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**ADOPTION OF REVISIONS TO**

**SUBCHAPTER A. GENERAL PROVISIONS**

**43 TAC §215.1 and §215.2**

**SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS**

**43 TAC §§215.101, 215.120, AND 215.121**

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

**43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-**

**215.160, AND 215.162**

**SUBCHAPTER E. LESSORS AND LEASE FACILITATORS**

**43 TAC §215.178**

**REPEAL OF**

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

**§§215.151, 215.153, 215.154 and 215.159**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §215.1 and §215.2; adopts amendments to Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters, 43 TAC §215.101, 215.120, and 215.121; adopts amendments to Subchapter D. General Distinguishing Numbers and In-Transit Licenses, §§215.131 – 215.133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150, 215.152, 215.155 - 215.158, and 215.160; adopts new §§215.151, 215.154, and 215.162; adopts repeals of §§215.151, 215.153, 215.154 and 215.159; and adopts amendments to Subchapter E, Lessors and Lease Facilitators, §215.178. These amendments, new sections, and repeals are necessary to

1 implement House Bill (HB) 718 and Senate Bill (SB) 224, enacted during the 88<sup>th</sup> Legislature, Regular  
2 Session (2023). HB 718 amended Transportation Code, Chapter 503 to eliminate the use of temporary  
3 tags when purchasing a motor vehicle and replaced these tags with categories of license plates, effective  
4 July 1, 2025. HB 718 requires the department to determine new distribution methods, systems, and  
5 procedures, and to set certain fees. Section 34 of HB 718 grants the department authority to adopt rules  
6 necessary to implement or administer these changes in law and requires the department to adopt related  
7 rules by December 1, 2024. Beginning July 1, 2025, if a motor vehicle is sold to a Texas resident, a Texas  
8 dealer shall assign a license plate to the vehicle unless the buyer has a specialty or other qualifying license  
9 plate, and the assigned license plate will stay with the vehicle if the vehicle is later sold to another Texas  
10 buyer. Adopted amendments implementing Occupations Code, Chapters 1956 and 2305, as amended by  
11 SB 224, require certain license holders under Occupations Code, Chapter 2301, and an owner of a garage  
12 or repair shop to keep records regarding catalytic converters and make those records available for  
13 inspection by the department.

14 One new adopted section, §215.162, implements the catalytic converter recordkeeping and  
15 inspection requirements for dealers in SB 224, which became effective on May 29, 2023. A new proposed  
16 section, §215.122, which would have clarified SB 244 requirements for manufacturers, distributors, and  
17 converters was not adopted.

18 Repeals of §215.151 and §215.154 are adopted to implement HB 718 and new replacement rules  
19 are being adopted for each of these two sections. Repeals of §215.153 and §215.159 are also adopted to  
20 implement HB 718 as §215.153 contains the specifications for all temporary tags, and §215.159 contains  
21 the requirements for temporary tags issued and displayed by a converter. Neither of these rules are  
22 necessary beginning July 1, 2025, when temporary tags will no longer exist.

1           In 2019, the Sunset Commission recommended the board establish advisory committees and  
2 adopt rules regarding standard advisory committee structure and operating criteria. The board adopted  
3 rules in 2019, and advisory committees have since provided valuable input on rule proposals considered  
4 by the board for proposal or adoption. In February and March 2024, the department provided an early  
5 draft of rule changes implementing HB 718 to three department advisory committees, the Vehicle Titles  
6 and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory  
7 Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC). Committee  
8 members voted on formal motions and provided informal comments on other provisions. The department  
9 incorporated input from all three committees and the Tax Assessor-Collector Association (TACA) in  
10 adopted §§215.2, 215.138, 215.140, 215.150-215.152, 215.155 - 215.158, and 215.178. Additionally,  
11 stakeholders, including the Texas Automobile Dealers Association (TADA), the Texas Independent  
12 Automobile Dealers Association (TIADA), and the Texas Recreational Vehicle Association (TRVA), provided  
13 feedback and input on one or more rule proposals. The department also considered all written comments  
14 received during the public comment period for these proposals.

15           Adopted nonsubstantive amendments are necessary to modify language to be consistent with  
16 statutes and other chapters in Title 43 of the Texas Administrative Code; to modify language to be  
17 consistent with current practice including use of records or electronic systems; to improve readability  
18 through the use of consistent terminology; to clarify or delete unused, archaic, or inaccurate definitions,  
19 terms, references or other language; to clarify existing requirements; or to modernize language and  
20 improve readability.

21           The effective date for these rules is July 1, 2025, unless otherwise designated. The following  
22 amended sections are adopted without changes to the proposed text as published in the July 12, 2024,

1 issue of the *Texas Register* (49 TexReg 5030) and will not be republished: §§215.1, 215.2, 215.101,  
2 215.121, 215.131, 215.132, 215.144, 215.147, 215.148, 215.154, 215.160, 215.162, and 215.178.

3 The following sections are adopted with changes at adoption to the proposed text as published in  
4 the July 12, 2024, issue of the *Texas Register* (49 TexReg 5030) and will be republished: §§215.120,  
5 215.133, 215.138, 215.140, 215.141, 215.143, 215.150 - 215.152, and 215.155 - 215.158. The following  
6 sections are adopted with substantive changes to the proposed text: §§215.120, 215.133, 215.138,  
7 215.140, 215.143, 215.151, 215.152, 215.156, and 215.158. Each substantive change is described in the  
8 Explanation of Adopted Amendments, Repeals, and New Sections below and some of these changes are  
9 also referenced in the department's response to comments. The following sections are adopted with  
10 nonsubstantive changes to the proposed text: §§215.141, 215.150, 215.151, 215.152, 215.155, 215.156,  
11 215.157, and 215.158. Each nonsubstantive change is described in the Explanation of Adopted  
12 Amendments, Repeals, and New Sections below.

13 **EXPLANATION OF ADOPTED AMENDMENTS, REPEALS, AND NEW SECTIONS.**

14 Subchapter A. General Provisions.

15 Adopted amendments to §215.1 add references to Occupations Code, Chapter 2305, and  
16 Transportation Code, Chapters 504 and 520, as the scope of the rules in this chapter changed to include  
17 these statutes. Occupations Code, Chapter 2305 implements SB 224; Transportation Code, Chapter 504,  
18 which regulates the transfer and removal of license plates, implements HB 718; and Transportation Code,  
19 Chapter 520 contains provisions regarding dealer responsibilities that may be delegated by a county tax  
20 assessor-collector to a dealer deputy including the issuance of a license plate upon the sale of a vehicle as  
21 authorized by HB 718.

22 Adopted amendments to §215.2(a) add statutory references to definitions in Occupations Code,  
23 Chapter 2305, and Transportation Code, Chapter 520 to reflect the change in the scope of the chapter. An

1 adopted amendment in §215.2(b)(4) adds a definition for “employee” and defines the term as a natural  
2 person employed directly by a license holder for wages or a salary and eliminates contractors from being  
3 considered employees under Chapter 215. Adopted amendments renumber the remaining definitions in  
4 this subsection. The effective date for this section is 20 days after the adoption is filed with the Texas  
5 Secretary of State.

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

7 Adopted amendments to §215.101 add references to Occupations Code, Chapter 2305, and  
8 Transportation Code, Chapters 504 and 520, as the scope of the rules in this chapter changed to include  
9 these statutes. Occupations Code, Chapter 2305 implements SB 224. Transportation Code, Chapter 504  
10 regulates the transfer and removal of license plates, and Transportation Code, Chapter 520 contains  
11 provisions regarding dealer responsibilities that may be delegated by a county tax assessor-collector to a  
12 dealer deputy including the issuance of a license plate upon the sale of a vehicle as authorized by HB 718.  
13 The effective date for this section is 20 days after the adoption is filed with the Texas Secretary of State.

14 A proposed amendment to §215.102(e)(1)(K)(iv) to require an applicant for a manufacturer’s,  
15 distributor’s, or converter’s license to inform the department whether the applicant repairs a motor  
16 vehicle with a catalytic converter in Texas and, if so, the physical address at which the applicant performs  
17 this repair was not adopted.

18 Adopted amendments to §215.120(d) require a manufacturer, distributor, or converter to  
19 maintain a record of the license plates assigned for its use in either the license holder’s recordkeeping  
20 system or a designated electronic system that the department uses to manage these industry license  
21 plates. At adoption the phrase “either in the license holder’s recordkeeping system or” was added to  
22 provide operational flexibility. Today the department’s electronic licensing system, eLICENSING, houses  
23 certain data for these license plates. During the next several months, the department will be developing

1 a new license plate system, and these license holders may need flexibility to track industry license plates  
2 either in their own recordkeeping system or in a system designated by the department. An adopted  
3 amendment to §215.120(e) adds a reference to a department designated system for consistency. A  
4 proposed amendment to §215.120(f) to encourage license holders to immediately report all stolen license  
5 plates to local law enforcement was not adopted. An adopted amendment to §215.120(g) repeals the  
6 current text as these license holders will not necessarily be required to keep local records because records  
7 will be able to be entered into a department-designated system, and the remaining subsections are re-  
8 lettered accordingly. In response to a public comment, an amendment was added at adoption to re-  
9 lettered §215.120(g) to clarify that the department will use the same criteria to evaluate a request for  
10 additional standard license plates received from any license holder eligible for standard license plates,  
11 including eligible franchised and other GDN holders, to enable fair and consistent department review and  
12 decisions regarding issuance of additional standard dealer plates.

13       Adopted amendments to §215.121 add sanctions for a license holder who fails to report a lost,  
14 stolen, or damaged license plate to the department and who fails to keep or maintain records related to  
15 catalytic converters. An adopted amendment to §215.121(b)(7) adds the phrase “or fails to report a lost,  
16 stolen, or damaged license plate” to inform a license holder that a sanction may apply for failure to make  
17 such a report within the timeframe required by rule. This sanction is necessary as failure to report such a  
18 plate prevents this information from being promptly transmitted to law enforcement and risks public  
19 harm. An adopted amendment to §215.121(b)(18) adds a sanction for a license holder who fails to  
20 maintain the catalytic converter records required under Occupations Code, Chapter 2305, Subchapter D.  
21 This sanction is important as a license holder’s failure to keep catalytic converter records will impede law  
22 enforcement from investigating related criminal activity, which can harm Texas citizens. The effective date  
23 for this section is 20 days after the adoption is filed with the Texas Secretary of State.

1 Proposed new §215.122 implementing SB 224 for manufacturers, distributors, and converters  
2 was not adopted.

3

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

5 Adopted amendments to §215.131 add references to Transportation Code, Chapters 504 and 520,  
6 and Occupations Code, Chapter 2305, as the scope of the rules in this subchapter changed to include these  
7 statutes. SB 224 amended Occupations Code, Chapter 2305 to give the department authority to inspect  
8 license holders' catalytic converter records, and Transportation Code, Chapter 520 contains provisions  
9 regarding dealer responsibilities that may be delegated by a county tax assessor-collector to a dealer  
10 deputy including the issuance of a license plate upon the sale of a vehicle as authorized by HB 718. The  
11 effective date for this section is 20 days after the adoption is filed with the Texas Secretary of State.

12 Adopted amendments to §215.132 define certain terms used in the section: "buyer's license  
13 plate," "buyer's temporary license plate," and "dealer's temporary license plate." Adopted amendments  
14 also delete the definition of temporary tag. "Buyer's license plate" is adopted to be defined as a general  
15 issue plate or set of license plates issued by a dealer to a vehicle buyer under Transportation Code,  
16 §503.063 for a vehicle that will be titled and registered in Texas. This term is also adopted to be defined  
17 to include a buyer's provisional license plate, which is a short-term use license plate that a dealer may  
18 issue if the dealer does not have the applicable license plate available for the type of vehicle the buyer is  
19 purchasing. A "buyer's temporary license plate" is adopted to be defined as a temporary license plate to  
20 be issued by a dealer to a non-resident vehicle buyer whose vehicle will be titled and registered out-of-  
21 state in accordance with Transportation Code, §503.063(i). A "dealer's temporary license plate" is defined  
22 as a license plate that a dealer who holds a general distinguishing number (GDN) may purchase and use  
23 for the purposes allowed under Transportation Code, §502.062. Adopted amendments to these

1 definitions implement HB 718, which eliminates temporary paper tags and requires the department to  
2 create new categories of license plates that will be affixed to a vehicle upon purchase. Some of the  
3 remaining definitions are adopted to be re-lettered to allow for the addition and deletion of definitions.

4       Adopted amendments to §215.133(c)(1)(I) add a reference to the “license plate system” to  
5 implement HB 718, which eliminates temporary paper tags and becomes effective on July 1, 2025.  
6 Additionally, an adopted amendment to §215.133 adds new §215.133(c)(1)(P) to require GDN applicants  
7 to disclose whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the  
8 physical address where the repair is performed. This adopted amendment will allow the department to  
9 obtain the information necessary to carry out its responsibilities under SB 224 to identify license holders  
10 that repair motor vehicles with catalytic converters and inspect related records. To allow for the additional  
11 requirement, the following subsection is re-lettered accordingly. In response to public comment, a  
12 proposed amendment to §215.133(c)(2)(J) to require applicants to complete webDEALER training as part  
13 of the application process was deleted at adoption as dealer access requirements for this system are  
14 proposed for adoption in §217.74 of this title. Adopted amendments to §215.133(c)(3)(B) add “dealer”  
15 and “temporary license” before the word “plate” to be consistent with the amended definitions in  
16 §215.132, and to implement HB 718 when it becomes effective on July 1, 2025. The effective date for this  
17 section is the first day of a calendar month following a period of 20 days after the adoption is filed with  
18 the Texas Secretary of State.

