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ADOPTION OF REVISIONS TO

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §218.2

SUBCHAPTER B. MOTOR CARRIER REGISTRATION

43 TAC §§218.10, 218.11, 218.13, 218.14, 218.16, AND 218.18

SUBCHAPTER C. RECORDS AND INSPECTIONS

43 TAC §218.31 AND §218.32

SUBCHAPTER D. MOTOR TRANSPORTATION BROKERS

43 TAC §218.41

SUBCHAPTER E. CONSUMER PROTECTION

43 TAC §§218.53, 218.54, 218.56, 218.57, 218.61, 218.62, 218.64, AND 218.65

SUBCHAPTER F. ADMINISTRATIVE PENALTIES AND SANCTIONS

43 TAC §218.72

SUBCHAPTER G. FINANCIAL RESPONSIBILITY FOR FOREIGN COMMERCIAL MOTOR VEHICLES

43 TAC §218.80 AND §218.82

REPEAL OF

SUBCHAPTER E. CONSUMER PROTECTION

43 TAC §218.58

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §218.2; Subchapter B, Motor Carrier Registration, §§218.10, 218.11, 218.13, 218.14, 218.16, and 218.18; Subchapter C, Records and Inspections, §218.31 and §218.32; Subchapter D, Motor Transportation Brokers, §218.41; Subchapter E, Consumer Protection, §§218.53, 218.54, 218.56, 218.57, 218.61, 218.62, 218.64, and 218.65; Subchapter

1 F, Administrative Penalties and Sanctions, §218.72; and Subchapter G, Financial Responsibility for Foreign
2 Commercial Motor Vehicles, §218.80 and §218.82. The department adopts amendments to the following
3 sections without changes to the proposed text as published in the August 23, 2024, issue of the *Texas*
4 *Register* (49 TexReg 6410): §§218.2, 218.10, 218.11, 218.14, 218.18, 218.31, 218.32, 218.41, 218.53,
5 218.54, 218.56, 218.57, 218.61, 218.64, 218.65, 218.72, and 218.82. These sections will not be
6 republished. The department adopts §§218.13, 218.16, 218.62, 218.80, and Figure: 43 TAC §218.16(a)
7 with changes at adoption to the proposed text as published in the August 23, 2024, issue of the *Texas*
8 *Register* (49 TexReg 6410 and 49 TexReg 6486, respectively). These sections will be republished. The
9 department also adopts the repeal of §218.58, which will not be republished.

10 These adopted revisions are necessary to require the applicants for operating authority under
11 Chapter 218 and Transportation Code, Chapter 643 to provide the department with more information and
12 documents, so the department can detect and prevent chameleon carriers; to make the rules consistent
13 with the department’s current processes; to make the rules consistent with current law (both Texas law
14 and applicable federal law); to delete language for which the department does not have rulemaking
15 authority; to clarify language; to delete unnecessary language; and to otherwise clean up the rule text.

16 **REASONED JUSTIFICATION.**

17 Subchapter A. General Provisions.

18 An adopted amendment to §218.2 adds a new subsection (a) and creates a new subsection (b) for
19 the defined terms. Adopted new §218.2(a) adds language stating that the definitions contained in
20 Transportation Code, Chapter 643 apply to Chapter 218 and that the definitions contained in Chapter 643
21 govern in the event of a conflict with Chapter 218, except for the definition of the word “director” in
22 §218.2. To the extent that the terms used in Chapter 218 are already defined in Transportation Code,
23 Chapter 643, there is no need to duplicate the definitions in Chapter 218. As a result, adopted

1 amendments to §218.2 delete the following definitions because the terms are already defined in
2 Transportation Code, Chapter 643: “department,” “household goods,” and “insurer.” In addition, the
3 department adopts the deletion of the definition for “commercial school bus” from §218.2 because the
4 correct term is “school bus,” which is defined in Transportation Code, §643.1015.

5 An adopted amendment to the word “director” in new §218.2(b) clarifies that the department’s
6 executive director designated the director of the department’s Motor Carrier Division as the director
7 under Transportation Code, §643.001(2). Transportation Code, §643.001(2) defines “director” as the
8 executive director of the department or an employee of the department who is a division or special office
9 director or holds a higher rank and is designated by the director. The department’s executive director has
10 designated the director of the department’s Motor Carrier Division to perform the functions of the
11 director under Chapter 218 and Transportation Code, Chapter 643. Therefore, a separate definition for
12 “director” is necessary.

