	02	Polk	Kimberly Eakin Kia - Controller	Franchise Dealer
6	Carrell Bearden	11	Bell	Texas Motor Sports - President	Independent Dealer
7	William White	11	Williamson	Austin Police Department - Lieutenant	Law Enforcement
8	Oscar Luna	11	Williamson	Texas Department of Public Safety - Captain, Commercial Vehicle Enforcement	Law Enforcement
9	John Pickford	11	Williamson	AIISD Police Department - Assistant Chief of Police	Law Enforcement
10	Mary (Cathy) DeWitt	11	Travis	General Motors - Southwest Regional Manager	Manufacturer
11	Darran Anderson	11	Travis	Texas Department of Transportation - Senior Director of Strategy and Innovation	Public
12	Michael (Mike) Sullivan	06	Harris	Texas Governmental Affairs, LLC - Principal	Public
13	Dzuy Cao	11	Travis	Tesla Robotaxi - Senior Technical Program Manager	Autonomous Vehicle Representative
14	Brett Swanson	11	Travis	Avride - Government Relations Lead	Autonomous Vehicle Representative
15	Jeffrey Heiemeyer	04	Parker	Volvo Autonomous Solutions - Compliance & Safety Manager	Autonomous Vehicle Representative
16	Nicole Dupuis	04	Tarrant	May Mobility - Policy and Advocacy Lead	Autonomous Vehicle Representative
17	Aidan Ali-Sullivan	Out of State		Waymo - Head of State and Local Policy - West	Autonomous Vehicle Representative
18	Ramsey Calvert	10	Hays	Kodiak AI - Public Affairs Manager	Autonomous Vehicle Representative - Trucks
19	Katherine (Katie) Carmichael	11	Travis	Waabi - Sr. Manager, Policy & Public Affairs	Autonomous Vehicle Representative - Trucks
20	Bart Teeter	11	Travis	Bot Auto TX INC - Director of Fleet and Operational Safety	Autonomous Vehicle Representative - Trucks
21	Anita Kim	04	Tarrant	Torc Robotics - Senior Director, State Government and Regulatory Affairs	Autonomous Vehicle Representative - Trucks
22	Clint Kneip	04	Tarrant	Gatik.ai - Head of First Responder Engagement & Fleet Compliance	Autonomous Vehicle Representative - Trucks
23	Elizabeth Fishback	Out of State		Stack AV - Director of State and Local Affairs	Autonomous Vehicle Representative - Trucks
24	Sly Majid	11	Travis	Volkswagen ADMT - Government Affairs Manager	Manufacturer

Potential Members					
No.	Applicant	GeoRegion	County	Employer	License Affiliation
1	Karina Saenz	06	Harris	Encore Motors - Owner and Director of Operations	Independent Dealer
2	Norype Pakravan	10	Bexar	210 Auto Credit LLC - Owner	Independent Dealer

Current Members					
No.	Members	GeoRegion	County	Employer	License Affiliation
1	Mark Hardick	04	Parker	Moritz Dealerships - Managing Partner	Franchise Dealer
2	Charles Hicks	03	Nueces	Ed Hicks Imports / Ed Hicks Nissan / Ed Hicks Infiniti / Hicks Family - Dealer Principal	Franchise Dealer
3	William Smith	06	Harris	Monument Chevrolet - Owner	Franchise Dealer
4	Christopher Wall	03	Victoria	Keating Auto Group - General Counsel	Franchise Dealer
5	Dorothy Brooks	11	Travis	Texas Trucking Association/Southwest Movers Association (SMA) - Director of Operations	Motor Carrier / Mover Representative
6	Susan Sutton	06	Harris	Texas Motor Transportation Consultants LLC - Senior Title Administrator	Motor Carrier Consultant
7	Ford Wagner	10	Comal	Texas Auto Carriers, Inc. - COO	Motor Carrier Operations - Others
8	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
9	Jeanette Rash	02	Montgomery	Milam St Auto Storage, Inc./ Cannino West, Inc. - President	Towing Company
10	Laird Doran	06	Harris	The Friedkin Group - Vice President & Senior Counsel	Affiliated with Franchise Dealer/Distributor
11	Christopher Gaston	06	Harris	Texas Gulf Coast Auto Title - Title Clerk	Auto Title Service
12	Russell Hayter	10	Hays	Retired - Insurance Industry	Public
13	Matthew Nance	11	Travis	Office of Consumer Credit Commissioner - Deputy General Counsel	Public
14	Raymond "Ray" Olah	11	Travis	Retired - Office of the Attorney General, Assistant Attorney General	Public
15	John Ames	04	Dallas	Dallas County - Tax Assessor Collector	Tax Assessor-Collector
16	Tina Carter	11	Travis	Travis County Tax Office - Motor Vehicle Supervisor	Tax Assessor-Collector
17	Ruben Gonzalez	05	El Paso	El Paso County - Tax Assessor Collector	Tax Assessor-Collector
18	Kristen Hoyt	10	Comal	Comal County - Tax Assessor-Collector	Tax Assessor-Collector
19	Cheryl Johnson	06	Galveston	Galveston County - Tax Assessor Collector	Tax Assessor-Collector
20	Lori King	11	Mills	Mills County - Tax Assessor-Collector	Tax Assessor-Collector
21	Bruce Stidham	04	Grayson	Grayson County - Tax Assessor Collector	Tax Assessor-Collector
22	Jackie Polk	02	Angelina	Lee TranServices, Inc. - President	Transportation Compliance

Potential Members					
No.	Applicant	GeoRegion	County	Employer	License Affiliation
1	Robert Kennedy	06	Fort Bend	Group 1 Automotive - Regional CFO/VP Operational Accounting (Retired - 3/1/25)	Public
2	Jake Collier	07	Potter	Potter County Tax Office - Chief of Staff	Tax Assessor-Collector