19       Adopted amendments to §215.138 add certain dealer’s plates to those subject to the  
20 requirements of the chapter, clarify certain exceptions to the license plate requirements, and add record  
21 keeping and reporting requirements to prevent fraud and theft. Adopted amendments to §215.138 add  
22 personalized prestige and temporary license plates to the types of license plates to which the  
23 requirements of the section apply. These types of license plates are adopted to be added in §215.138(a),



1 (b), (c), (f), and (j) to implement HB 718. This section lists the requirements for dealer's license plates.  
2 Referencing these additional types of plates in each subsection ensures these requirements are inclusive  
3 of all the types of dealer's plates that may be used by a dealer. Adopted amendments to §215.138(c) add  
4 golf carts and off-highway vehicles to §215.138(c)(3) and (4), as described by Transportation Code  
5 Chapters 551 and 551A, respectively, to ensure that §215.138(c) incorporates all the types of vehicles that  
6 dealer's plates may not be displayed on, including those with statutory exceptions, for clarity and ease of  
7 reference. Adopted amendments to §215.138(h) add the requirement that a dealer maintains records of  
8 each dealer's plate in the department's designated electronic license plate system rather than in the  
9 dealer's records. This adopted amendment allows the department to prevent fraud and allows law  
10 enforcement access to these records. Additionally, in §215.138(h)(4), which describes information that  
11 must be entered into the system, adopted language requires a dealer to enter the name of the person in  
12 control of the vehicle or license plate. This adopted change makes it easier for the department and law  
13 enforcement to identify and investigate fraud and other illegal activity, while allowing dealers flexibility  
14 to assign a license plate to a vehicle or a driver. At adoption, amendments to §215.138(i) deleted  
15 paragraph (1) in conformity with the proposed deletion of §215.138(k) because a dealer is no longer  
16 required to keep a local license plate record as the dealer will be required to maintain that information in  
17 the department's designated electronic system instead. The following two subparagraphs of §215.138(i)  
18 are renumbered accordingly. A proposed amendment to §215.138(j) to encourage a dealer to  
19 immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency  
20 was not adopted. An adopted amendment strikes §215.138(k), which previously required a dealer's  
21 license plate record to be available for inspection by the department. This adopted subsection is no longer  
22 necessary as dealers will be entering these records into the department's designated electronic license  
23 plate system. An adopted amendment re-letters (l) to (k) for continuity. An adopted amendment to

1 §215.138(l) clarifies that a wholesale motor vehicle auction GDN holder that also holds a dealer's GDN  
2 may display a dealer's temporary license plate assigned to their dealer GDN on a vehicle that is being  
3 transported to or from the licensed auction location. This adopted language clarifies that persons who  
4 hold both types of GDNs may use a dealer's temporary license plate to legally transport vehicles between  
5 their businesses. In response to public comment, at adoption, §215.138(m) was added to clarify that  
6 recordkeeping requirements in subsection (d) do not apply to a vehicle that is being operated solely for  
7 the purposes of demonstration, which is commonly referred to as a test drive.

8       Adopted amendments to §215.140 add requirements regarding delivery of buyer's license plates  
9 and storage of those license plates. HB 718 eliminated temporary tags and created a need for buyer's  
10 plates to be delivered to dealers so that dealers may issue license plates to buyers upon vehicle purchase.  
11 This statutory change requires dealers to properly receive, secure, and store license plates to prevent  
12 fraud, plate theft, and related criminal activity. An adopted amendment to §215.140(a)(5)(F) adds buyer's  
13 plates to the types of license plates that will not be mailed to an out-of-state address, but that will only  
14 be delivered or mailed to a dealer's physical location in Texas. These adopted amendments are necessary  
15 to responsibly implement HB 718, which eliminates temporary tags and creates a need for buyer's plates  
16 to be delivered to dealers so that they may issue them to buyers upon vehicle purchase. Another adopted  
17 amendment to §215.140 adds §215.140(a)(6)(E), which requires a dealer to store all license plates in a  
18 dealer's possession in a locked or otherwise secured room or closet or in at least one securely locked and  
19 substantially constructed safe or steel cabinet bolted or affixed to the floor in such a way that it cannot  
20 be readily removed, to deter theft or fraudulent misuse of license plates. A proposed amendment to  
21 §215.140(b)(5) adding subparagraph (E), was intended to create a similar requirement for a wholesale  
22 motor vehicle auction GDN holder to securely store license plates removed from vehicles sold at auction  
23 to out-of-state buyers or for export. However, this proposed amendment was deleted at adoption in

1 response to a public comment because a rule addressing license plate security at wholesale motor vehicle  
2 auctions requires further stakeholder input and department consideration. Further rulemaking on this  
3 issue will be proposed at a future board meeting.

4 In response to public comment, at adoption, the phrases “or set of plates,” “or set of license  
5 plates,” “or sets of license plates,” and “sets of plates” were deleted in §§215.141, 215.150 - 215.152, and  
6 215.155 - 215.158, to improve consistency and readability. The definition of buyer’s license plate in  
7 §215.132(2) defines the term as including a set of plates so the phrase does not need to be repeated.

8 Adopted amendments to §215.141 remove references to temporary tags and add sanctions that  
9 the department may assess if a license holder fails to comply with new license plate requirements or  
10 catalytic converter record requirements. These adopted changes are necessary to enforce the provisions  
11 of HB 718 and SB 224. An adopted amendment to §215.141(b)(10) adds references to buyer’s “license  
12 plate or buyer’s temporary license plate” to reflect the new plate types that the department has  
13 developed to implement HB 718, which will become effective July 1, 2025. Adopted amendments to  
14 §215.141(b)(12) and (13) add an expiration date for temporary tags of July 1, 2025, to implement HB 718.  
15 An adopted amendment to §215.141(b)(25) updates the title of a referenced rule to reflect the adopted  
16 new title for that rule. Adopted new §215.141(b)(26) authorizes sanctions should a license holder fail to  
17 securely store a license plate. Adopted new §215.141(b)(27) authorizes sanctions should a license holder  
18 fail to maintain a record of dealer license plates as required under §215.138. Adopted new  
19 §215.141(b)(28) authorizes sanctions should a license holder fail to file or enter a vehicle transfer notice.  
20 Adopted new §215.141(b)(29) authorizes sanctions should a license holder fail to enter a lost, stolen, or  
21 damaged license plate in the electronic system designated by the department within the time prescribed  
22 by rule. Adopted new §215.141(b)(34) authorizes sanctions should a license holder fail to remove a license  
23 plate or set of license plates from a vehicle sold to an out-of-state buyer or from a vehicle sold for export.

1 The adopted amendments for §215.141(b)(26)-(29) and (34) make the requirements of HB 718  
2 enforceable by the department when HB 718 becomes effective on July 1, 2025. Adopted new  
3 §215.141(b)(35) authorizes sanctions should a license holder fail to keep or maintain records required  
4 under Occupations Code, Chapter 2305, Subchapter D or to allow an inspection of these records by the  
5 department both of which are required by SB 224. The effective date for this section is 20 days after the  
6 adoption is filed with the Texas Secretary of State.

7 An adopted amendment to §215.143(c) streamlines license plate recordkeeping for in-transit  
8 license plates by requiring a drive-a-way operator to maintain required license plate data in the  
9 department-designated system instead of in a local record. Additionally, in §215.143(c)(4), an adopted  
10 amendment changes the requirement that the record contain the name of the person in control of the  
11 vehicle to the name of the person in control of the license plate. This adopted amendment allows a drive-  
12 a-way operator to designate in the license plate system which employee is currently responsible for an  
13 in-transit plate, which will inform the department or law enforcement in case of a complaint. An adopted  
14 amendment in §215.143(d)(1) strikes “operator’s plate record” and replaces it with “department-  
15 designated system” for consistency. A proposed amendment to §215.143(e) to add language encouraging  
16 a drive-a-way operator to immediately alert law enforcement by reporting a stolen license plate was not  
17 adopted. An adopted amendment strikes §215.143(f), which required that a drive-a-way operator’s  
18 license plate record be available for inspection, as this is no longer necessary because these license  
19 holders will be required to enter that information into the department’s designated system. The  
20 remaining sections are re-lettered for continuity.

21 Adopted amendments to §215.144 replace references to the electronic title system in subsection  
22 §215.144(e)(8) and (9) with references to webDEALER as defined in §217.71 to clarify the system to be  
23 used. An adopted amendment to §215.144(e)(9) deletes an inadvertent use of “new” to describe a motor

1 vehicle as the paragraph covers both new and used motor vehicles and adds “properly stamped” which  
2 was inadvertently deleted in the June 1, 2024, amendment to this rule upon publication. Adopted  
3 amendments to §215.144(f)(3) add a reference to title to clarify that the reasonable time periods apply  
4 to both filing of a title and registration, simplify language to improve readability, and add a new  
5 subparagraph (C) regarding timeliness for filing a title or registration for certain military personnel in  
6 compliance with Transportation Code, §501.145(c). An adopted amendment to §215.144(i)(2)(C) changes  
7 the requirement to make title application on public motor vehicle auctions from 20 working days of sale  
8 to a reasonable time as defined in §215.144(f) for consistency. Adopted amendments to §215.144(l) add  
9 punctuation and create two new subsections. The first subsection is retitled “webDEALER” and  
10 incorporates existing language regarding the department’s web-based title application. The adopted new  
11 subsection is titled “License Plate System.” This section requires a license holder to comply with §215.151,  
12 which contains general requirements for the issuance of license plates by dealers and is an important  
13 reference for dealers.

14 Adopted amendments to §215.147(d) add a requirement that a dealer remove, void, and destroy  
15 or recycle any license plate or registration insignia as required under §215.158 before transferring  
16 ownership of a vehicle to be exported, and strike paragraphs (1)-(3) relating to temporary tags. These  
17 amendments are necessary to implement HB 718 and to prevent theft and fraud of these plates which  
18 are no longer assigned to a vehicle registered in Texas.

19 An adopted amendment to §215.148 makes a non-substantive change to delete a repetitive  
20 phrase and parenthetical in §215.148(c). The effective date for this section is 20 days after the adoption  
21 is filed with the Texas Secretary of State.

22 In response to public comment, at adoption, the phrase “general issue” was either deleted or  
23 changed to “buyer’s” throughout §§215.150 - 215.152, 215.155, 215.157, and 215.158 for consistency in

1 terminology. The definition of “buyer’s license plate” in §215.132(2) defines the plate as a general issue  
2 plate so that phrase does not need to be repeated.

3 An adopted amendment to §215.150 changes the name of the section to strike “Temporary Tags”  
4 and replace that phrase with “License Plates” to implement HB 718, which eliminated temporary tags. An  
5 adopted amendment to §215.150(a) requires a dealer to issue a buyer’s license plate for a vehicle type  
6 the dealer is authorized to sell to (1) a buyer of a new vehicle, unless the buyer has an authorized plate  
7 which may be assigned to the vehicle, and (2) a buyer of a used vehicle, if a buyer’s license plate did not  
8 come with the vehicle and if the buyer does not have authorized plates that can be assigned to the vehicle.  
9 The adopted amendments to §215.150 recognize that under HB 718, a converter may not issue a  
10 temporary tag or license plate effective July 1, 2025, and that the purpose of the department’s database  
11 will change from the tracking and issuance of temporary tags to the tracking and issuing of license plates  
12 on July 1, 2025. Other adopted amendments throughout this section implement HB 718 by striking all  
13 language referencing temporary tags.

14 Adopted new §215.150(b) adds an exception to the requirements in §215.150(a) for vehicles sold  
15 to commercial fleet buyers authorized by a county tax assessor-collector as a dealer deputy under  
16 §217.166 because these commercial fleet buyers are authorized as dealer deputies to assign license plates  
17 to vehicles purchased from a dealer. Adopted new §215.150(c) requires a dealer to issue a buyer’s  
18 temporary license plate to an out-of-state buyer for a vehicle to be registered in another state.

19 Adopted amendments to relettered §215.150(d) replace “license holder” with “dealer” for  
20 consistency in terminology. Another amendment to relettered §215.150(d) removes a list of the types of  
21 temporary tags and substitutes a citation to license plates under Transportation Code, §503.063, which  
22 was amended by HB 718 to replace temporary tags with license plates. Additionally, adopted amendments

1 to relettered §215.150(d) replace references to the temporary tag database with references to the license  
2 plate system and update associated statutory and rule references to implement HB 718.

3 Adopted amendments to prior §215.150(c) re-letter it to §215.150(e), delete “federal, state, or  
4 local” to describe a governmental agency as this descriptor is unnecessary, clarify that a governmental  
5 agency may issue either a buyer’s license plate or a buyer’s temporary license plate unless the buyer has  
6 a qualifying license plate to place on the vehicle, remove references to buyer’s temporary tags and  
7 internet-down tags, and update Transportation Code and rule citations.

8 Adopted amendments to prior §215.150(d) re-letter it to §215.150(f), strike the term “converter,”  
9 and strike references to the temporary tag database, replacing those references with “license plate  
10 system” to implement HB 718. Additionally, an adopted amendment to re-lettered §215.150(f)(4) deletes  
11 prior language and replaces it with a requirement for a dealer to secure all license plates, including license  
12 plates assigned to vehicles in inventory, dealer’s license plates, and unissued buyer’s license plates in a  
13 locked and secured room or closet or in one or more securely locked, substantially constructed safes or  
14 steel cabinets bolted or affixed to the floor or wall. An adopted amendment also requires dealers to  
15 properly mark and destroy, recycle, or return all void license plates as required under §215.158. These  
16 amendments are necessary to responsibly implement license plate management required under HB 718  
17 and to deter license plate theft and fraud.