13 An adopted amendment to the definition for “advertisement” in new §218.2(b)(1) replaces the
14 word “on-line” with the word “online” to be consistent with current terminology. An adopted amendment
15 to the definition for “binding proposal” in new §218.2(b)(3) deletes the word “formal” because the word
16 is not clear and is not necessary for the definition. Adopted amendments to the definition for “commercial
17 motor vehicle” in new §218.2(b)(8) incorporate the definition of the term in Transportation Code,
18 §548.001 and delete the prior definition, including the language regarding a commercial enterprise. This
19 amendment is necessary to align with statute: neither Transportation Code, §548.001 nor Transportation
20 Code, §643.051(a) defines a commercial motor vehicle to require the vehicle to be used in furtherance of
21 a commercial enterprise. Only Transportation Code, §643.051(b) refers to compensation; however, that
22 requirement only applies to household goods carriers that transport household goods, regardless of the

1 size of the vehicle. Transportation Code, §643.051(a) states that the term “commercial motor vehicle” is
2 defined in Transportation Code, §548.001.

3 Adopted amendments to the definition for “commercial motor vehicle” in new §218.2(b)(8) also
4 delete the letter for subparagraph (B) due to the adopted deletion of subparagraph (A), add language to
5 create a full sentence regarding the exclusions from the definition for “commercial motor vehicle,” and
6 replace prior clause numbers (i) through (vi) with subparagraph letters (A) through (F) to provide the
7 correct rule structure under 1 TAC §91.33. In addition, an adopted amendment to the definition for
8 “commercial motor vehicle” in new §218.2(b)(8)(A) changes the word “and” to “or” regarding a farm
9 vehicle to be consistent with Transportation Code, §548.001. Although an adopted amendment to the
10 definition for “commercial motor vehicle” in new §218.2(b)(8) refers to the definition found in
11 Transportation Code, §548.001, it is helpful to clarify the language regarding a farm vehicle in §548.001
12 because the language in §548.001 has caused confusion in the past. An adopted amendment to the
13 definition for “commercial motor vehicle” in new §218.2(b)(8)(B) rewords the exception to apply to a
14 single cotton vehicle to be consistent with Transportation Code, §643.002(2). An adopted amendment to
15 the definition for “commercial motor vehicle” in new §218.2(b)(8)(F) deletes language that requires a tow
16 truck to be permitted under Occupations Code, Chapter 2308, Subchapter C to be consistent with the
17 language in Transportation Code, §643.002(7) regarding exemptions from Transportation Code, Chapter
18 643.

19 An adopted amendment to the definition for the word “conversion” in new §218.2(b)(10) deletes
20 the word “and” in the title to the Business Organizations Code because the word “and” does not appear
21 in the name of this code. An adopted amendment to new §218.2(b) deletes the definition for the word
22 “division” because the definition is not necessary due to the adoption of amendments that remove the
23 word “division” in Chapter 218, except for references that indicate a particular division. These

1 amendments provide clarity because Chapter 218 contains references to the department’s Motor Carrier
2 Division and the department’s Enforcement Division.

3 Adopted amendments to the definition for “farmer” and “farm vehicle” in new §218.2(b)(13) and
4 (14) make the definitions consistent with the definitions in 49 C.F.R. §390.5T because Transportation
5 Code, §548.001 says the term “farm vehicle” has the meaning assigned by the federal motor carrier safety
6 regulations assigned by Transportation Code, §644.001. The term “farm vehicle” appears in the definition
7 of “commercial motor vehicle” in §218.2, and Transportation Code, §643.051(a) says that the term
8 “commercial motor vehicle” is defined in Transportation Code, §548.001.

9 An adopted amendment to the definition for “foreign commercial motor vehicle” in new
10 §218.2(b)(16) replaces the definition with a reference to the definition found in Transportation Code,
11 §648.001, which contains the complete definition. An adopted amendment to the definition for
12 “household goods carrier” in new §218.2(b)(19) deletes the clause regarding a commercial enterprise to
13 align with statute because that clause does not appear in Transportation Code, §643.051(b).

14 Although Transportation Code, §643.001 defines the term “motor carrier,” §643.001 does not
15 define the term “carrier.” Prior §218.2(28) included the same definition for the terms “motor carrier” and
16 “carrier.” For this reason, an adopted amendment modifies the definition for “motor carrier or carrier” in
17 new §218.2(b)(23) to refer to the definition in Transportation Code, §643.001(6), rather than deleting the
18 defined terms. An adopted amendment to the definition for “motor transportation broker” in new
19 §218.2(b)(24) refers to the definition in Transportation Code, §646.001 because it is not necessary to
20 duplicate statutory language in a rule.