Current Members					
No.	Applicant	GeoRegion	County	Employer	License Affiliation
1	Lloyd "Buddy" Ferguson	11	McLennan	Barack Ferrazzano Kirschbaum & Nagelberg, LLP - Of Counsel (Semi-retired)	Attorney for Manufacture/Distributor
2	Michael (Mike) Sullivan	06	Harris	Texas Governmental Affairs, LLC - Principal	Public
3	Laird Doran	06	Harris	The Friedkin Group - Vice President & Senior Counsel	Affiliated with Franchise Dealer/Distributor
4	Michael Bradburn, Sr.	11	Bell	Travis County Constable Precinct 3 - Corporal	Law Enforcement
5	Michael Provost	06	Fort Bend	City of Houston/Houston Police Department - Sergeant	Law Enforcement
6	Elizabeth "Beth" Garza	11	Travis	Electricity Industry Consultant - Self-employed	Public
7	Russell Hayter	10	Hays	Retired - Insurance Industry	Public
8	William Murphy	10	Kerr	Self-employed - Owner	Public
9	Raymond "Ray" Olah	11	Travis	Retired - Office of the Attorney General, Assistant Attorney General	Public
10	Franklin Sims	01	Taylor	Freedom Motors - Owner	Converter - Wheelchair Accessible
11	Thomas Durant	04	Tarrant	Classic Chevrolet Inc. - COO/General Counsel	Franchise Dealer
12	Charles Hicks	03	Nueces	Ed Hicks Imports / Ed Hicks Nissan / Ed Hicks Infiniti / Hicks Family - Dealer Principal	Franchise Dealer
13	Nicholas Schnelle	04	Denton	AutoNation - Market President	Franchise Dealer
14	Scott Stark	11	Travis	South Point Hyundai, Genesis of Austin, South Point Dodge Chrysler Jeep and Ram - President/Owner	Franchise Dealer
15	Trey Sralla	12	Clay	Eddie Hill's Fun Cycles - General Manager	Franchise Dealer - Motorcycles
16	Christopher Donnelly	02	Montgomery	Donnelly Auto Group - President/Managing Member	Independent Dealer
17	Kalien Thomas	04	Ellis	Frontera Truck Parts & Equipment, Inc. - Office Manager	Independent Dealer
18	Tony Hall	11	Travis	Carvana - Senior Manager, Government Affairs	Independent Dealer Representative
19	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
20	David Blassingame	04	Dallas	Autoflex Leasing & Blassingame Consulting - Special Projects Coordinator and Owner of Consulting Company	Vehicle Lessor Consultant

Potential Members					
No.	Applicant	GeoRegion	County	Employer	License Affiliation
1	Lisa Santarita	02	Harris	Mac Haik Automotive Group - Corporate Compliance Officer	Franchise Dealer
2	Karina Saenz	06	Harris	Encore Motors - Owner and Director of Operations	Independent Dealer
3	Lloyd Welty Jr.	10	Bexar	Pick-N-Pull, Inc. - Vice President	Salvage Dealer

Current Members					
No.	Members	GeoRegion	County	Employer	License Affiliation
1	Melinda Wolf	10	Hays	Nyle Maxwell Family of Dealerships - CFO	Affiliated with Franchise Dealer/Distributor
2	Tawna Kuni	04	Denton	IAA - Senior Manager, Title Operations	Auction
3	Keith Millard	02	Nacogdoches	Mike Perry Motor Company - Used Vehicle Sales Manager	Franchise Dealer
4	James Paschall	10	Bexar	Red McCombs Automotive - Title Department Supervisor	Franchise Dealer
5	Tony Hall	11	Travis	Carvana - Senior Manager, Government Affairs	Independent Dealer Representative
6	Christal Vincent	07	Potter	Southwestern Public Service - Fleet Operations Supervisor	Motor Carrier Operations - Self
7	Phil Elam	11	Travis	Texas Recreational Vehicle Association - Executive Director	Recreational Vehicle Representative - Franchise Dealers
8	David Fontenot	11	Travis	Warren Salvage Company - President	Salvage Dealer
9	Ivan Nino	05	El Paso	Flash Auto Title Registration Inc. - Manager	Full Service Deputy
10	Bruce Ormand	01	Llano	Centex Auto Title & A1 Partsmart - President, Self Employed	Full Service Deputy
11	Robert Roberti, VTRAC Presiding Officer	04	Denton	Wells Fargo Advisors - Financial Advisor	Public
12	Faron Smith	10	Comal	Caretaker - Assembled Vehicles Industry	Public
13	Sofia Dovalina	05	El Paso	El Paso County - Motor Vehicle Registration & Titling Director	Tax Assessor-Collector
14	Michelle French	04	Denton	Denton County - Tax Assessor-Collector	Tax Assessor-Collector
15	Nikki Lake	07	Randall	Randall County Tax Office - Office Manager	Tax Assessor-Collector
16	Shay Luedeke, VTRAC 1st Vice Chair	11	Bell	Bell County - Tax Assessor-Collector	Tax Assessor-Collector
17	Sylvia Mendoza	03	Fayette	Fayette County - Tax Assessor-Collector	Tax Assessor-Collector
18	Kristi Torres	09	Hidalgo	Hidalgo County Tax Office - Supervisor, Auto Department	Tax Assessor-Collector
19	Jackie Polk	02	Angelina	Lee TranServices, Inc. - President	Transportation Compliance

Board Meeting Date: 4/9/2026
BRIEFING

To: Texas Department of Motor Vehicles Board
From: John Ralston, Director of Budget & Forecasting
Agenda Item: 16.A
Subject: FY 2026 Semi-Annual Report of Revenues and Expenditures

RECOMMENDATION

Briefing item only.

PURPOSE AND EXECUTIVE SUMMARY

Attached is the TxDMV fiscal year (FY) 2026 semiannual budget report for September 1, 2025 – February 28, 2026. The report includes statistical and detailed information on revenues, the TxDMV Fund 0010 balance, actual expenditures, and outstanding obligations.

Highlights include:

- TxDMV deposited \$1.1 billion in revenue to the General Revenue Fund (0001), State Highway Fund (0006), and TxDMV Fund (0010) in the first six months of FY 2026, which is 7.7% more than FY 2025 deposits for the same time period.
- TxDMV Fund revenue deposits total \$103.4 million, which is 11.6% more than FY 2025 deposits for the same time period.
- TxDMV Fund actual expenditures total \$95.8 million, with \$68.3 million in outstanding obligations as of February 28, 2026.
- The adjusted balance of the TxDMV Fund as of February 28, 2026, is \$116.2 million.
- General Revenue Fund actual expenditures total \$8.1 million, with \$64.3 million in outstanding obligations as of February 28, 2026. General Revenue Fund obligations are primarily for Motor Vehicle Crime Prevention Authority (MVCPA) activities and the Registration and Title System Modernization project (RTSM).
- In the first six months of FY 2026, the department deposited sufficient revenue to support its actual expenditures for the year.

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 the attached report.



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

FY 2026 Financial Summary

Semiannual Budget Report

(September 1, 2025–February 28, 2026)

Finance and Operations Division

April 9, 2026



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.