18 Prior §215.151 is adopted for repeal as this section describes how to use and affix temporary tags,  
19 which HB 718 has eliminated. Adopted new §215.151, titled “License Plate General Use Requirements,”  
20 implements HB 718, which requires the department set rules for affixing license plates to vehicles.  
21 Adopted new §215.151 maintains consistency with how plates are currently affixed under §217.27.  
22 Adopted new §215.151(a) sets out the requirements for securing a license plate to a vehicle for a Texas  
23 buyer, in accordance with §217.27. Adopted new §215.151(b) requires a dealer to issue a buyer’s

1 temporary license plate and secure this license plate to the vehicle for a vehicle purchased by a non-  
2 resident buyer who intends to title and register the vehicle under the laws of the home state. Adopted  
3 new §215.151(c) requires a dealer to remove and destroy a plate on a used vehicle if the buyer has a  
4 specialty, personalized or other qualifying plate to put on the vehicle. Adopted new §215.151(d) specifies  
5 a dealer’s responsibilities to remove and store a buyer’s license plate when the dealer purchases a vehicle  
6 with an assigned license plate, and the dealer’s responsibilities upon vehicle sale to update the license  
7 plate database and provide, securely transfer, or destroy or recycle the assigned license plate depending  
8 on the type of purchaser. In response to a public comment, at adoption, an amendment to §215.151(d)  
9 corrects the citation to §215.150 to reference subsection (f), rather than subsection (d). In response to  
10 public comment, at adoption, amendments to §215.151(d) split the first sentence into two sentences to  
11 improve readability by separating the dealer’s responsibilities upon purchase of a vehicle from the  
12 dealer’s responsibilities when the vehicle is sold. Sentence punctuation was added as was the introductory  
13 phrase: “Upon vehicle sale, the dealer must update the license plate database and:” to clarify that a dealer  
14 is required to update the license plate system for any type of vehicle sale not just sales to out-of-state  
15 dealers or for export. In response to public comment, at adoption, the separate duties of dealers to retail  
16 buyers and dealer buyers were split out and clarified: “Texas buyer” in §215.151(d)(1) was specified to be  
17 a “Texas retail buyer,” and new §215.151(d)(2) was added to address a vehicle sale to a Texas dealer  
18 requiring the selling dealer to securely transfer the license plate to the purchasing dealer. Also at  
19 adoption, proposed §215.151(d)(2) was renumbered to §215.151(d)(3) and the requirement to update  
20 the license plate database was deleted as that language was moved to the second sentence in  
21 §215.151(d). These adopted revisions are necessary to implement HB 718 and further clarify dealer  
22 responsibilities. At adoption, the department also corrected an error in new §215.151(d)(3) by changing  
23 the word “the” to “this” before the word “title.”



1           Adopted amendments to new §215.152 replace all references to temporary tags with references  
2 to dealer-issued buyer’s license plates to implement HB 718, which eliminated temporary tags and the  
3 temporary tag database and requires a dealer to issue or reassign a license plate to most vehicle buyers.  
4 Adopted amendments to §215.152(a) strike the terms “converter” and “temporary tag database” and  
5 replace those terms with “webDEALER” and “the license plate system,” and add language requiring a  
6 dealer to be responsible for verifying receipt of license plates in the license plate system. These adopted  
7 amendments recognize that under HB 718, a converter may not issue a temporary tag or license plate  
8 effective July 1, 2025, and that the purpose of the database will change from the tracking and issuance of  
9 temporary tags to the tracking and issuing of license plates on July 1, 2025.

10           At adoption, the department amends §215.152(b) to update the cross-reference with the adopted  
11 new title of §215.157, “Issuing Buyer’s License Plates and License Plate Receipts When Internet Not  
12 Available.” Adopted amendments to §215.152(b) also replace prior language by substituting requirements  
13 for a dealer to enter information in the license plate system, including information about the vehicle, the  
14 buyer, and the license plate number assigned.

15           Adopted amendments to §215.152(c) require the department to inform each dealer of the annual  
16 maximum number of buyer’s license plates the dealer is authorized to obtain, substitute “obtain” for  
17 “issue,” and add a reference to Transportation Code, §503.063. Additional adopted amendments to  
18 §215.152(c) add language to describe the two types of buyer’s license plate allotments that a dealer is  
19 eligible to obtain from the department, which are: (1) an allotment of unassigned buyer’s license plates  
20 for vehicles to be titled and registered in Texas, and (2) a separate allotment of buyer’s temporary license  
21 plates for non-resident buyers. This distinction reflects the new license plate types the department has  
22 developed to implement HB 718.

1           Adopted amendments to §215.152(d)(1) provide that a dealer’s allotment will be based on vehicle  
2 title transfers, sales, or license plate issuance data as determined from the department’s systems from  
3 the previous fiscal year, as well as previously used multipliers based on time in operation or actual in-state  
4 and out-of-state sales transactions. Adopted amendments to these previously existing factors in  
5 §215.152(d)(3)(A) and (B) replace the “number of dealer’s temporary tags issued” with the “number of  
6 transactions processed through the department.” Adopted amendments to §215.152(d)(4) strike  
7 temporary tags and add the word “annual” to be clear that the allotment of license plates is on an annual  
8 basis.

9           An adopted amendment strikes as unnecessary current §215.152(e), which relates to allocating  
10 temporary tags for converters because a converter may not issue a temporary tag or license plate effective  
11 July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718. The remaining subsections  
12 of §215.152 are adopted to be re-lettered accordingly.

13           Adopted amendments to current §215.152(f), adopted to be re-lettered as §215.152(e), strike  
14 references to “converter,” and replace references to temporary tags with references to general issue and  
15 buyer’s temporary license plates. Additionally, adopted amendments to relettered §215.152(e)(1) provide  
16 that a new franchised dealer may be issued 200 general issue license plates and 100 buyer’s temporary  
17 plates annually, and provide that the franchised dealer may request more license plates based on credible  
18 information indicating a higher quantity is warranted. These adopted plate allocations are based on  
19 historical data for newly licensed franchised dealers. Adopted amendments strike relettered  
20 §215.152(e)(1)(A) and (B) because they relate only to temporary tags. Adopted amendments to relettered  
21 §215.152(e)(2) provide the annual allocation of license plates for new non-franchised dealers as 100  
22 general issue license plates and 48 buyer’s temporary license plates. These adopted plate allocations are  
23 based on historical data for newly licensed non-franchised dealers. Another adopted amendment to

1 relettered §215.152(e) strikes §215.152(e)(3), because it relates only to the converter’s temporary tag  
2 allocation. Under Transportation Code, Chapter 503 as amended by HB 718, a converter may not issue a  
3 temporary tag or license plate effective July 1, 2025.

4 Adopted amendments to relettered §215.152(f) and (g) replace references to temporary tags with  
5 references to license plates throughout, changes “license” to “GDN” and “dealership” to “dealer” for  
6 consistency in terminology, and update subsection designations based on adopted amendments.

7 New adopted §215.152(h) states that the plates will be distributed on a quarterly basis, so that  
8 dealers will have enough inventory on hand to conduct business but will not have to store the entirety of  
9 the annual plate allotment at once, and clarifies that a dealer’s remaining unissued plates at the end of  
10 the allocation period will count towards the dealer’s next allocation. At adoption, a clause was added to  
11 the end of the first sentence of new §215.152(h) to allow for a twice-yearly allocation to a dealer that sells  
12 only special interest vehicles or antique vehicles as defined in Transportation Code, §683.077(b). For  
13 consistency with this new language, the term “quarterly” was deleted at adoption from the second  
14 sentence of new §215.152(h) describing allocations and allocation periods. A dealer who sells only these  
15 types of vehicles requested this change at adoption because a quarterly allocation would not work with  
16 that dealer’s business model, which is to sell large quantities of these vehicles through auctions held only  
17 twice per year.

18 New adopted §215.152(i) explains when a dealer may submit a request for additional plates to  
19 ensure that dealers are able to order more plates well in advance of needing them and paralleling the  
20 current requirements for temporary tag requests in prior §215.152(i). The adopted amendments delete  
21 prior language that is no longer applicable under HB 718. New adopted §215.152(j) requires a dealer to  
22 submit a request in the license plate system. New adopted §215.152(k) explains the process by which a  
23 dealer must submit the request for additional plates and the information that is required from the dealer,

1 modifying language currently in §215.152(i) with the terms and statutory citations changed for  
2 consistency with HB 718 implementation. Adopted amendments to the language in §215.152(i),  
3 incorporated into new §215.152(k)(3), change the division within the department where appeals will be  
4 reviewed from the Motor Vehicle Division to the Vehicle Titles and Registration Division to be consistent  
5 with current agency operations. Other adopted amendments re-letter prior §215.152(j) and (k), delete  
6 references to converters and temporary tags because a converter may not issue a temporary tag or license  
7 plate effective July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718, add  
8 references to license plate system activity, and update statutory references. At adoption, §215.152(k) was  
9 renumbered. An adopted amendment strikes §215.152(l), as this subsection, prohibiting rollover of  
10 temporary tag allotments from one calendar year to the next, is no longer necessary. Each of these  
11 adopted amendments is necessary to implement HB 718.

12 Section 215.153 is adopted for repeal as part of HB 718 implementation because it only sets out  
13 the specifications for the design of temporary tags and is therefore no longer necessary. Similarly,  
14 §215.154 is adopted for repeal because it only describes how dealer's temporary tags are to be used, and  
15 these temporary tags will no longer exist following the implementation of HB 718.

16 Adopted new §215.154 implements HB 718 by addressing the allocation of a new license plate  
17 type created by HB 718, a dealer's temporary license plate. Adopted new §215.154(a) bases the number  
18 of dealer's temporary license plates a dealer may order on the type of license for which the dealer applied  
19 and the number of vehicles the dealer sold during the previous year, to deter theft and fraudulent misuse  
20 of temporary plates by limiting supply. Adopted new §215.154(b) gives the maximum number of dealer's  
21 temporary license plates issued to new license applicants during the applicants' first license term in a  
22 graphic table. Adopted new §215.154(c) provides all dealers licensed on July 1, 2025, with the opportunity  
23 to obtain the number of dealer's temporary plates that a new dealer of the same license type is eligible

1 for on that date as defined in §215.154(b), and an additional number based on dealer sales in the previous  
2 year as defined in §215.154(e). This new adopted subsection helps to ensure that existing dealers have  
3 access to enough dealer’s temporary plates during the transition from using agent and vehicle temporary  
4 tags to using dealer’s temporary plates. Adopted new §215.154(d) lists the exceptions for which a dealer  
5 will not be subject to the initial allotment so that certain dealers who previously qualified for more license  
6 plates may continue using their current allocation. Adopted new §215.154(e) allows a dealer to obtain  
7 more than the maximum initial allotment limits for dealer’s temporary plates by providing sales numbers  
8 from the prior year that justify an increased allocation, to allow for flexibility and business continuity for  
9 those dealers who have a documented need for additional plates. Similarly, adopted new §215.154(f)  
10 allows wholesale motor vehicle dealers to obtain more than the maximum initial allotment of dealer’s  
11 temporary plates by providing the department with the numbers of vehicles purchased over the past 12  
12 months to predict a dealer’s need for additional license plates, to ensure that a wholesaler has sufficient  
13 temporary plates to meet documented demand. Adopted new §215.154(g) allows the department to  
14 waive maximum issuance restrictions if the waiver is essential for the continuity of business if the dealer  
15 provides the department with sales data and reason for the waiver request to allow the department  
16 flexibility to meet the demonstrated business needs of its license holders with appropriate allocations on  
17 a case-by-case basis. Adopted new §215.154 will thus implement HB 718 with an allocation system for  
18 dealer temporary license plates that balances the need to limit allocations to avoid excess inventory  
19 creating an increased risk of license plate fraud or theft with the need to provide license holders with  
20 enough dealer temporary license plates to meet business needs.

21       Adopted amendments to §215.155 replace all references to buyer’s temporary tags with  
22 references to buyer’s license plates or buyer’s temporary license plates to implement HB 718, which  
23 eliminated temporary tags in favor of license plates. An adopted amendment to §215.155(c) requires that

1 a dealer may not issue a buyer’s license plate for a wholesale transaction; rather, the purchaser must use  
2 its own dealer’s plate to display on a purchased vehicle. If a general issue plate or set of plates is already  
3 assigned to the vehicle, the selling dealer must provide the general issue plates to the purchasing dealer.  
4 This adopted amendment is to ensure that an assigned license plate stays with the vehicle to which the  
5 license plate was originally assigned, consistent with the requirement in Transportation Code,  
6 §504.901(b). The adopted amendments to §215.155 include striking §215.155(e) as unnecessary because  
7 it only addresses requirements for temporary tags, which HB 718 has eliminated. The remaining  
8 subsections of §215.155 are re-lettered accordingly. Adopted amendments to prior §215.155(f) strike the  
9 current temporary tag fee and prescribe a new \$10 fee for buyer’s plates. Adopted amendments to prior  
10 §215.155(f) similarly strike the prior temporary tag fee that governmental agencies may charge and  
11 prescribe a new \$10 fee that governmental agencies may charge for buyer’s plates. HB 718 amended  
12 Transportation Code, §503.063(g) to eliminate the temporary tag fee and to require the department to  
13 prescribe a fee to be charged by the dealer to the buyer for license plates that are issued or assigned to  
14 the buyer upon vehicle purchase. The department has determined that a \$10 fee will be sufficient to cover  
15 the expected costs associated with registering and processing the new license plates required by HB 718.  
16 Additionally, an adopted amendment to prior §215.155(f)(1) replaces “electronic title system” with  
17 “designated electronic system” to better reflect current department procedure.

18 Adopted amendments to §215.156 replace all references to temporary tags with references to  
19 buyer’s license plates to implement HB 718, which eliminated temporary tags in favor of license plates.  
20 The purpose of §215.156 is to describe the requirements for a dealer to provide a vehicle buyer with a  
21 buyer’s receipt. Adopted amendments requiring a dealer to print a receipt from the department’s  
22 designated electronic system reflect that HB 718 will require dealers to print a buyer’s receipt from a  
23 different electronic system. The adopted amendments to §215.156 delete unnecessary language

1 describing the process for printing temporary tag receipts, since HB 718 abolished temporary tags.  
2 Adopted amendments also remove references to metal plates in favor of “vehicle registration insignia” to  
3 reflect new processes and standardize terminology across the department’s rule chapters. Additionally,  
4 adopted new §215.156(7) requires the receipt to include the procedure by which the vehicle registration  
5 insignia will be provided to the buyer, as is required under Transportation Code, §503.0631(d-1), as  
6 amended by HB 718. The adopted amendments to §215.156 also delete unnecessary language and  
7 punctuation. In response to public comment, at adoption, clarifying amendments to §215.156 added the  
8 phrase “or buyer’s temporary license plate” to clarify that a dealer must issue a buyer’s license plate  
9 receipt to every purchaser of a vehicle in Texas even if the vehicle is to be registered out-of-state, and  
10 added the phrase “if the vehicle is to be registered in Texas” to clarify that the requirement to include the  
11 procedure by which the vehicle’s registration insignia will be provided only applies to vehicles to be  
12 registered in Texas. These amendments help clarify which buyer’s license plate receipt requirements apply  
13 to a particular type of vehicle sale.

14 Adopted amendments to §215.157 implement HB 718 by describing the process for a dealer to  
15 issue a license plate and a license plate receipt when internet access is not available by replacing the prior  
16 requirement for a dealer to print out an internet-down tag with a requirement for a dealer to document  
17 the issuance of a buyer’s general issue license plate and then enter that information in the license plate  
18 system not later than the close of the next business day. These adopted amendments are necessary to  
19 implement HB 718 and maintain the integrity of the data in the license plate database.

20 Adopted amendments to §215.158 describe the general requirements for buyer’s license plates  
21 necessary to implement HB 718. Adopted amendments to the title of §215.158 add “for Buyer’s License  
22 Plates” and delete an unnecessary reference to “Preprinted Internet-down Temporary Tag Numbers.”  
23 Adopted amendments to §215.158 delete language related to internet-down temporary tags, which are

1 obsolete since HB 718 eliminated temporary tags, and replace it with language about license plates.  
2 Adopted amendments to §215.158(a) also make nonsubstantive wording and punctuation changes and  
3 delete an unnecessary descriptive phrase for a governmental agency to improve readability and retain the  
4 dealer and governmental agency’s responsibility for safekeeping of license plates and for prompt  
5 reporting of license plates that are lost, stolen, or destroyed. A proposed amendment to §215.158(a) to  
6 encourage a dealer or governmental agency to immediately report all stolen license plates to local law  
7 enforcement was not adopted. In response to public comment, an amendment added at adoption to  
8 §215.158(a) adds the phrase “or buyer’s temporary license plate” to clarify that a dealer’s responsibility  
9 to report any loss, theft, or destruction of license plates includes a buyer’s temporary license plate.  
10 Adopted amendments to §215.158(b) require a dealer to remove and void any previously assigned plates  
11 that cannot stay with the motor vehicle. Under the adopted amendment, the dealer must mark these  
12 license plates as void and destroy, recycle the void license plates with a metal recycler registered under  
13 Occupations Code, Chapter 1956, or return the void license plates to the department or a county tax  
14 assessor-collector. These steps are intended to prevent potential theft or fraud relating to plates that have  
15 been removed from a vehicle. These amendments are necessary to responsibly implement HB 718.  
16 Adopted amendments to §215.158(c) require a dealer to return all license plates in their possession to  
17 the department within 10 days of closing the associated license or within 10 days of the department  
18 revoking, canceling, or closing the associated license, to reduce the risk of theft or fraudulent misuse of  
19 the plates. At adoption, an amendment to §215.158(c) deleted the word “buyer’s” in describing license  
20 plates to clarify that all license plates in the dealer’s possession must be returned to the department  
21 within 10 days if the dealer’s license is revoked, cancelled, or closed. The remaining subsections of  
22 §215.158 are adopted for deletion as these subsections refer only to internet-down tags and are no longer  
23 necessary with the implementation of HB 718.



1           Adopted for repeal, §215.159 describes the requirements for converter’s temporary tags, which  
2 will not exist when HB 718 is implemented, making §215.159 unnecessary.

3           Adopted amendments to §215.160(a) and §215.160(b) replace the references to titles under  
4 Transportation Code, §501.100 with the words “issued a title” to clarify that if dealers know a motor  
5 vehicle has formerly been a salvage vehicle, they must disclose this fact, regardless of whether the motor  
6 vehicle is currently titled under Transportation Code, §501.100. The effective date for the amendments  
7 to this section is 20 days after the adoption is filed with the Texas Secretary of State.

8           Adopted new §215.162 implements SB 224 by requiring dealers that repair a motor vehicle with  
9 a catalytic converter to comply with the statutory recordkeeping requirements in Occupations Code,  
10 Chapter 2305, Subchapter D, and to allow the department to inspect those records during business hours.  
11 The effective date for this section is 20 days after the adoption is filed with the Texas Secretary of State.

12

13 Subchapter E. Lessors and Lease Facilitators

14           An adopted amendment to §215.178(a)(2) simplifies language for improved readability by  
15 changing “a request from a representative of the department” to “a department records request.”

16           Adopted amendments to §§215.178(c)(7)(C) and (D) and §215.178(c)(8) replace references to the  
17 electronic title system with references to webDEALER, as defined in 43 TAC §217.71, relating to  
18 Automated and Web-Based Vehicle Registration and Title Systems, to provide additional context to the  
19 specific part of the electronic title system to which the section applies. An adopted amendment in  
20 §215.178(c)(8) adds an “a” before motor vehicle to correct sentence grammar. An adopted amendment  
21 to §215.178(g) adds an exception to those records that may be kept electronically for documents listed in  
22 subsection (c)(8) of this section, which are records that dealers are required to keep in webDEALER. The

1 effective date for the amendments to this section is 20 days after the adoption is filed with the Texas  
2 Secretary of State.

3 **SUMMARY OF COMMENTS.**

4 The department received five written comments on the proposal from two individuals, the National Auto  
5 Auction Association (NAAA), the Texas Automobile Dealers Association (TADA), and the Texas  
6 Independent Automobile Dealers Association (TIADA).

7 **Comment:** TADA comments that in §215.120 (g) and (h), the term "license holder" is used rather than  
8 manufacturer, distributor, or converter, and requests that the department change the rule language  
9 accordingly.

10 **Response:** The department disagrees with this comment. At adoption, the department clarified that the  
11 criteria for evaluating applications for additional standard license plates is the same for all eligible license  
12 holders, including franchised and GDN dealers.

13 **Comment:** An individual commenter requests the department define "repair of a catalytic converter."

14 **Response:** The department disagrees with this comment because these terms are defined in statute. The  
15 term "repair" is defined in Occupations Code, §2305.001(2) and "catalytic converter" is defined in  
16 Occupations Code, §2305.151. The amendments and new rule adopted by the department do not change,  
17 expand, or diminish these statutory definitions.

18 **Comment:** TIADA requests a streamlined process be added to §215.133 for a dealer who has been licensed  
19 for 10 years to renew a license.

20 **Response:** The department disagrees that streamlining the dealer license renewal process is a change that  
21 can be made within the scope of this rule package but welcomes suggestions for streamlining the process  
22 that may be considered in a future rule proposal.

1 **Comment:** TADA requests that the webDEALER training requirement in §215.133 not be added to the  
2 current licensing requirements.

3 **Response:** The department agrees with this comment. At adoption, the department deleted the licensing  
4 requirement, and webDEALER access requirements are addressed in §217.74.

5 **Comment:** An individual commenter and TADA note a typographical error in a referenced citation to  
6 §217.74(g).

7 **Response:** The department agrees with this comment. Correcting the citation was unnecessary because  
8 the language was struck at adoption as noted in the response to the previous public comment.

9 **Comment:** TADA and TIADA request that in §215.138, the department not require the vehicle information  
10 to be entered into the license plate system for a test drive.

11 **Response:** The department agreed with this comment and exempted vehicle demonstrations from this  
12 rule at adoption.

13 **Comment:** An individual commenter suggests replacing the words “dealer’s license plate record” with  
14 “electronic license plate system designed by the department” in §215.138(i)(1).

15 **Response:** The department agrees that the reference to dealer’s license plate record is unnecessary. At  
16 adoption, the department struck all text in proposed §215.138(i)(1) and renumbered the remaining  
17 paragraphs. Substituting language in proposed §215.138(i)(1) is not necessary because the requirement  
18 to report the dealer’s license plate in the electronic system designated by the department was included  
19 in proposed §215.138(i)(2), renumbered at adoption as §215.138(i)(1).

20 **Comment:** An individual commenter recommends including the option of returning voided dealer license  
21 plates to a county tax assessor-collector’s office for consistency with other sections in §215.138(j).

22 **Response:** The department disagrees with this comment. Currently, dealers must return void dealer’s  
23 standard license plates to the department and this requirement has allowed the department to track

1 these plates, confirm dealer compliance with Transportation Code, §503.038, and properly dispose of  
2 these plates to prevent related fraud. Requiring dealers also to return void dealer’s temporary license  
3 plates to the department is consistent with the current requirement for standard plates and will allow the  
4 department to more efficiently manage these plates and prevent related fraud.

5 **Comment:** NAAA and an individual commenter request that language be added in §215.140 or §215.150,  
6 to define Texas license plates as securely stored if the license plates are: (1) physically stored inside a  
7 motor vehicle while the vehicle is stored on an auction’s property; or (2) remain physically attached to the  
8 vehicle while it is stored on an auction’s property.

9 **Response:** The department disagrees with this comment because it is unclear how effective either of  
10 these methods would be in preventing bad actors from stealing license plates from vehicles at auction.  
11 The department recognizes that motor vehicles sold at auction require coordination between the seller,  
12 the auction, and the buyer, and will solicit further input from stakeholders before proposing a future rule  
13 regarding the handling of these vehicle license plates.

14 **Comment:** NAAA and an individual commenter request that auctions should be exempt from any Texas  
15 license plate removal, reporting and storage requirements because of the wholesale (non-retail) nature  
16 of the transactions and the substantial cost outweighing any potential benefits.

17 **Response:** The department disagrees with this comment. NAAA estimates that based on 2023 data,  
18 approximately 100,000 vehicles in Texas are sold annually to out-of-state dealers. Not recovering these  
19 100,000 Texas license plates per year represents a significant risk of fraud. The department also recognizes  
20 that transferring and securing license plates may have operational and cost impacts on both dealers and  
21 auctions and will solicit additional input from stakeholders on how these license plates could be efficiently  
22 and effectively secured and managed before proposing a rule regarding the handling of license plates for  
23 vehicles at auction. In the proposed rules, the only requirement for a wholesale motor vehicle auction

1 was to have secure storage for license plates. At adoption, the department struck this requirement in  
2 anticipation of future rulemaking.

3 **Comment:** TADA thanks the department for allowing a dealer multiple options with respect to the location  
4 and means to store the license plates in the dealer's possession in §215.140.

5 **Response:** The department agrees with this comment. The department seeks to provide flexibility when  
6 possible.

7 **Comment:** TADA requests that if the department's electronic plate system is not available for use by the  
8 dealer at the time of the test drive, that sanctions not be available for assessment in §215.141.

9 **Response:** The department disagrees that a change to §215.141 is required. The department's  
10 enforcement team investigates and considers relevant facts and circumstances surrounding a potential  
11 violation before issuing a violation notice and assessing a penalty. These facts and circumstances would  
12 include any downtime of associated systems.

13 **Comment:** TADA requests that §215.150 include language allowing a buyer to request new general issue  
14 license plates regardless of whether the used vehicle did or did not come with a set of plates and suggests  
15 a reference be added to Transportation Code, §504.007.

16 **Response:** The department disagrees with this comment as this request is outside the scope of this  
17 rulemaking. This request may be considered in a future rulemaking consistent with the department's  
18 statutory authority.

19 **Comment:** An individual commenter recommends in §215.151(b) changing "titled and registered in  
20 another state" as a qualification for issuance of a temporary license plate as titling or registering may not  
21 be required under the applicable state law.

22 **Response:** The department agrees with this comment. At adoption, the department substituted the  
23 phrase "titled and registered in accordance with the laws of the buyer's state of residence."

1 **Comment:** An individual commenter requested that a reference in §215.151(d) be corrected to  
2 §215.150(f).

3 **Response:** The department agrees and corrected the citation at adoption.

4 **Comment:** NAAA requests that the department resolve any inconsistency between proposed §215.151(d)  
5 and §217.53(a) and (b).

6 **Response:** The department agrees with this comment, and at adoption has revised both sections for  
7 consistency as described in the explanation section of each rule adoption.

8 **Comment:** TADA suggests that §215.151(d)(1) state that a dealer who removes and stores the general  
9 issue license plates shall offer the assigned license plates to a Texas buyer that purchases the vehicle;  
10 otherwise, the buyer and seller may believe he or she is required to accept the previous owner's plates.

11 **Response:** The department disagrees with this comment as this request is outside the scope of this  
12 rulemaking. This request may be considered in a future rulemaking consistent with the department's  
13 statutory authority.

14 **Comment:** TIADA recommends allowing dealers to request additional license plates at any time by  
15 eliminating the 50 percent requirement in §215.152(i)(1) and (i)(2).

16 **Response:** The department disagrees with this comment. Based on the department's experience in  
17 managing temporary tags allocations, requiring a dealer to use 50% of an allocation before requesting  
18 additional license plates is an effective and practical way for both the dealer and the department to  
19 manage license plate requests and license plate inventory.

20 **Comment:** TADA expresses a concern that the initial allotment in §215.152 may be too narrow and  
21 requests TxDMV to continue to be receptive to a dealer's request for a greater number of buyer's license  
22 plates.

1 **Response:** The department agrees that the department must continue to be receptive to dealers' requests  
2 for a greater number of license plates based on business need and has adopted language to facilitate  
3 these requests. The adopted allotments are based on data currently available in department systems and  
4 the department will review usage and propose adjustments to these allocations in future rule proposals  
5 as required.

6 **Comment:** TADA requests that the department repeat the approved uses in Transportation Code,  
7 §503.062 in §215.154 and add a new provision that a dealer's temporary license plate may be used on a  
8 vehicle that is driven under a conditional delivery agreement as provided for in the Finance Code,  
9 §348.013 to provide a clearer understanding of the allowed uses.