FY 2026 Semiannual Budget Report

(September 1, 2025–February 28, 2026)

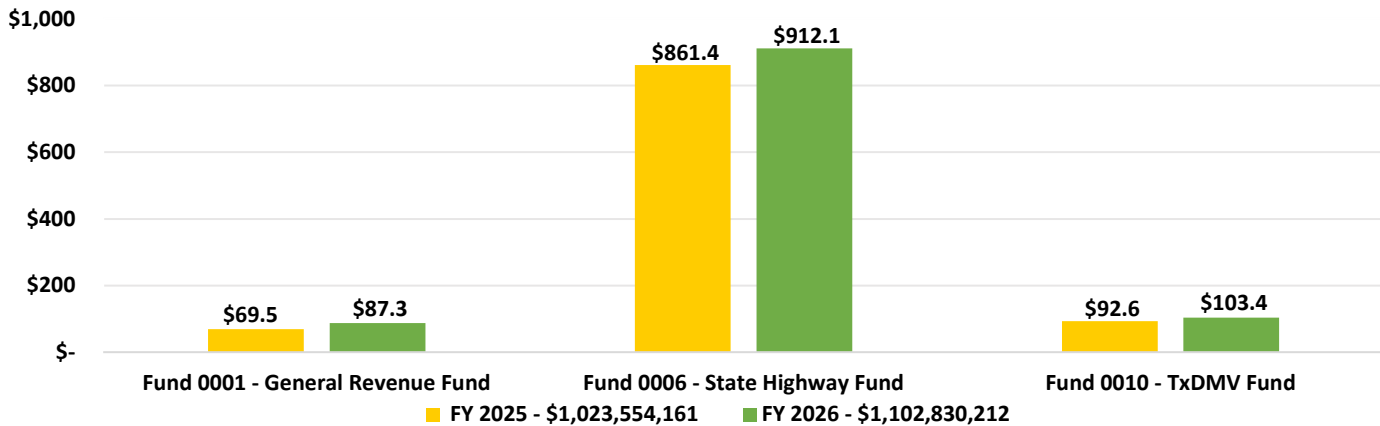
April 9, 2026

FY 2025 versus FY 2026 Revenues - All Funds

September 1 through February 28

FY 2025 and FY 2026 Comparison of Revenue by Fund

(in millions)



- The Texas Department of Motor Vehicles (TxDMV) collected \$1.1 billion through February 28, 2026. This is 7.7% more than FY 2025 collections. FY 2025 and FY 2026 revenue deposits for all funds by revenue category are shown in the table below.

FY 2025 and FY 2026 Revenue by Category - All Funds

Revenue Category	FY 2025		FY 2026		Variance	% Difference
	Actual		Actual			
Motor Vehicle Certificates of Title	\$ 45,158,203		\$ 46,458,902		\$ 1,300,699	2.9%
Motor Vehicle Registration	839,442,682		894,866,087		55,423,404	6.6%
Motor Carrier - Oversize/Overweight	85,529,366		92,670,117		7,140,751	8.3%
Motor Carrier Credentialing	4,134,413		4,180,178		45,765	1.1%
Motor Vehicle Business Licenses	3,747,288		2,792,281		(955,007)	(25.5%)
Miscellaneous Revenue	18,153,092		32,396,259		14,243,167	78.5%
Processing and Handling Fee	27,389,117		29,466,388		2,077,271	7.6%
Total	\$ 1,023,554,161		\$ 1,102,830,212		\$ 79,276,051	7.7%

- Year-to-date in FY 2026, as compared to FY 2025, the state showed growth in all of the underlying fee-depositing activities, except for motor vehicle business licenses, resulting in \$79.3 million more revenue than in FY 2025 during the same time period.
- Motor vehicle certificates of title revenue rose from FY 2025 mostly because of an increase in original-title fee collections. Motor vehicle registration revenue is up from FY 2025 mostly due to an increased number of annual-registration transactions. Motor carrier - oversize/overweight revenue increased due to a higher number of permits issued in FY 2026. Lower motor vehicle business license revenue can be attributed to a decrease in dealer-license applications.
- The increase in miscellaneous revenue is 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 now flows through the TxDMV accounting system. The increase in processing and handling fee revenue is due to an increased number of vehicle-registration transactions and the December 2025 elimination of the \$1 discount for renewals conducted online.

FY 2026 Projected versus Actual Revenues - All Funds

September 1 through February 28

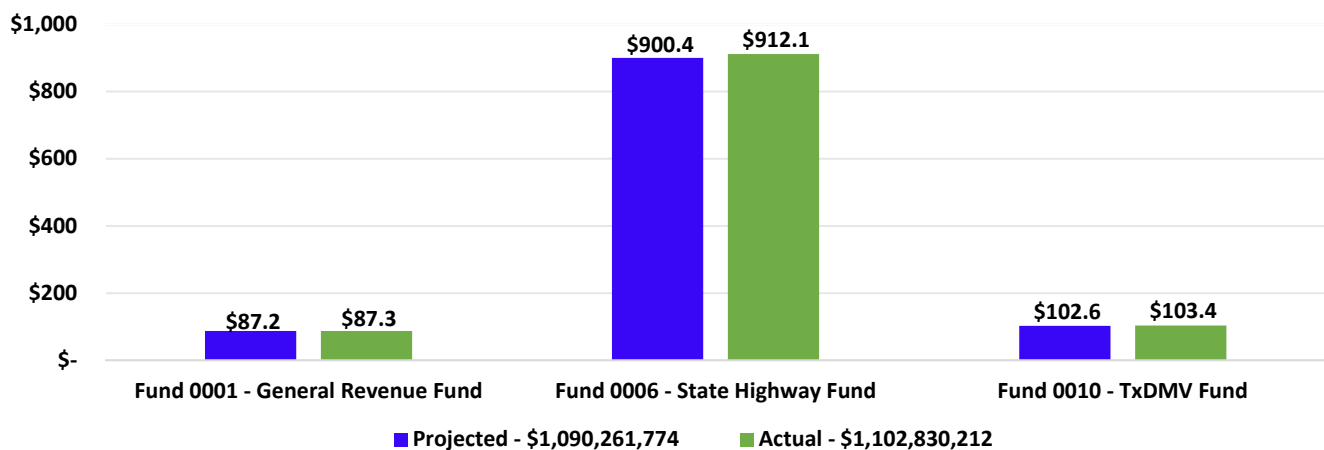
FY 2026 Projected vs Actual Revenue by Category - All Funds

Revenue Category	FY 2026 Projected	FY 2026 Actual	Variance	% Difference
Motor Vehicle Certificates of Title	\$ 46,479,233	\$ 46,458,902	\$ (20,332)	(0.0%)
Motor Vehicle Registration	886,371,231	894,866,087	8,494,856	1.0%
Motor Carrier - Oversize/Overweight	87,322,145	92,670,117	5,347,972	6.1%
Motor Carrier Credentialing	4,141,733	4,180,178	38,445	0.9%
Motor Vehicle Business Licenses	3,356,539	2,792,281	(564,258)	(16.8%)
Miscellaneous Revenue	33,864,000	32,396,259	(1,467,741)	(4.3%)
Processing and Handling Fee	28,726,893	29,466,388	739,495	2.6%
Total	\$ 1,090,261,774	\$ 1,102,830,212	\$ 12,568,438	1.2%

- Year-to-date revenue for FY 2026 is 1.2% (\$12.6 million) above projections mostly due to more-than-expected registration-fee collections.
- Motor vehicle certificates of title revenue is within 0.0% (\$20,332) of projections.
- Motor vehicle registration revenue is 1.0% (\$8.5 million) above projections mostly because of a slightly greater-than-expected number of annual-registration transactions and collections of the additional fee on certain electric vehicles.
- Motor carrier - oversize/overweight revenue is above projections by 6.1% (\$5.3 million) due to higher-than-expected permit issuance.
- Motor carrier credentialing is 0.9% (\$38,445) above projections due to a slightly higher-than-expected number of credentialing applications filed. Motor vehicle business licenses is 16.8% (\$564,258) below projections, resulting from a lower-than-expected number of applications submitted.
- The variance in miscellaneous revenue of 4.3% (\$1.5 million) is mostly due to lower-than-expected collections of the inspection-program replacement fee. Processing and handling fee revenue is 2.6% (\$739,495) over projections due to a higher-than-expected number of annual-registration transactions.
- Total projected and actual revenues by fund are shown in the chart below.

Sep - Feb FY 2026 Projected vs Actual Revenue by Fund

(in millions)

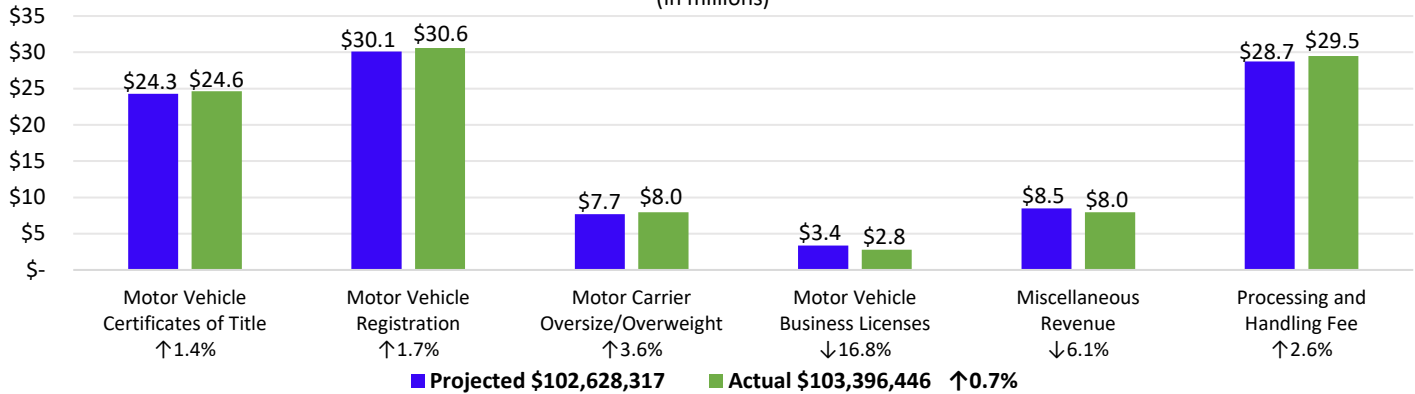


FY 2026 TxDMV Fund 0010 Revenue Highlights

September 1 through February 28

Projected vs Actual Revenue - Fund 0010

(in millions)



- TxDMV Fund 0010 revenue is 0.7% (\$768,129) above projections for FY 2026.
- Motor vehicle certificates of title revenue is 1.4% above projections mostly due to more-than-expected original-title fee collections.
- Motor vehicle registration revenue is 1.7% above projections due to higher-than-expected collections of the dealer-issued buyer's-plate fee.
- Motor carrier - oversize/overweight revenue is 3.6% over projections due to higher-than-expected permit counts.
- Motor vehicle business license revenue is 16.8% under projections due to a lower-than-expected number of applications (mostly for general distinguishing numbers).
- Miscellaneous revenue is 6.1% below projections mostly due to lower-than-expected credit-card fee collections, and a delay in remittances related to Registration and Title System equipment leased to counties.
- Processing and handling fee revenue is 2.6% over projections, mostly attributable to a more-than-expected number of underlying registration transactions.

FY 2025 and FY 2026 Actual Revenue - Fund 0010

Revenue Category	FY 2025		FY 2026		Variance	% Difference
	Actual	Actual	Actual	Actual		
Motor Vehicle Certificates of Title	\$ 23,506,033	\$ 24,625,182	\$ 23,506,033	\$ 24,625,182	\$ 1,119,149	4.8%
Motor Vehicle Registration	21,222,211	30,588,153	21,222,211	30,588,153	9,365,942	44.1%
Motor Carrier - Oversize/Overweight	7,430,670	7,955,376	7,430,670	7,955,376	524,706	7.1%
Motor Vehicle Business Licenses	3,747,288	2,792,281	3,747,288	2,792,281	(955,007)	(25.5%)
Miscellaneous Revenue	9,342,509	7,969,067	9,342,509	7,969,067	(1,373,442)	(14.7%)
Processing and Handling Fee	27,389,117	29,466,388	27,389,117	29,466,388	2,077,271	7.6%
Total	\$ 92,637,828	\$ 103,396,446	\$ 92,637,828	\$ 103,396,446	\$ 10,758,618	11.6%

- Total TxDMV Fund 0010 revenue is 11.6% (\$10.8 million) more than in FY 2025. 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 the July 2025 introduction of the new dealer-issued buyer's plate established by House Bill 718, 88th Legislature, Regular Session, which carries a fee of \$10 versus the former buyer's-tag fee of \$5. The decrease in motor vehicle business license revenue from last year is attributable to fewer 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 and the elimination of the \$1 discount for renewals conducted online.

FY 2026 Actual Expenditures by Fund (September 1 through February 28)

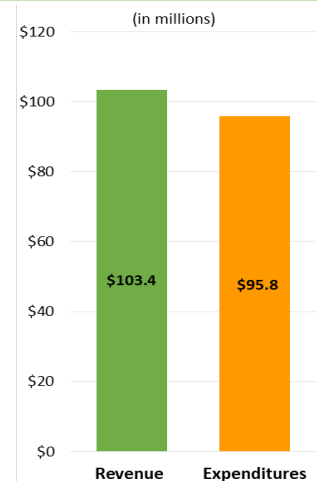
FY 2026 expenditures (excluding encumbrances) for all funds totaled \$130,856,248. Fund 7805 is used to report payments to the Texas Facilities Commission for the Camp Hubbard Renewal Project. These expenditures are funded by Appropriation Year 2025 commercial-paper revenue notes issued by the Texas Public Finance Authority (TPFA) that will be repaid through lease payments to TPFA from TxDMV Fund 0010. Expenditures in Fund 7805 accrue to budget year 2025.