10 **Response:** The department disagrees with this comment. A reference to Transportation Code, §503.062  
11 is included in the definition of a dealer's temporary license plate in §215.132(2). Repeating statutory  
12 language in rule is unnecessary and doing so would require the department to amend the rule if the  
13 statutory language changes in the future.

14 **Comment:** An individual commenter requests clarification in §215.156 regarding whether a dealer will be  
15 required to print a receipt for a buyer's temporary license plate, and recommended that if so, including  
16 the expiration date on the receipt to coincide with the expiration date affixed on the plate to help mitigate  
17 malpractice or fraud.

18 **Response:** The department agrees that clarifying whether a receipt will be issued for a buyer's temporary  
19 license plate would be helpful. At adoption, the department clarified that §215.156 and §215.158 apply  
20 to a buyer's license plate and a buyer's temporary license plate. The department agrees with the  
21 recommendation to add language regarding the expiration to the temporary license plate receipt but  
22 chose not to add "expiration date" to the rule text at adoption because the department has not finalized

1 the receipt text and the department has a choice whether to refer to the statutory 60-day period from  
2 the date of issuance or include a specific expiration date.

3 **Comment:** TADA requests that §215.157 be amended to allow the required information to be entered  
4 into the license plate system when the dealer or governmental agency has access to the internet, but no  
5 later than the close of the next business day after internet access is permanently secured.

6 **Response:** The department disagrees with this comment. Transportation Code, §503.0631(d) requires a  
7 dealer to submit the required information not later than the next business day after the time of sale. The  
8 department’s enforcement team investigates and considers relevant facts and circumstances surrounding  
9 a violation before issuing a violation notice and assessing a penalty, including extenuating circumstances  
10 that may cause a prolonged outage, such as a natural disaster or extreme weather event.

11 **Comment:** An individual commenter requests removal of the references to “non-resident” and “out-of-  
12 state resident” from sections impacting the issuance of buyer’s temporary license plates.

13 **Response:** The department disagrees because Transportation Code, §503.063(i) limits the applicability of  
14 these temporary license plates to non-resident buyers.

15 **Comment:** An individual commenter requests that the defined term “buyer’s license plate” be used in all  
16 related rules for consistency in terminology.

17 **Response:** The department agrees with this comment and made multiple edits in the adopted text to  
18 make terminology more consistent. These nonsubstantive changes are described in the Explanation of  
19 Adopted Amendments, Repeals, and New Sections of the preamble.

20 **Comment:** NAAA recommends clarifying which license plate status updates must be completed by the  
21 selling Texas dealer or by the buying Texas dealer, as applicable.

22 **Response:** The department agrees that clarifying responsibilities is important and at adoption made  
23 changes to §215.151(d) to clarify certain dealer responsibilities when a dealer buys or sells a vehicle with



1 an assigned license plate. Once the design for the new license plate system is finalized, the department  
2 anticipates that additional helpful clarification can be provided to dealers in rule and in system training  
3 and documentation.

4 **Comment:** TIADA requests that the adopted rules not include a suggestion to report stolen license plates  
5 to law enforcement.

6 **Response:** The department agrees with this comment and made changes at adoption to remove the  
7 referenced language.

8 **Comment:** An individual commenter requests multiple advanced system capabilities be included in the  
9 new license plate system and related webDEALER tools for the allocation, storage, and reporting of license  
10 plates and issuance of registration insignia.

11 **Response:** The department disagrees that this comment is within the scope of this rule proposal.  
12 However, the department will consider these requests as the department works with a vendor to design  
13 and implement the new system.

14 **Comment:** TADA requests that the department consider allowing the information in the electronic license  
15 plate system to be maintained as a secure confidential record.

16 **Response:** The department disagrees with this comment. The department understands dealers and the  
17 public may have confidentiality concerns. However, the department must comply with state law regarding  
18 the classification of information as public or confidential under Government Code, Chapter 552. The  
19 department anticipates that the information in the license plate system will be a mix of confidential and  
20 public/non-confidential information.

21

22

#### SUBCHAPTER A. GENERAL PROVISIONS

23

#### 43 TAC §215.1 and §215.2

1 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the  
2 department adopts amendments to Chapter 215 under Occupations Code, §2301.151, which gives the  
3 board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take  
4 any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152,  
5 which authorizes the board to establish the qualifications of license holders, ensure that the  
6 distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to  
7 prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the  
8 distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301  
9 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to  
10 adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern  
11 practice and procedure before the board; Occupations Code, §2301.651, which gives the board  
12 authority to deny an application for a license, revoke or suspend a license, place on probation, or  
13 reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,  
14 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully  
15 defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle;  
16 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of  
17 dealer's license plates; Transportation Code, §503.0631 which requires the department to adopt rules to  
18 implement and manage the department's database of dealer-issued buyer's license plates; §503.0633  
19 which allows the department to establish the maximum number of license plates or sets of license  
20 plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065; Transportation  
21 Code, §520.0071 which requires the board to adopt rules classifying deputies performing titling and  
22 registration duties, the duties and obligations of these deputies, the type and amount of bonds that may  
23 be required by a county tax assessor-collector for a deputy performing titling and registration duties,

1 and the fees that may be charged or retained by deputies; Transportation Code, §520.021 which allows  
2 the department to adopt rules and policies for the maintenance and use of the department’s automated  
3 registration and titling system; and Transportation Code, §1002.001, which authorizes the board to  
4 adopt rules that are necessary and appropriate to implement the powers and the duties of the  
5 department, as well as the statutes referenced throughout this preamble.

6 The department also adopts amendments under the authority of Transportation Code, §§501.0041,  
7 502.0021, 503.002, and 520.003; and Government Code, §2001.004 and §2001.054, in addition to the  
8 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, §520.003  
13 authorizes the department to adopt rules to administer Chapter 520.

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

18 **CROSS REFERENCE TO STATUTE.** These adopted amendments implement Government Code, Chapter  
19 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520,  
20 and 1001–1005.

21  
22 Text.

23 §215.1. Purpose and Scope.

1           Occupations Code, Chapters 2301 and 2305, and Transportation Code, Chapters 503, 504,  
2           520, and 1001 -1005 require the Texas Department of Motor Vehicles to license and regulate the vehicle  
3           industry to ensure a sound system of distributing and selling vehicles; provide for compliance with  
4           manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and other  
5           abuses of the people of this state in connection with the distribution and sale of vehicles. This chapter  
6           describes licensing requirements and the rules governing the vehicle industry.

7

8           §215.2. Definitions; Conformity with Statutory Requirements.

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

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

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

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

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

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

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

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

4 (7) Standard license plate--A motor vehicle license plate issued by the department to a  
5 license holder for use by the license holder that is not a personalized prestige dealer's license plate  
6 issued under Transportation Code §503.0615.

7

8 **SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS**

9 **43 TAC §§215.101, 215.120, and 215.121**

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

1 fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code,  
2 §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license plates;  
3 Transportation Code, §503.0631 which requires the department to adopt rules to implement and manage  
4 the department's database of dealer-issued buyer's license plates; §503.0633 which allows the  
5 department to establish the maximum number of license plates or sets of license plates a dealer may  
6 obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code, §520.0071  
7 which requires the board to adopt rules classifying deputies performing titling and registration duties, the  
8 duties and obligations of these deputies, the type and amount of bonds that may be required by a county  
9 tax assessor-collector for a deputy performing titling and registration duties, and the fees that may be  
10 charged or retained by deputies; Transportation Code, §520.021 which allows the department to adopt  
11 rules and policies for the maintenance and use of the department's automated registration and titling  
12 system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are  
13 necessary and appropriate to implement the powers and the duties of the department, as well as the  
14 statutes referenced throughout this preamble.

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

18 Transportation Code, §501.0041 authorizes the department to adopt rules to administer  
19 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt  
20 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the  
21 board to adopt rules for the administration of Transportation Code, Chapter 503.

22 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature  
23 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies

1 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal  
2 of a license.

3 **CROSS REFERENCE TO STATUTE.** These adopted new sections and amendments implement Government  
4 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-  
5 503, 520, and 1001–1005.

6  
7 Text.

8 §215.101. Purpose and Scope.

9 This subchapter implements Occupations Code, Chapters 2301 and 2305, and  
10 Transportation Code, Chapters 503, 504, 520, and 1001 - 1005, and applies to franchised dealers,  
11 manufacturers, distributors, and converters.

12  
13 §215.120. Standard License Plates.

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

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

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

20 (b) A manufacturer may use a manufacturer's standard license plate to test a prototype motor  
21 vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry a  
22 load. A manufacturer's standard license plate may not be used on a commercial motor vehicle prototype

1 or new commercial motor vehicle to carry a load for which the manufacturer or other person receives  
2 compensation.

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

5 (d) A manufacturer, distributor, or converter shall maintain a record of each standard license  
6 plate issued to the manufacturer, distributor, or converter by the department either in the license  
7 holder's recordkeeping system or in the department-designated system. The license plate record must  
8 contain:

9 (1) the license plate number;

10 (2) the year and make of the vehicle to which the license plate is affixed;

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

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

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

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

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

18 and

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



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

6 (g) In evaluating requests for additional standard license plates from any eligible license holder,  
7 including a franchised or other GDN dealer, the department shall consider the business justification  
8 provided by a license holder including the following:

9 (1) the number of vehicles assembled or modified;

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

11 (3) the size and type of business;

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

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

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

17 (h) a license holder shall return a department-issued license plate to the department within 10  
18 days of the license holder closing the associated license or the associated license being revoked,  
19 canceled, or closed by the department.

20

1 §215.121. Sanctions.

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

4 (1) deny an application;

5 (2) revoke a license;

6 (3) suspend a license;

7 (4) assess a civil penalty;

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

9 (6) take other authorized action.

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

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

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

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

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

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

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

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

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

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

13 (10) violates a provision of Occupations Code, Chapter 2301; Transportation Code  
14 Chapters 501–503 or 1001–1005; a board order or rule; or a regulation of the department relating to the  
15 manufacture, assembly, sale, lease, distribution, financing, or insuring of vehicles, including advertising  
16 rules under Subchapter F of this chapter (relating to Advertising);

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

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

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

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

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

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

9 (17) fails to participate in statutorily required mediation without good cause; or

10 (18) fails to keep or maintain records required under Occupations Code, Chapter 2305,  
11 Subchapter D.

12

13

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

15 **43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-**

16 **215.160, AND 215.162**

17 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the  
18 department adopts amendments and new sections to Chapter 215 under Occupations Code, §2301.151,  
19 which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the  
20 authority to take any action that is necessary or convenient to exercise that authority; Occupations Code,

1 §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the  
2 distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to  
3 prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the  
4 distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301  
5 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to  
6 adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern  
7 practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority  
8 to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a  
9 licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law  
10 relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or  
11 fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code;  
12 Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of  
13 dealer's license plates; Transportation Code, §503.0631 which requires the department to adopt rules to  
14 implement and manage the department's database of dealer-issued buyer's license plates; §503.0633  
15 which allows the department to establish the maximum number of license plates or sets of license plates  
16 a dealer may obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code,  
17 §504.0011 which allows the board to adopt rules to implement and administer Chapter 504;  
18 Transportation Code, §520.0071 which requires the board to adopt rules classifying deputies performing  
19 titling and registration duties, the duties and obligations of these deputies, the type and amount of bonds  
20 that may be required by a county tax assessor-collector for a deputy performing titling and registration  
21 duties, and the fees that may be charged or retained by deputies; Transportation Code, §520.021 which  
22 allows the department to adopt rules and policies for the maintenance and use of the department's  
23 automated registration and titling system; and Transportation Code, §1002.001, which authorizes the

1 board to adopt rules that are necessary and appropriate to implement the powers and the duties of the  
2 department, as well as the 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  
7 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt  
8 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the  
9 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,  
10 §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation  
11 Code, §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 adopted new sections and amendments implement Government  
17 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters  
18 501 - 504, 520, and 1001–1005.

19  
20 Text.

21 §215.131. Purpose and Scope.

1           This subchapter implements Transportation Code, Chapters 503, 504, 520, and 1001–1005,  
2 and Occupations Code, Chapters 2301 and 2305, and applies to general distinguishing numbers and  
3 drive-a-way operator in-transit licenses issued by the department.

4

5 §215.132. Definitions.

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

8                   (1) Barrier--A material object or set of objects that separates or demarcates.

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

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

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

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

21                   (6) House trailer--A nonmotorized vehicle designed for human habitation and for  
22 carrying persons and property on its own structure and for being drawn by a motor vehicle. A

1 house trailer does not include manufactured housing. A towable recreational vehicle, as defined by  
2 Occupations Code, §2301.002, is included in the terms "house trailer" or "travel trailer."

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

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

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

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

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

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

11 (13) VIN--Vehicle identification number.

12

13 §215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

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

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

20 (c) A GDN dealer or wholesale motor vehicle auction application must be on a form  
21 prescribed by the department and properly completed by the applicant as required under §215.83  
22 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or  
23 wholesale motor vehicle auction application must include all required information, required



1 supporting documents, and required fees and must be submitted to the department electronically  
2 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle  
3 auction GDN holder renewing or amending its GDN must verify current license information,  
4 provide related information and documents for any new requirements or changes to the GDN, and  
5 pay required fees including any outstanding civil penalties owed the department under a final  
6 order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the  
7 following:

8 (1) Required information:

9 (A) type of GDN requested;

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

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

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

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

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

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

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

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

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

14 (K) military service status;

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

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

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

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

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

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

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

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

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

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

12 (D) at least one of the following unexpired identity documents for each  
13 natural 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 (E) a certificate of occupancy, certificate of compliance, or other official  
22 documentation confirming the business location complies with municipal ordinances, including  
23 zoning, occupancy, or other requirements for a vehicle business;

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

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

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

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

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

12 (3) Required fees:

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

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

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

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

1 name or assumed name that may be confused with or is similar to that of a governmental entity or  
2 that is otherwise deceptive or misleading to the public.