	Fund 0010	Fund 0001	Fund 7805	Grand Total
	Sep-Feb FY 26	Sep-Feb FY 26	Sep-Feb FY 26	Sep-Feb FY 26
Operating Expenditures				
Salaries and Wages	\$ 30,260,033	\$ 748,908	\$ -	\$ 31,008,941
Other Personnel	\$ 5,974,670	\$ 156,477	\$ -	\$ 6,131,147
Professional Fees	\$ 21,590,389	\$ 860,117	\$ 133,998	\$ 22,584,504
Fuels & Lubricants	\$ 29,358	\$ -	\$ -	\$ 29,358
Consumables	\$ 317,118	\$ 315	\$ -	\$ 317,433
Utilities	\$ 2,114,348	\$ 2,385	\$ 6,191	\$ 2,122,925
Travel	\$ 235,099	\$ 35,139	\$ -	\$ 270,238
Rent - Building	\$ 830,775	\$ 2,059	\$ -	\$ 832,834
Rent - Machine and Other	\$ 95,316	\$ 567	\$ -	\$ 95,884
Other Operating	\$ 25,628,182 ⁽¹⁾	\$ 6,132,196	\$ 26,820,571	\$ 58,580,949
Grants	\$ -	\$ -	\$ -	\$ -
Other Capital	\$ 12,302	\$ -	\$ -	\$ 12,302
Total Operating Expenditures	\$ 87,087,590	\$ 7,938,163	\$ 26,960,761	\$ 121,986,514
Fringe Benefits				
Retirement	\$ 2,838,813	\$ 59,928	\$ -	\$ 2,898,741
Group Insurance	\$ 3,557,479	\$ 71,845	\$ -	\$ 3,629,324
OASI (Old Age and Survivor's Insurance)	\$ 2,271,445	\$ 57,344	\$ -	\$ 2,328,789
Unemployment Reimbursement to GR	\$ 539	\$ 796	\$ -	\$ 1,335
Benefit Replacement Pay	\$ 11,544	\$ -	\$ -	\$ 11,544
Total Fringe Benefits	\$ 8,679,821	\$ 189,913	\$ -	\$ 8,869,734
Total Expenditures	\$ 95,767,411	\$ 8,128,076	\$ 26,960,761	\$ 130,856,248

TxDMV Fund 0010 Balance

FY 2026 Beginning Balance	\$ 176,884,894
Revenue	
Motor Vehicle Certificates of Title	\$ 24,625,182
Motor Vehicle Registration	\$ 30,588,153 ⁽¹⁾
Motor Carrier - Oversize/Overweight	\$ 7,955,376
Motor Vehicle Business Licenses	\$ 2,792,281
Miscellaneous Revenue	\$ 7,969,067
Processing and Handling Fee	\$ 29,466,388 ⁽²⁾
Total Revenue	\$ 103,396,446
Total Fund 0010 Expenditures	\$ 95,767,411
Ending Fund Balance	\$ 184,513,929
Adjustment for Encumbrances	\$ 68,340,704
Adjusted Fund Balance	\$ 116,173,225

FY 2026 Revenues & Expenditures



Expenditures in Fund 7805 reflect activity processed in FY 2026 but accrue to appropriation year 2025, which is the year in which the Camp Hubbard Renewal project was funded.

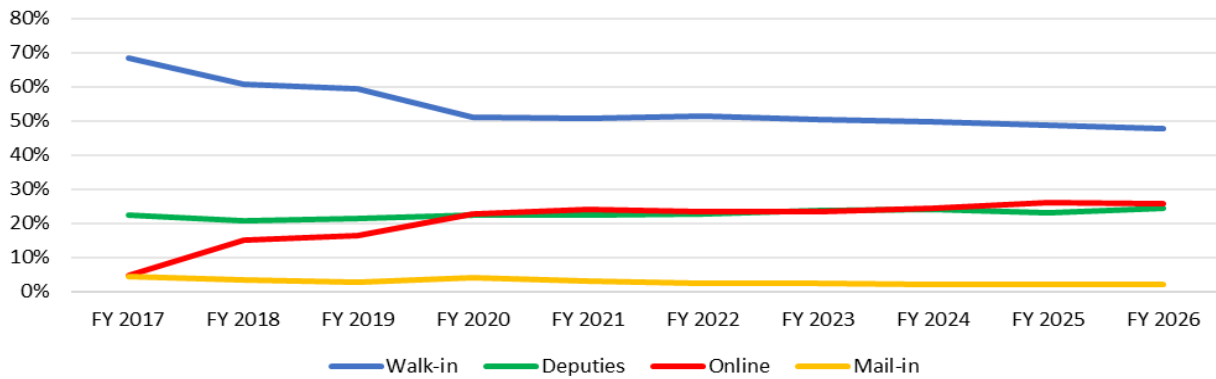
Footnotes:

⁽¹⁾ Included in motor vehicle registration fees are MyPlates revenue collections of \$5,368,507, and included in Other Operating expenditures are MyPlates expenditures of \$5,393,649.

⁽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

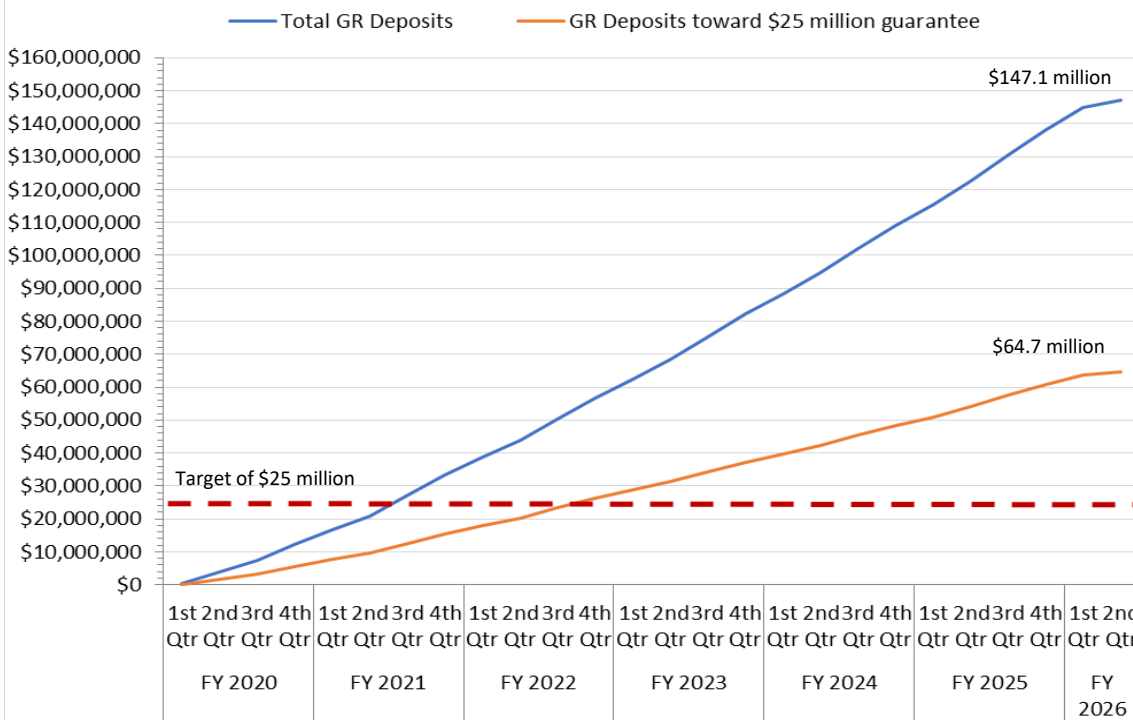
Transaction Mix from Annual Registrations



- As of February 28, 2026, a bit under half (47.7%) of annual-registration transactions were processed at county offices.
- The percentage of annual-registration transactions conducted online decreased slightly year-over-year, accounting for 25.7% (3.2 million) of the 12.5 million total transactions in FY 2026 compared to 26.1% in FY 2025.
- Deputy and mail-in percentages have remained relatively constant since FY 2017, and are at 24.5% and 2.2%, respectively, for FY 2026.

Vendor Plates

2nd-Contract Cumulative Deposits to General Revenue

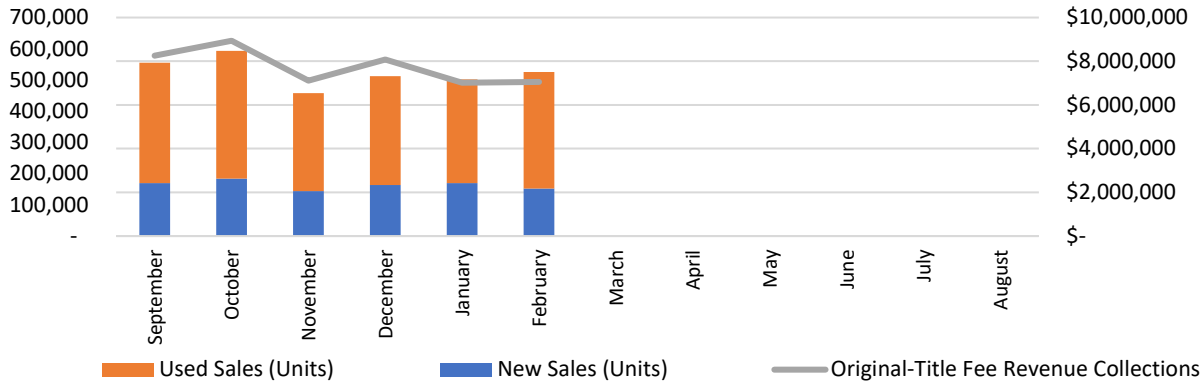


- General Revenue Fund 0001 deposits associated with the second MyPlates contract (from November 19, 2019, to December 31, 2025) totaled \$147.1 million.
- The second contract's \$25 million guarantee was met in July 2022.
- In the second contract, new orders accounted for 41.0% of the Fund 0001 mix, and renewals accounted for 59.0%.

- The second-contract renewal period is January 1, 2026, to December 31, 2031. General Revenue deposits under the renewal period total \$4.7 million through February 28, 2026, with \$1.8 million counting toward the \$25 million guarantee.

Motor Vehicle Certificates of Title

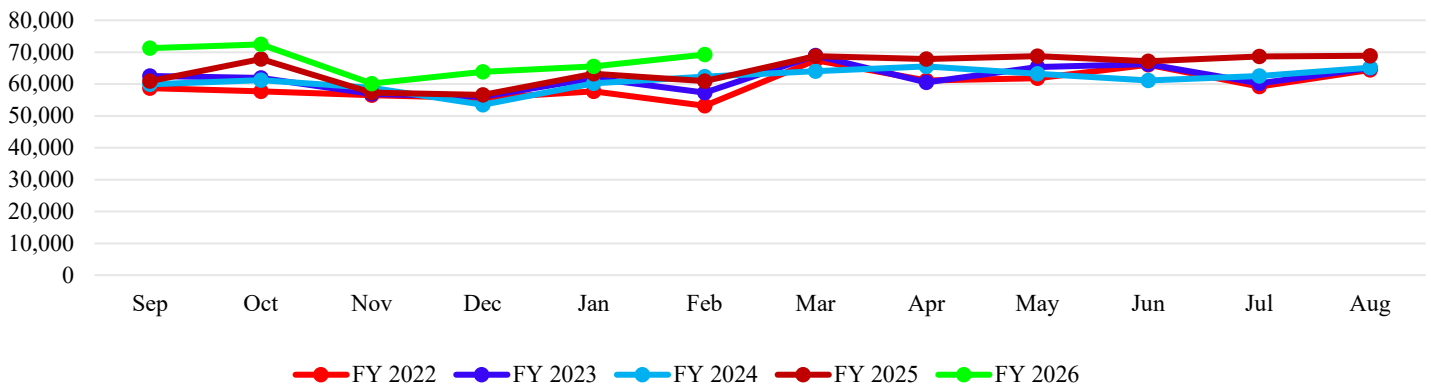
Monthly Auto Sales and Original-Title Fee Revenue Collections



- Original-title fees are the largest component of motor vehicle certificates of title revenue. In FY 2026, TxDMV collected revenue from the issuance of about 3.4 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 2026 saw an increase in overall vehicle sales as compared to the same period in FY 2025.
- Auto sales year-to-date in FY 2026 increased 4.3% from FY 2025, with used-vehicle sales up 4.8% and new-vehicle sales up 3.2%.

Motor Carrier Oversize/Overweight Permits

Monthly Oversize/Overweight Permit Issuance



- The number of motor carrier oversize/overweight permits issued in FY 2026 YTD is 402,340 as compared to 366,709 for the same period in FY 2025, an increase of 9.7%. Activity in the oil-and-gas and construction sectors is the chief driver of the issuance of motor-carrier permits, resulting in a strong upward trend in oversize/overweight fee deposits since FY 2025.
- As shown in the trend lines in the graph above, FY 2026 YTD saw an increase (35,631) in the number of permits issued as compared to FY 2025.
- As permit counts have increased, revenue in this category saw an 8.3% increase in the same time period in all three combined funds in FY 2026.

FY 2026 Financial Summary as of February 28

FY 2026 Expenditure Highlights

- The adjusted FY 2026 budget as of February 28, 2026, was \$453.5 million. This amount includes the original baseline total as approved by the 89th Legislature and adjustments as shown in the table below.