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

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

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

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

16 (1) act as a salvage vehicle dealer or rebuilder; or

17 (2) store or display a motor vehicle as an agent or escrow agent of an insurance  
18 company.

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

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

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

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

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

10

11 §215.138. Use of Dealer's License Plates.

12                   (a) A dealer's standard, personalized prestige, or temporary license plate must be attached to  
13 the rear of a vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

14                   (b) A copy of the receipt for a dealer's standard, personalized prestige, or temporary license  
15 plate issued by the department should be carried in the vehicle to present to law enforcement personnel  
16 upon request.

17                   (c) A dealer's standard, personalized prestige, or temporary license plate may not be displayed  
18 on:

19                   (1) a laden commercial vehicle being operated or moved on the public streets or  
20 highways;

1 (2) the dealer's service or work vehicle, except as provided by Transportation Code,  
2 §503.068(b-1);

3 (3) a golf cart as defined under Transportation Code Chapter 551; or

4 (4) an off-highway vehicle as defined under Transportation Code Chapter 551A.

5 (d) For purposes of this section, a dealer's service or work vehicle includes:

6 (1) a vehicle used for towing or transporting another vehicle;

7 (2) a vehicle, including a light truck, used in connection with the operation of the  
8 dealer's shops or parts department;

9 (3) a courtesy car on which a courtesy car sign is displayed;

10 (4) a rental or lease vehicle; and

11 (5) a boat trailer owned by a dealer or manufacturer that is used to transport more than  
12 one boat.

13 (e) For purposes of this section, a light truck as defined by Transportation Code, §541.201, is not  
14 considered a laden commercial vehicle when it is:

15 (1) mounted with a camper unit; or

16 (2) towing a trailer for recreational purposes.

17 (f) A dealer's standard, personalized prestige, or temporary license plate may be displayed only  
18 on the type of vehicle for which the GDN is issued and for which a dealer is licensed to sell. A

1 nonfranchised dealer may not display a dealer's standard or personalized prestige license plate on a new  
2 motor vehicle.

3 (g) A dealer's standard or personalized prestige license plate may be displayed only on a vehicle  
4 that has a valid inspection in accordance with Transportation Code, Chapter 548.

5 (h) A dealer shall maintain in an electronic license plate system designated by the department a  
6 record of each dealer's standard, personalized prestige, or temporary license plate issued by the  
7 department to that dealer. The license plate record must contain:

8 (1) the license plate number;

9 (2) the year and make of the vehicle to which the dealer's license plate is affixed;

10 (3) the VIN of the vehicle; and

11 (4) the name of the person in control of the vehicle or license plate.

12 (i) If a dealer cannot account for a dealer's standard or personalized prestige license plate that  
13 the department issued to that dealer, the dealer shall:

14 (1) within three days of discovering that the dealer's license plate is missing or damaged,  
15 report the dealer's license plate as lost, stolen, or damaged in the electronic system designated by the  
16 department; and

17 (2) if found, cease use of the dealer's license plate.

18 (j) A dealer's standard, personalized prestige, or temporary license plate is no longer valid for use  
19 after the dealer reports to the department that the dealer's license plate is lost, stolen, or damaged. A  
20 dealer shall:



1 (1) render a void plate unusable by permanently marking the front of the plate with the  
2 word “VOID” or a large “X”; and

3 (2) destroy or recycle the license plate or return the license plate to the department  
4 within 10 days.

5 (k) A dealer shall return a department-issued license plate, sticker, or receipt to the department  
6 within 10 days of the dealer closing the associated license or the department revoking or canceling the  
7 license.

8 (l) A wholesale motor vehicle auction GDN holder that also holds a dealer GDN may display a  
9 dealer's temporary license plate assigned to that dealer GDN on a vehicle that is being transported to or  
10 from the licensed auction location.

11 (m) The recordkeeping requirements in §215.138(h) do not apply when a vehicle is being  
12 operated solely for the purpose of demonstration.

13

14 §215.140. Established and Permanent Place of Business Premises Requirements.

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

18 (1) Business hours for retail dealers.

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

1 (B) The retail dealer's business hours for each day of the week must be posted at  
2 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.  
3 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location  
4 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If  
5 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted  
6 business hours due to special circumstances or emergencies, a separate sign must be posted indicating  
7 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business  
8 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona  
9 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able  
10 to speak to a natural person or leave a message during these hours.

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

21 (3) Business sign requirements for retail dealers.

1 (A) A retail dealer must display a conspicuous, permanent sign with letters at  
2 least six inches in height showing the retail dealer's business name or assumed name substantially  
3 similar to the name reflected on the retail dealer's GDN under which the retail dealer conducts business.  
4 A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main  
5 entrance of the business office. A business sign is considered permanent only if it is made of durable,  
6 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.

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 letters at least six inches in height showing the wholesale motor vehicle dealer's  
21 business name or assumed name substantially similar to the name reflected on the wholesale motor

1 vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective  
2 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"  
3 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to  
4 the public within 100 feet of the main entrance of the business office. A business sign is considered  
5 permanent only if it is made of durable, weather-resistant material.

6 (ii) The sign must be permanently mounted on the business property at  
7 the physical address listed on the application. A business sign is considered permanently mounted if  
8 bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support  
9 permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior  
10 sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the  
11 requirements of this paragraph has been ordered and provides a written statement that the sign will be  
12 promptly and permanently mounted upon 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 letters at least two inches in height is acceptable. Effective  
18 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"  
19 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

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.

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 physical location.

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

10 (H) The dealer's office space must:

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

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

14 (iii) accommodate required office equipment; and

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

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

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

19 (A) a desk;

20 (B) two chairs;

1 (C) internet access;

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

4 (E) a locked and secured room or closet or at least one securely locked,  
5 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the  
6 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's  
7 license plates in a dealer's possession including both assigned plates for vehicles in inventory and  
8 unissued 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

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,



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 a material object or barrier that cannot be readily removed. A  
10 barrier that cannot be readily removed is one that cannot be easily moved by one person and typically  
11 weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the  
12 space necessary to allow for entry and exit of vehicle inventory.

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

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

19 (vii) The display area may be located inside a building; however, if  
20 multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by  
21 a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is

1 one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material  
2 object or barrier must be in place on all sides except for the space necessary to allow for entry and exit  
3 of vehicle inventory.

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

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

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

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

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

20 (C) the street address or legal description of the property, provided that if only a  
21 legal description of the property is included, a dealer must attach a statement verifying that the property

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.

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

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

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

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

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

19 (B) The sign must be permanently mounted at the physical address listed on the  
20 application for the wholesale motor vehicle auction GDN. A business sign is considered permanently

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

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

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

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

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

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

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

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

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

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

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

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

14 (A) a desk;

15 (B) a chair;

16 (C) internet access; and

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

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

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

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

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

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

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

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

19 (G) A wholesale motor vehicle auction may maintain a storage lot only if the  
20 storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the  
21 business name, contact information, and the fact the property is a storage lot is permissible. A storage

1 lot must be fenced or in an access-controlled location to be considered not accessible to the public. A  
2 GDN holder or applicant must disclose the address of a storage lot or the location of a vehicle in  
3 inventory upon request by the department.

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

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

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

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

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

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

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



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

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

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

9

10 §215.141. Sanctions.

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

13 (1) deny an application;

14 (2) revoke a license;

15 (3) suspend a license;

16 (4) assess a civil penalty;

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

18 (6) or take other authorized action.

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

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

5 (2) fails to meet or maintain the requirements of §215.140 (relating to Established and  
6 Permanent Place of Business Premises Requirements);

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

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

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

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

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

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

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

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

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

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

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

12 (10) issues more than one buyer's license plate or buyer's temporary license plate for a  
13 vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1,  
14 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (26) on or after July 1, 2025, fails to securely store a license plate;

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

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

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

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

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

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

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

9                   (34) on or after July 1, 2025, fails to remove a license plate from a vehicle sold to an out-  
10 of-state buyer or from a vehicle sold for export; or

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

13

14 §215.143. Drive-a-way Operator In-Transit License Plates.

15                   (a) A drive-a-way operator may apply for a drive-a-way in-transit standard license plate:

16                   (1) when applying for a new or renewal in-transit license, or

17                   (2) by submitting a plate request application electronically in the system designated by  
18 the department.

1 (b) A drive-a-way operator must display an in-transit license plate in the rear of each transported  
2 motor vehicle from the vehicle's point of origin to its point of destination in Texas in accordance with  
3 §217.27 of this title (relating to Vehicle Registration Insignia).

4 (c) A drive-a-way operator shall maintain a record of each license plate issued to the operator by  
5 the department in the department-designated system. The record of each license plate issued must  
6 contain:

7 (1) the license plate number;

8 (2) the year and make of the vehicle to which the license plate is affixed;

9 (3) the VIN of the vehicle; and

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

11 (d) If a drive-a-way operator cannot account for a license plate or a license plate is damaged, the  
12 operator must:

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

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

16 (3) if found once reported, cease use of the license plate.

17 (e) A license plate is no longer valid for use after the drive-a-way operator reports to the  
18 department that the plate is lost, stolen, or damaged. A drive-a-way operator must render a void plate  
19 unusable by permanently marking the front of the plate with the word "VOID" or a large "X" and once

1 marked, may destroy or recycle the license plate, or return the license plate to the department for  
2 recycling within 10 days.

3 (f) In evaluating requests for additional license plates, the department will consider the business  
4 justification provided by a drive-a-way operator including the following:

5 (1) the number of vehicles currently being transported to a location in Texas;

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

7 (3) the size and type of business; and

8 (4) the operator's record of tracking and reporting missing or damaged plates to the  
9 department.

10 (g) If a drive-a-way operator closes the associated license or the associated license is revoked or  
11 canceled by the department, the operator must return a license plate to the department within 10 days.

12

13 §215.144. Vehicle Records.

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

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



1 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and  
2 all information and records required under Transportation Code §503.0295.

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

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

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

13 (1) the date of the purchase;

14 (2) the date of the sale;

15 (3) the VIN;

16 (4) the name and address of the person selling the vehicle to the dealer;

17 (5) the name and address of the person purchasing the vehicle from the dealer;

18 (6) the name and address of the consignor if the vehicle is offered for sale by

19 consignment;

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

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

5 (A) the title application;

6 (B) the work-up sheet;

7 (C) the front and back of the manufacturer's certificate of origin or  
8 manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in  
9 §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems);

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

12 (E) the factory invoice, if applicable;

13 (F) the sales contract;

14 (G) the retail installment agreement;

15 (H) the buyer's order;

16 (I) the bill of sale;

17 (J) any waiver;

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

19 (L) the purchaser's photo identification;

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

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

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

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

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

11 (f) Title assignments.

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

14 (A) title;

15 (B) manufacturer's statement of origin;

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

17 (D) other evidence of ownership.

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

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 title on  
15 behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser; and

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

19                   (h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written  
20 consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle,

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 public motor vehicle auction:

10 (A) is not required to take assignment of title of a vehicle it offers for sale;

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

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

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

17 (j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder  
18 shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale  
19 occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license

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);

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 (l) 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 Buyer's License Plates General Use Requirements) regarding requirements to enter  
18 information into the department-designated electronic system for license plates.

19

20 §215.147. Export Sales.

1 (a) Before selling a motor vehicle for export from the United States to another country, a dealer  
2 must obtain a legible photocopy of the buyer's government-issued photo identification document. The  
3 photo identification document must be issued by the jurisdiction where the buyer resides and be:

4 (1) a passport;

5 (2) a driver license;

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

8 (4) a national identification certificate or identity document; or

9 (5) other identification document containing the:

10 (A) name of the issuing jurisdiction;

11 (B) buyer's full name;

12 (C) buyer's foreign address;

13 (D) buyer's date of birth;

14 (E) buyer's photograph; and

15 (F) buyer's signature.

16 (b) A dealer that sells a vehicle for export from the United States shall place a stamp on the title  
17 that includes the words "For Export Only" and includes the dealer's GDN. The stamp must be legible, in  
18 black ink, at least two inches wide, and placed on the:

19 (1) back of the title in all unused dealer reassignment spaces; and



1                   (2) front of the title in a manner that does not obscure any names, dates, mileage  
2 statements, or other information printed on the title.

3                   (c) In addition to the records required to be maintained by §215.144 of this title (relating to  
4 Vehicle Records), a dealer shall maintain, for each motor vehicle sold for export, a sales file record. The  
5 sales file record shall be made available for inspection and copying upon request by the department. The  
6 sales file record of each vehicle sold for export must contain:

7                   (1) a completed copy of the Texas Motor Vehicle Sales Tax Exemption Certificate for  
8 Vehicles Taken Out of State, indicating that the vehicle has been purchased for export to a foreign  
9 country;

10                   (2) a copy of the front and back of the title of the vehicle, showing the "For Export Only"  
11 stamp and the GDN of the dealer; and

12                   (3) if applicable, an Export-only Sales Record Form, listing each motor vehicle sold for  
13 export only.

14                   (d) A dealer, at the time of sale of a vehicle for export, shall remove, void, and destroy or recycle  
15 any license plate or registration insignia as required under §215.158 (relating to General Requirements  
16 for Buyer's License Plates) before transferring the vehicle.

17

18 §215.148. Dealer Agents.

19                   (a) A dealer shall provide written authorization to each person with whom the dealer's agent or  
20 employee will conduct business on behalf of the dealer, including to a person that:

1 (1) buys and sells motor vehicles for resale; or

2 (2) operates a licensed auction.

3 (b) If a dealer's agent or employee that conducts business on behalf of the dealer commits an  
4 act or omission that would be cause for denial, revocation, or suspension of a license in accordance with  
5 Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, the board may:

6 (1) deny an application for a license; or

7 (2) revoke or suspend a license.

8 (c) The board may take action described in subsection (b) of this section after notice and an  
9 opportunity for hearing, in accordance with Occupations Code, Chapter 2301 and Chapter 224 of this  
10 title (relating to Adjudicative Practice and Procedure).

11 (d) A dealer's authorization to an agent or employee must:

12 (1) be in writing;

13 (2) be signed by the dealer principal or person in charge of daily activities of the  
14 dealership;

15 (3) include the agent's or employee's name, current mailing address, and telephone  
16 number;

17 (4) include the dealer's business name, address, and dealer license number or numbers;

18 (5) expressly authorize buying or selling by the specified agent or employee;

1                   (6) state that the dealer is liable for any act or omission regarding a duty or obligation of  
2 the dealer that is caused by that agent or employee, including any financial considerations to be paid for  
3 the vehicle;

4                   (7) state that the dealer's authorization remains in effect until the recipient of the  
5 written authorization is notified in writing of the revocation of the authority; and

6                   (8) be maintained as a required dealer's record and made available upon request by a  
7 representative of the department, in accordance with the requirements of §215.144 of this title (relating  
8 to Vehicle Records).

9                   (e) A license holder, including a wholesale motor vehicle auction that buys and sells vehicles on a  
10 wholesale basis, including by sealed bid, is required to verify the authority of any person claiming to be  
11 an agent or employee of a licensed dealer who purports to be buying or selling a motor vehicle:

12                   (1) on behalf of a licensed dealer; or

13                   (2) under the written authority of a licensed dealer.

14                   (f) A title to a vehicle bought by an agent or employee of a dealer shall be:

15                   (1) reassigned to the dealer by the seller or by the auction; and

16                   (2) shall not be delivered to the agent or employee but delivered only to the dealer or  
17 the dealer's financial institution.

18                   (g) Notwithstanding the prohibitions in this section, an authorized agent or employee may sign a  
19 required odometer statement.

1 (h) In a wholesale transaction for the purchase of a motor vehicle, the seller may accept as  
2 consideration only:

3 (1) a check or a draft drawn on the purchasing dealer's account;

4 (2) a cashier's check in the name of the purchasing dealer; or

5 (3) a wire transfer from the purchasing dealer's bank account.

6

7 §215.150. Dealer Authorization to Issue License Plates.

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

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

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

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

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

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

2 (1) the department denies access to the license plate system under Transportation Code  
3 §503.0633(f) and §224.58 of this title (relating to Denial of Dealer Access to License Plate System);

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

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

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

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

15 (2) is not required to charge the registration fee authorized under Transportation Code  
16 §503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

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

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

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

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

6 (4) securing all license plates, including license plates assigned to vehicles in inventory,  
7 dealer's license plates, and unissued buyer's license plates, by storing license plates in a locked and  
8 secured room or closet or one or more securely locked, substantially constructed safes or steel cabinets  
9 bolted or affixed to the floor or wall of sufficient size to store all dealer and buyer's license plates in a  
10 dealer's possession, and by promptly marking and destroying, recycling, or returning void license plates  
11 as required under §215.158 of this title (relating to General Requirements for Buyer's License Plates; and

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

13

14 §215.151. License Plate General Use Requirements.

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

18 (1) A dealer must secure, or a governmental agency may secure, a buyer-provided  
19 license plate on the purchased vehicle if a buyer provides a specialty, personalized, or other qualifying

1 license plate that is eligible to be assigned to the vehicle with approval of the department and update  
2 the license plate system accordingly.

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

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

10 (b) If a non-resident buyer purchases a vehicle to be titled and registered in accordance with the  
11 laws of the buyer's state of residence, a dealer must issue, or a governmental agency may issue, a  
12 buyer's temporary license plate and secure the temporary license plate to the rear of a vehicle in  
13 accordance with §217.27 of this title and update the license plate system accordingly.

14 (c) If a vehicle has an assigned license plate and the buyer provides a specialty, personalized, or  
15 other qualifying license plate to transfer to the vehicle, a dealer must update the license plate status in  
16 the license plate system, mark the license plate as void and destroy, recycle, or return the license plate  
17 as required in §215.158 of the title (relating to General Requirements for Buyer's License Plates).

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

1 (1) provide the assigned license plate to a Texas retail buyer that purchases the vehicle;

2 or

3 (2) if the vehicle is sold to a Texas dealer, securely transfer the assigned license plate to  
4 the purchasing dealer; or

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

7

8 §215.152. Obtaining Dealer-Issued Buyer's License Plates.

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

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

16 (1) the vehicle;

17 (2) the buyer; and

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



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

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

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

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

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

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

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

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

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

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

7 (A) changes in the market;

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

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

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

15 (1) 200 buyer's license plates and 100 buyer's temporary license plates for a franchised  
16 dealer unless the dealer provides credible information indicating that a greater number of buyer's  
17 license plates is warranted based on anticipated sales, and growth, to include new and used vehicle  
18 sales, including information from the manufacturer or distributor, or as otherwise provided in this  
19 section.

1                   (2) 100 buyer’s license plates and 48 buyer’s temporary license plates for a  
2 nonfranchised dealer unless the dealer provides credible information indicating that a greater number of  
3 license plates is warranted based on anticipated sales as otherwise provided in this section.

4                   (f) An existing dealer that is:

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

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

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

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

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

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

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

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

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

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

11 (i) A dealer may request more buyer's license plates or buyer's temporary license plates:

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

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

17 (j) To receive more buyer's license plates or buyer's temporary license plates under subsection  
18 (i), a dealer must submit a request in the department's designated license plate system.

19 (k) A dealer requesting an increase in the maximum annual allotment of buyer's license plates or  
20 buyer's temporary license plates must provide information demonstrating the need for additional license

1 plates results from business operations, including anticipated needs, as required by Transportation Code,  
2 §503.0633(c). Information may include documentation of sales and tax reports filed as required by law,  
3 information of anticipated need, or other information of the factors listed in Transportation Code,  
4 §503.0633(b).

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

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

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

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

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

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

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

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

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

12 (ii) If the designated director in the Vehicle Titles and Registration  
13 Division awards an amount of additional license plates that is lesser, equal to, or greater than the  
14 request, the additional license plates will be added to the dealer's allocation and the dealer will be  
15 contacted by email regarding the decision, informed that the request has not been denied, and options  
16 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 for additional  
20 license plates during that calendar year if the dealer is able to provide additional information not  
21 considered in a prior request.

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

3 (m) 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 §215.154. Dealer's Temporary License Plate Allocation.

8 (a) The number of dealer's temporary license plates a dealer may order for business use is based  
9 on the type of license for which the dealer applied and the number of vehicles the dealer sold during the  
10 previous year.

11 (b) Unless otherwise qualified under this section, the maximum number of dealer's temporary  
12 license plates the department will issue to a new license applicant during the applicant's first license  
13 term is indicated in the following table.

14 Attached Graphic

15 (c) A person holding a dealer license on July 1, 2025, is eligible to receive the following maximum  
16 number of dealer's temporary plates:

17 (1) the number designated for that license type in subsection (b) of this section; and

18 (2) the number designated in subsection (e) of this section based on vehicle sales in the  
19 last 12-month period.

1 (d) A dealer that applies for a license is not subject to the initial allotment limits described in this  
2 section and may rely on that dealer's existing allocation of dealer's temporary license plates if that  
3 dealer is:

4 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the  
5 entity of ownership;

6 (2) any type of dealer that is relocating and has been licensed by the department for a  
7 period of one year or longer; or

8 (3) any type of dealer that is changing its business entity type and has been licensed by  
9 the department for a period of one year or longer.

10 (e) A dealer may obtain more than the maximum number of dealer's temporary license plates  
11 provided by this section by submitting to the department proof of sales for the previous 12-month  
12 period that justifies additional license plates.

13 (1) The number of additional dealer's temporary license plates the department will issue  
14 to a dealer that demonstrates need through proof of sales is indicated in the following table.

15 Attached Graphic

16 (2) For purposes of this section, proof of sales for the previous 12-month period may  
17 consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with  
18 the taxing authority in the county of the dealer's licensed location. Each copy must be stamped as  
19 received by the taxing authority.



1 (f) A wholesale motor vehicle dealer may obtain more than the maximum number of dealer's  
2 temporary license plates provided by this section by submitting to the department proof of the number  
3 of vehicles the dealer has purchased in the previous 12-month period that justifies additional license  
4 plates.

5 (1) Evidence of the wholesale motor vehicle dealer's vehicle purchases for the previous  
6 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling  
7 dealer's name, and any other information the department in its discretion deems necessary to  
8 determine the need for additional dealer's temporary license plates for the wholesale motor vehicle  
9 dealer.

10 (2) Upon review and approval of a wholesale motor vehicle dealer's proof of vehicle  
11 purchases documentation, the department shall issue up to 5 additional dealer's temporary license  
12 plates to the dealer.

13 (g) The Director of the Motor Vehicle Division may waive the dealer's temporary license plate  
14 issuance restrictions if the waiver is essential for the continuation of the business. The director will  
15 determine the number of dealer's temporary license plates the department will issue based on the  
16 dealer's past sales, dealer's inventory, and any other factor the Director determines pertinent.

17 (1) A request for a waiver must be submitted to the director in writing and specifically  
18 state why the additional dealer's temporary license plates are necessary for the continuation of the  
19 dealer's business.

20 (2) A request for a waiver must be accompanied by proof of the dealer's sales for the  
21 previous 12-month period, if applicable.

1

2 §215.155. Buyer's License Plates.

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

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

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

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

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

9 unless:

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

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

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

14 (c) For a wholesale transaction:

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

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

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

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

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

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

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

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

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

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

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

19

20 §215.156. Buyer's License Plate Receipt.

1           A dealer or governmental agency must print a buyer's license plate receipt from the  
2 department's designated electronic system and provide the receipt to the buyer of each vehicle for  
3 which a buyer's license plate or buyer's temporary license plate is issued. The dealer or governmental  
4 agency, shall instruct the buyer to keep a copy of the buyer's license plate receipt in the vehicle until the  
5 vehicle is registered in the buyer's name and the vehicle registration insignia is affixed to the motor  
6 vehicle windshield or plate, as applicable. The buyer's license plate receipt must include the following  
7 information:

8                   (1) the issue date of the buyer's license plate or buyer's temporary license plate;

9                   (2) the year, make, model, body style, color, and VIN of the vehicle sold;

10                  (3) the license plate number;

11                  (4) the date of the sale;

12                  (5) the name of the issuing dealer and the dealer's license number or the name of the  
13 issuing federal, state, or local governmental agency;

14                  (6) the buyer's name and mailing address; and

15                  (7) if the vehicle is to be registered in Texas, the procedure by which the vehicle's  
16 registration insignia will be provided to the buyer as required under Transportation Code, §503.0631.

17

18 §215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available.

19           In accordance with Transportation Code, §503.0631(d), if a dealer or governmental agency is  
20 unable to access the internet at the time of a sale, the dealer or governmental agency must document

1 the issuance of a buyer's license plate or a buyer's temporary license plate on a receipt form prescribed  
2 by the department and enter the required information regarding the sale in the license plate system not  
3 later than the close of the next business day. The buyer's receipt must include a statement that the  
4 dealer or governmental agency, has internet access but, at the time of the sale, the dealer or  
5 governmental agency, was unable to access the internet or the license plate system and meet the  
6 requirements in §215.156 of this title (relating to Buyer's License Plate Receipt).

7

8 §215.158. General Requirements for Buyer's License Plates.

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

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

18 (1) destroy the license plate; or

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

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

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

4

5 §215.160. Duty to Identify Motor Vehicles Offered for Sale as Rebuilt.

6 (a) For each motor vehicle a dealer displays or offers for retail sale and which the dealer knows  
7 has been a salvage motor vehicle as defined by Transportation Code, §501.091(15) and has subsequently  
8 been issued a title, a dealer shall disclose in writing that the motor vehicle has been repaired, rebuilt, or  
9 reconstructed. The written disclosure must:

10 (1) be visible from outside of the motor vehicle; and

11 (2) contain lettering that is reasonable in size, stating as follows: *"This motor vehicle has  
12 been repaired, rebuilt or, reconstructed after formerly being titled as a salvage motor vehicle."*

13 (b) Upon the sale of a motor vehicle which has been a salvage motor vehicle as defined by  
14 Transportation Code, §501.091(15) and subsequently issued a title, a dealer shall obtain the purchaser's  
15 signature on the vehicle disclosure form or on an acknowledgement written in fourteen point or larger  
16 font that states as follows: *"I, (name of purchaser), acknowledge that at the time of purchase, I am  
17 aware that this vehicle has been repaired, rebuilt, or reconstructed and was formerly titled as a salvage  
18 motor vehicle."*

19 (c) The purchaser's acknowledgement as required in subsection (b) of this section may be  
20 incorporated in a Buyer's Order, a Purchase Order, or other disclosure document. This  
21 disclosure requires a separate signature.

1 (d) An original signed acknowledgement or vehicle disclosure form required by subsection (b) of  
2 this section must be given to the purchaser and a copy of the signed acknowledgement or vehicle  
3 disclosure form shall be retained by the dealer in the records of motor vehicles sales required by  
4 §215.144 of this title (relating to Vehicle Records). If the acknowledgement is incorporated in a Buyer's  
5 Order, a Purchase Order, or other disclosure document, a copy of that document must be given to the  
6 purchaser and a copy retained in the dealer's records in accordance with §215.144.

7 (e) This section does not apply to a wholesale motor vehicle auction.

8  
9 §215.162. Catalytic Converter Record Requirements.

10 A dealer that repairs a motor vehicle with a catalytic converter shall:

11 (1) comply with the recordkeeping requirements in Occupations Code, Chapter 2305,  
12 Subchapter D; and

13 (2) allow the department to inspect these records during business hours.