FY 2026 Budget	Amount
Original Baseline Appropriations	\$ 275,536,446
Unexpended Balances from FY 2025 and Other Adjustments	\$ 159,649,049
Benefit Costs	\$ 18,286,335
Adjusted Appropriations	\$ 453,471,830

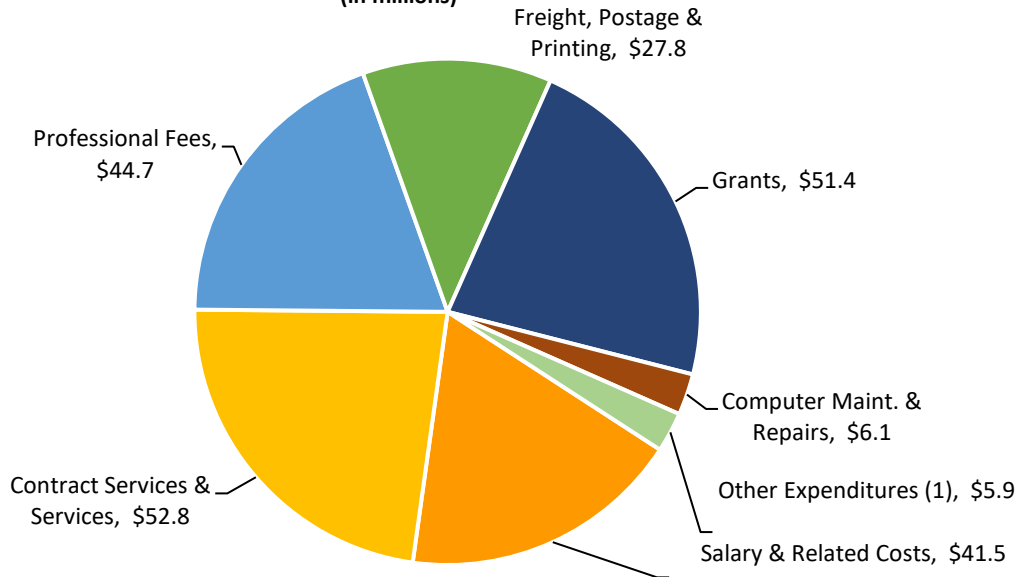
- The baseline total of \$453.5 million provides funding for 952.0 full-time equivalents (FTEs), ongoing operating costs, and FY 2026 funding for capital projects.
- Notable major items included in the original baseline appropriation for FY 2026 is the authorization of 50.0 new FTEs to maintain core services and customer support, and the continued full-year funding for the catalytic converter theft prevention programs administered by the Motor Vehicle Crime Prevention Authority (MVCPA).
- The \$159.6 million in unexpended balances and other adjustments as of February 28, 2026, was primarily a combination of the continuation of capital projects funded in FY 2025 and brought forward to FY 2026 and MVCPA lapses brought forward to FY 2025.
- Capital project carryforwards from FY 2025 include Automation projects (\$8.2 million); Registration and Title System (RTS) Replacement Phase One (\$1.7 million); and Regional Service Center (RSC) Maintenance (\$522,000).
- The adjusted budget of \$453.5 million also includes funding approved by the 89th Legislature for the RTS modernization project. A total of \$125 million in General Revenue funds was authorized by House Bill 500, 89th Legislature, Regular Session, for the second phase of a project that will modernize RTS. The funds were appropriated in FY 2025 and brought forward to FY 2026. This project is currently in development and initial procurement processes have begun.
- The FY 2026 adjusted budget also includes contingencies authorized by the Legislature for costs related to the implementation of Senate Bill 1902 and Senate Bill 2007.

FY 2026 Financial Summary as of February 28

September 1 through February 28

- Expenditures and outstanding obligations as of February 28, 2026, totaled \$230.0 million (\$103.9 million in expenditures and \$126.1 million in encumbrances).

FY 2026 Expenditures and Encumbrances by Category - All Funds
(in millions)

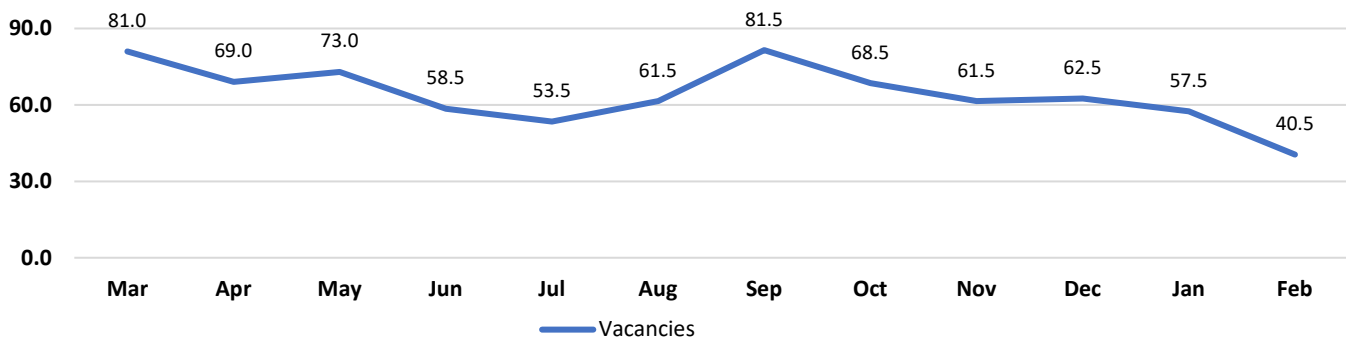


⁽¹⁾ Other Expenditures includes: Rents/Utilities (\$4.3 million), Capital (\$60K), Other Expenses (\$765K), and Travel/Training (\$761K).

Full-Time Equivalents

- The FY 2026 authorized FTE cap is 952.0, which is an increase of 50.0 FTEs from the FY 2025 cap of 902.0.
- The 50.0 new FTEs authorized for FY 2026 were allocated to Administrative Hearings, Finance, Information Technology, Customer Relations, Enforcement, Motor Vehicle, and Vehicle Titles and Registration. The new FTEs address ongoing operational needs to maintain core services and customer support.
- Overall vacancies have been steadily decreasing over the past twelve months.

Monthly Vacancies - Most Recent 12 Months



FY 2026 Financial Summary as of February 28

Capital Budget and Projects

Capital Budget Financial Status

	Revised Budget	Expenditures	Encumbrances	Available Budget
TxDMV Automation System	\$ 18,729,764	(\$4,706,980)	(\$4,385,887)	\$ 9,636,897
Other Information Resources Projects	\$ 32,112,536	(\$12,916,520)	(\$14,401,976)	\$ 4,794,040
Other Capital Projects	\$ 10,522,126	\$0	(\$99,968)	\$ 10,422,158
Grand Total, Capital Budget	\$ 61,364,426	(\$17,623,499)	(\$18,887,831)	\$ 24,853,096

- The Revised Capital Budget for FY 2026 includes \$10.4 million carried forward from FY 2025 and \$50.9 million in new FY 2025 appropriations.

TxDMV Automation System Projects

Project Name	FY 2026 Budget	FY 2026 Obligations	Notes
Cybersecurity	\$ 86,961	\$ -	In progress. This project addresses two solutions - a privileged-access management solution and a security information event management solution.
RTS Support	\$ 12,618,685	\$ 5,862,309	Project ongoing.
MCCS Rewrite	\$ 3,965,074	\$ 2,090,376	Project in progress and nearing completion, with an estimated completion date by the end of FY 2026.
Voice-to-Cloud	\$ 809,044	\$ 38,186	Project in implementation phase.
Accounts Receivables	\$ 1,250,000	\$ 1,101,996	In progress and estimated to be completed in FY 2026. The project is synchronized with the completion of the MCCS Rewrite project.
	\$ 18,729,764	\$ 9,092,867	

FY 2026 Financial Summary as of February 28

Other Information Resources Projects

Project Name	FY 2026 Budget	FY 2026 Obligations	Notes
County Technology	\$ 5,000,000	\$ 2,503,156	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	\$ 24,596,158	\$ 24,586,158	This project provides for annual Data Center Services costs.
PC Replacement	\$ 792,000	\$ 23,881	Provides funding for annual computer refresh. The majority of these funds will be obligated in the third quarter of FY 2026.
RTS Replacement Phase One	\$ 1,724,378	\$ 205,300	This project is to modernize RTS. The project is in progress. Funds for Phase Two were approved by the Legislature during the 88th legislative session.
	\$ 32,112,536	\$ 27,318,496	

FY 2026 Financial Summary as of February 28

Other Capital Projects

Project Name	FY 2026 Budget	FY 2026 Obligations	Notes
Regional Service Center (RSC) Maintenance	\$ 1,522,126	\$ 99,968	This funding will be used for the Pharr Regional Service Center project. Funds may also be used to address improvements in other locations.
	\$ 1,522,126	\$ 99,968	

To: Texas Department of Motor Vehicles Board
From: Chris Hayden, Deputy Chief Financial Officer
Agenda Item: 16.B
Subject: Strategic Planning

RECOMMENDATION

Briefing only.

PURPOSE AND EXECUTIVE SUMMARY

Briefing item to provide information on the department's activities related to the Strategic Plan.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

In accordance with the *Instructions for Preparing and Submitting Agency Strategic Plans* issued by the Legislative Budget Board and the Governor's Office, the department is in the process of developing its Strategic Plan for FY 2027-2031. This plan includes several required elements, including our mission and vision statement, budget structure (goals, objectives and strategies), performance measures, redundancies and impediments, workforce plan, and customer satisfaction report. The complete Strategic Plan is historically due to the Legislative Budget Board and the Governor's Office on June 1 of even numbered years. The due date will be confirmed when the instructions are released.

Requested changes to the budget structure and performance measures will be submitted based on the due date identified in the instructions, when released. The changes are as outlined below.

Budget Structure – We are proposing “no change” to the budget structure. The proposed FY 2028-2029 budget structure will be identical to the TxDMV FY 2026-2027 budget structure.

Performance Measures – In coordination with William Diggs, Motor Vehicle Crime Prevention Authority (MVCPA) division director, we are proposing minor modifications to one of the MVCPA measures, including changes to the data source and the methodology for the calculation of *Number of Stolen Vehicles Recovered*.

We are making minor grammatical, conformity, and syntax updates to other TxDMV measures, but none of these changes are substantive.

To: Texas Department of Motor Vehicles Board
From: Chris Hayden, Deputy Chief Financial Officer
Agenda Item: 16.C
Subject: Revised Delegation of Bond Signature Authority

RECOMMENDATION

Action Item. Recommendation to approve the Texas Department of Motor Vehicles Board (“Board”) resolution revising the delegation of signature authority for the financing of the Camp Hubbard Renewal Project.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of this Board resolution is to revise the delegation of signature authority under Board Resolution No. 23-008, ensuring designated Texas Department of Motor Vehicles (“Department”) staff have clear authority to execute financing and other related documents for the Camp Hubbard Renewal Project through state bonds.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The Texas Public Finance Authority (“TPFA”) was established to help Texas state agencies finance major capital projects. In 2019, TPFA expanded its “Master Lease Purchase Program” to cover facilities, offering flexible financing for capital construction projects with short-term debt. That short-term debt can be converted into traditional long-term, fixed-rate bonds when economically efficient, subject to the mutual agreement between TPFA and the client agency. The program allows agencies to lease and lease-back assets from TPFA, using revenue bonds to fund capital projects. The Camp Hubbard Renewal Project is being financed with short-term debt under this program.

The Board adopted Board Resolution No. 23-008 on June 8, 2023, authorizing the Department to request financing for the Camp Hubbard Renewal Project using the TPFA lease program. That resolution gave signature authority to the Executive Director and Chief Financial Officer. After further review, the Department determined that additional clarity and flexibility are needed so that designated staff can effectively execute all necessary financial and related documents without delay. As such, this Board resolution amends and expands the delegation of signature authority so that, in addition to the Executive Director and Chief Financial Officer, individuals officially acting in those roles during absences or vacancies, such as a Deputy Executive Director or Deputy Chief Financial Officer, are authorized to sign all necessary documents to keep the Camp Hubbard Renewal Project on schedule.

To: Texas Department of Motor Vehicles Board
From: Jason Gonzalez, Internal Audit Director
Agenda Item: 16.D
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

IAD has five ongoing internal engagements: (i) the quality assurance external peer review of IAD; (ii) the Information Technology Service Division (ITSD) Project Governance audit; (iii) the Internal Audit Recommendation Follow-up; (iv) the Finance and Operations (FAO) Accounts Receivable Advisory; and (v) the Motor Vehicle Crime Prevention Authority (MVCPA) Audit.

The Quality Assurance Peer Review is currently in the fieldwork phase. The objective is to evaluate IAD'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 ITSD Project Governance Audit is currently in the reporting 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.

Next, the FAO Accounts Receivable Advisory is in the reporting phase. The objective is to review the funds adjustment process; specifically, the Registration and Title System and Tx.GOV reconciliation processes, and the Tax Assessor Collector ticketing process.

Finally, the MVCPA Audit is in the reporting phase. The objective is to evaluate the financial grant review and approval processes.

External Engagements

The Department has recently gone through three external audit engagements. First, the State Auditor's Office (SAO) is

conducting an audit on the Department's data governance and management. The audit's objectives are to determine whether the Texas Department of Motor Vehicles has implemented data management and data governance programs for managing its data assets; and the status of a prior audit recommendation issued by SAO to the Department in Report #23-020 (related to webDEALER user access). The audit is currently in the reporting phase.

Next, the State Office of Risk Management (SORM) completed a Risk Management Program Review. The review was designed to assist the Department with developing and implementing a comprehensive risk management program to meet the Texas Enterprise Risk Management Guidelines. The review's scope covered state fiscal years 2022 through January 2026. The review concluded that the Department maintains a positive safety culture with a strong focus on risk awareness. SORM made two recommendations during their review: First, the Department should continue evaluating the cost benefit of cybersecurity insurance; and Second, the Department should consider updating the risk management manual to include SORM risk management guidelines designed to organize information by topic.

Finally, the Texas Comptroller of Public Accounts (CPA) completed its annual Payment Approval Authority and Security Desk Audit for 171 Texas state agencies and institutions of higher education. The objectives of the audit were to determine whether state agencies and institutions complied with CPA requirements for terminated and transferred employee authorization and CPA system access. The report found that the Department complied with expenditure approvals and access requirements for CPA system access.

(Remainder of Page Intentionally Left Blank)



Texas Department
of Motor Vehicles