14

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

16 **§§215.151, 215.153, 215.154 and 215.159**

17 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the  
18 department adopts repeals to Chapter 215 under Occupations Code, §2301.151, which gives the board  
19 authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any  
20 action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which  
21 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,  
22 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair

1 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of  
2 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,  
3 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or  
4 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before  
5 the board; Occupations Code, Transportation Code; Transportation Code, §503.061, which allows the  
6 board to adopt rules regulating the issuance and use of dealer's license plates; Transportation Code,  
7 §503.0631 which requires the department to adopt rules to implement and manage the department's  
8 database of dealer-issued buyer's license plates; §503.0633 which allows the department to establish the  
9 maximum number of license plates or sets of license plates a dealer may obtain annually under  
10 Transportation Code, §503.063 and §503.065; Transportation Code, §504.0011 which allows the board to  
11 adopt rules to implement and administer Chapter 504; Transportation Code, §520.021 which allows the  
12 department to adopt rules and policies for the maintenance and use of the department's automated  
13 registration and titling system; and Transportation Code, §1002.001, which authorizes the board to adopt  
14 rules that are necessary and appropriate to implement the powers and the duties of the department, as  
15 well as the statutes referenced throughout this preamble.

16 The department also adopts repeals under the authority of Transportation Code, §§501.0041,  
17 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and §2001.054, in addition  
18 to the statutory authority referenced throughout this preamble.

19 Transportation Code, §501.0041 authorizes the department to adopt rules to administer  
20 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt  
21 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the  
22 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,  
23 §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504.



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

5 **CROSS REFERENCE TO STATUTE.** These repeals implement Government Code, Chapter 2001;  
6 Occupations Code, Chapter 2301; and Transportation Code, Chapters 501 - 504, and 1001–1005.

7

8 [~~§215.151. Temporary Tags, General Use Requirements, and Prohibitions.~~]

9 [(a) A dealer, governmental agency, or converter shall secure a temporary tag to a vehicle in the  
10 license plate display area located at the rear of the vehicle, so that the entire temporary tag is visible and  
11 legible at all times, including when the vehicle is being operated.]

12 [(b) All printed information on a temporary tag must be visible and may not be covered or  
13 obstructed by any plate holder or other device or material.]

14 [(c) A motor vehicle that is being transported in accordance with Transportation Code,  
15 §503.068(d) or §503.0625, must have a dealer's temporary tag, a converter's temporary tag, or a buyer's  
16 temporary tag, whichever is applicable, affixed to the motor vehicle being transported.]

17

18 [~~§215.153. Specifications for All Temporary Tags~~]

19 [(a) Information printed or completed on a temporary tag must be in black ink on a white  
20 background. Other than for a motorcycle, a completed buyer's, dealer's, converter's, or preprinted  
21 Internet-down temporary tag shall be six inches high and at least eleven inches wide. For a motorcycle,

1 ~~the completed buyer's, dealer's, converter's, or preprinted Internet down temporary tag shall be four~~  
2 ~~inches high and at least seven inches wide.]~~

3 ~~[(b) A temporary tag must be:]~~

4 ~~[(1) composed of plastic or other durable, weather-resistant material; or]~~

5 ~~[(2) sealed in a two-mil clear poly bag that encloses the entire temporary tag.]~~

6 ~~[(c) A temporary tag may only be issued and printed from the department's temporary tag~~  
7 ~~database as described in §215.152 of this title (relating to Obtaining Numbers for Issuance of Temporary~~  
8 ~~Tags) and §215.157 of this title (relating to Advance Numbers, Preprinted Internet down Temporary~~  
9 ~~Tags).]~~

10

11 ~~[§215.154. Dealer's Temporary Tags.]~~

12 ~~[(a) A dealer's temporary tag may be displayed only on the type of vehicle for which the GDN is~~  
13 ~~issued and for which the dealer is licensed by the department to sell or lease.]~~

14 ~~[(b) A wholesale motor vehicle auction license holder that also holds a dealer GDN may display a~~  
15 ~~dealer's temporary tag on a vehicle that is being transported to or from the licensed auction location.]~~

16 ~~[(c) When an unregistered vehicle is sold to another dealer, the selling dealer shall remove the~~  
17 ~~selling dealer's temporary tag. The purchasing dealer may display its dealer's temporary tag or its~~  
18 ~~dealer's standard or personalized prestige license plate on the vehicle.]~~

19 ~~[(d) A dealer's temporary tag:]~~

1                   ~~[(1) may be displayed on a vehicle only as authorized in Transportation Code, §503.062;~~

2   and]

3                   ~~[(2) may not be displayed on:]~~

4                                 ~~[(A) a laden commercial vehicle being operated or moved on the public streets~~

5   or highways;]

6                                 ~~[(B) on the dealer's service or work vehicles as described in §215.138(d) of this~~

7   chapter (relating to Use of Dealer's License Plates);]

8                                 ~~[(C) a golf cart as defined under Transportation Code, Chapter 551; or]~~

9                                 ~~[(D) an off highway vehicle as defined under Transportation Code, Chapter~~

10   551A.]

11                 ~~[(e) For purposes of subsection (d) of this section, a vehicle bearing a dealer's temporary tag is~~

12   not considered a laden commercial vehicle when the vehicle is:]

13                                 ~~[(1) towing another vehicle bearing the same dealer's temporary tags; and]~~

14                                 ~~[(2) both vehicles are being conveyed from the dealer's place of business to a licensed~~

15   wholesale motor vehicle auction or from a licensed wholesale motor vehicle auction to the dealer's

16   place of business.]

17                                 ~~[(f) A dealer's temporary tag may not be used to operate a vehicle for the personal use of a~~

18   dealer or a dealer's employee.]

19                                 ~~[(g) A dealer's temporary tag must show its expiration date, which must not exceed 60 days after~~

20   the date the temporary tag was issued.]

1           ~~[(h) A dealer's temporary tag may be issued by a dealer to a specific motor vehicle in the dealer's~~  
2 ~~inventory or to a dealer's agent who is authorized to operate a motor vehicle owned by the dealer.]~~

3           ~~[(i) A dealer that issues a dealer's temporary tag to a specific vehicle must ensure that the~~  
4 ~~following information is placed on the temporary tag:]~~

5                   ~~[(1) the vehicle-specific number from the temporary tag database;]~~

6                   ~~[(2) the year and make of the vehicle;]~~

7                   ~~[(3) the VIN of the vehicle;]~~

8                   ~~[(4) the month, day, and year of the temporary tag's expiration; and]~~

9                   ~~[(5) the name of the dealer.]~~

10           ~~[(j) A dealer that issues a dealer's temporary tag to an agent must ensure that the following~~  
11 ~~information is placed on the temporary tag:]~~

12                   ~~[(1) the specific number from the temporary tag database;]~~

13                   ~~[(2) the month, day, and year of the temporary tag's expiration; and]~~

14                   ~~[(3) the name of the dealer.]~~

15

16 ~~[215.159. Converter's Temporary Tags.]~~

17           ~~[(a) A converter's temporary tag may be displayed only on the type of vehicle that the converter~~  
18 ~~is engaged in the business of assembling or modifying.]~~

1           ~~[(b) A converter's temporary tag must show its expiration date, which may not be more than 60~~  
2 ~~days after the date of its issuance.]~~

3           ~~[(c) A converter that issues a converter's temporary tag to a specific vehicle shall ensure that the~~  
4 ~~following information is placed on the converter's temporary tag:]~~

5                   ~~[(1) the vehicle-specific number from the temporary tag database;]~~

6                   ~~[(2) the year and make of the vehicle;]~~

7                   ~~[(3) the VIN of the vehicle;]~~

8                   ~~[(4) the month, day, and year of expiration of the converter's temporary tag; and]~~

9                   ~~[(5) the name of the converter.]~~

10

11

#### SUBCHAPTER E. LESSORS AND LEASE FACILITATORS

12

#### 43 TAC §215.178

13

**STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the  
14 department adopts amendments to Chapter 215 under Occupations Code, §2301.151, which gives the  
15 board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take  
16 any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which  
17 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,  
18 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair  
19 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of  
20 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,  
21 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or

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

20           The department also adopts amendments under the authority of Transportation Code,  
21 §§501.0041, 502.0021, 503.002, and 520.003; and Government Code, §2001.004 and §2001.054, in  
22 addition to the statutory authority referenced throughout this preamble.

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. Transportation Code, §503.002 authorizes the  
4 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,  
5 §520.003 authorizes the department to adopt rules to administer Chapter 520.

6                   Government Code, §2001.004 requires state agencies to adopt rules of practice stating  
7 the nature and requirements of all available formal and informal procedures. Government Code,  
8 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,  
9 annulment, or withdrawal of a license.

10 **CROSS REFERENCE TO STATUTE.** These adopted amendments implement Government Code, Chapter  
11 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and  
12 1001–1005.

13

14 Text.

15 §215.178. Records Required for Vehicle Lessors and Vehicle Lease Facilitators.

16                   (a) Vehicle purchase, leasing, and sales records. A vehicle lessor or vehicle lease facilitator  
17 shall maintain a complete record of all vehicle purchases, leases, and sales of leased vehicles for at  
18 least one year after the expiration of the vehicle lease.

19                   (1) Complete records reflecting vehicle lease transactions that occurred within the  
20 preceding 24 months must be maintained at the licensed location. Records for prior time periods  
21 may be kept off-site.

1                   (2) Within 15 days of receipt of a department records request, a vehicle lessor or  
2 vehicle lease facilitator shall deliver a copy of the specified records to the address listed in the  
3 request.

4                   (b) Content of records for lease transaction. A complete record for a vehicle lease  
5 transaction must contain:

6                   (1) the name, address, and telephone number of the vehicle lessor;

7                   (2) the name, mailing address, physical address, and telephone number of each  
8 vehicle lessee;

9                   (3) the name, address, telephone number, and license number of the lease  
10 facilitator;

11                   (4) the name, work address, and telephone number of each employee of the vehicle  
12 lease facilitator that handled the transaction;

13                   (5) a complete description of the vehicle involved in the transaction, including the  
14 VIN;

15                   (6) the name, address, telephone number, and GDN of the dealer selling the  
16 vehicle, as well as the franchised dealer's license number if the vehicle is a new motor vehicle;

17                   (7) the amount of fee paid to the vehicle lease facilitator or a statement that no fee  
18 was paid;

19                   (8) a copy of the buyer's order and sales contract for the vehicle;

20                   (9) a copy of the vehicle lease contract;

21                   (10) a copy of all other contracts, agreements, or disclosures between the vehicle  
22 lease facilitator and the consumer lessee; and



1 (11) a copy of the front and back of the manufacturer's statement of origin,  
2 manufacturer's certificate of origin, or the title of the vehicle, as applicable.

3 (c) Content of records for sale of leased vehicle. A vehicle lessor's complete record for each  
4 vehicle sold at the end of a lease to a lessee, a dealer, or at a wholesale motor vehicle auction must  
5 contain:

6 (1) the date of the purchase;

7 (2) the date of the sale;

8 (3) the VIN;

9 (4) the name and address of the person selling the vehicle to the vehicle lessor;

10 (5) the name and address of the person purchasing the vehicle from the vehicle lessor;

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

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

15 (A) the title application;

16 (B) the work-up sheet;

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

1 (D) the front and back of the title, unless the title is obtained through  
2 webDEALER as defined in §217.71 of this title;

3 (E) the factory invoice;

4 (F) the sales contract;

5 (G) the retail installment agreement;

6 (H) the buyer's order;

7 (I) the bill of sale;

8 (J) any waiver;

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

10 (L) the purchaser's photo identification if sold to a lessee;

11 (8) a copy of the original manufacturer's certificate of origin, original manufacturer's  
12 statement of origin, or title for a motor vehicle offered for sale, or a properly stamped original  
13 manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a title  
14 transaction entered by a dealer into webDEALER as defined in §217.71 of this title;

15 (9) the monthly Motor Vehicle Seller Financed Sales Returns, if any; and

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

19 (d) Records of advertising. A vehicle lessor or vehicle lease facilitator shall maintain a copy  
20 of all advertisements, brochures, scripts, or an electronically reproduced copy in whatever medium

1 appropriate, of promotional materials for a period of at least 18 months. Each copy is subject to  
2 inspection upon request by the department at the business location during posted business hours.

3 (1) A vehicle lessor and a vehicle lease facilitator shall comply with all federal and  
4 state advertising laws and regulations, including Subchapter F of this chapter (relating to  
5 Advertising).

6 (2) A vehicle lessor's or vehicle lease facilitator's advertising or promotional  
7 materials may not state or infer, either directly or indirectly, that the business involves the sale of  
8 new motor vehicles.

9 (e) Title assignments. Each certificate of title, manufacturer's certificate of origin, or other  
10 evidence of ownership for a vehicle that has been acquired by a vehicle lessor for lease must be  
11 properly assigned from the seller in the vehicle lessor's name.

12 (f) Letters of representation or appointment. A letter of representation or appointment  
13 between a vehicle lessor and a vehicle lease facilitator must be executed by both parties and  
14 maintained by each party.

15 (g) Electronic records. Any record required to be maintained by a vehicle lessor or vehicle  
16 lease facilitator may be maintained in an electronic format, provided the electronic record can be  
17 printed at the licensed location or sent electronically upon department request except as provided  
18 by subsection (c)(8) of this section.

19

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	5
7. an independent mobility motor vehicle dealer	5
8. a wholesale motor vehicle dealer	10

Figure: 43 TAC §215.154(e)(1)

<p>If a vehicle dealer is:</p>	<p>Maximum number of additional dealer's temporary license plates issued with a demonstrated need through proof of sales is:</p>
<p>1. A dealer selling 26 to 50 during the previous 12-month period</p>	<p>5</p>
<p>2. A dealer selling 51 to 100 during the previous 12-month period</p>	<p>10</p>
<p>3. A dealer selling 101 to 150 during the previous 12-month period</p>	<p>15</p>
<p>4. A dealer selling 151 to 199 during the previous 12-month period</p>	<p>20</p>
<p>5. A dealer selling 200-299 during the previous 12-month period</p>	<p>25</p>
<p>6. A dealer selling more than 300 vehicles during the previous 12-month period</p>	<p>30</p>