21 An adopted amendment to new §218.2(b)(28) changes the term “principal place of business” to
22 “principal business address” to use the same term that is used in Transportation Code, §643.052(1). An
23 adopted amendment to new §218.2(b) deletes the definition for the term “reasonable dispatch” because

1 the term only appeared in §218.58, which the department repealed. An adopted amendment to new
2 §218.2(b) deletes the definition for “SOAH” because the acronym does not appear in Chapter 218.
3 Adopted amendments to new §218.2(b) renumber the definitions due to adopted amendments that
4 delete definitions.

5 Subchapter B. Motor Carrier Registration.

6 An adopted amendment to §218.10 deletes the first sentence because it is not necessary to
7 repeat language from Transportation Code, §643.051 and §643.002. An adopted amendment to §218.10
8 also modifies the language regarding a household goods carrier because the term “household goods
9 carrier” is a defined term in §218.2. In addition, an adopted amendment to §218.10 clarifies the language
10 to state that a motor carrier, leasing business, or household goods carrier registers with the department.
11 Lastly, an adopted amendment to §218.10 deletes the reference to workers’ compensation because
12 Subchapter B of Chapter 218 does not set out the minimum workers’ compensation insurance
13 requirements.

14 Adopted amendments to §218.11 replace the term “the public roads or highways” with “a public
15 highway,” which is a defined term in §218.2.

16 Many of the adopted amendments to §218.13 and §218.14 were presented to the Motor Carrier
17 Regulation Advisory Committee (MCRAC) for review and feedback at the MCRAC meeting in December
18 2023. The focus of the MCRAC meeting was to discuss the draft amendments to §218.13 and §218.14 to
19 detect and prevent chameleon motor carriers (chameleon carriers). A chameleon carrier is a motor carrier
20 that attempts to continue operating under a certificate of registration without addressing a previous
21 penalty, violation of a legal requirement, or order regarding violation of a legal requirement under a
22 different certificate of registration. There are two types of chameleon carriers: 1) a motor carrier that
23 applies to the department for a new certificate of registration to continue to operate as a motor carrier

1 under a different person’s name or a different legal entity; and 2) a motor carrier that already has more
2 than one certificate of registration under different names or legal entities. Under this second type of
3 chameleon carrier, the motor carrier continues to operate under a different certificate of registration
4 when it incurs a penalty, is found to be in violation of a legal requirement, or receives an order regarding
5 a violation of a legal requirement under one of its current certificates of registration.

6 At the December 2023 MCRAC meeting, the MCRAC members made informal suggestions and
7 approved two motions requesting changes to the draft amendments to §218.13. The department made
8 changes consistent with MCRAC’s informal suggestions and one of its motions. Although MCRAC
9 recommended the deletion of the draft amendments to §218.13(a)(3)(E), the department modified the
10 language in §218.13(a)(3)(E) and (i) to strike a balance between addressing the concerns of MCRAC and
11 enabling the department to request necessary information to help detect and prevent chameleon carriers.

12 The department also met with staff from the Federal Motor Carrier Safety Administration
13 (FMCSA) to learn how FMCSA detects chameleon carriers and prevents them from obtaining operating
14 authority for interstate transportation. In addition, the department reviewed the applicable federal laws
15 and forms to inform the department regarding the amendments to §218.13. Further, the department
16 reviewed materials from International Registration Plan, Inc. regarding another state’s procedures to
17 identify a possible chameleon carrier.

18 Many of the adopted amendments to §218.13 are designed to require new applicants for
19 intrastate operating authority to provide the department with the information it needs to detect and
20 prevent chameleon carriers. The department’s primary goal is to prevent chameleon carriers. However,
21 the additional information and documents that are addressed in the adopted amendments to §218.13
22 will also help the department detect any current chameleon carriers. The Texas Legislature passed laws
23 to authorize the department to deny intrastate operating authority to chameleon carriers and to revoke

1 a chameleon carrier’s intrastate operating authority, such as Transportation Code, §643.054(a-2) and
2 §643.252(a)(7).

3 An adopted amendment to the introductory sentence in §218.13(a) clarifies and modernizes the
4 rule by stating that an application for motor carrier registration must be filed electronically in the
5 department’s designated registration system and that the applicant must provide both information and
6 documents. An adopted amendment to §218.13(a)(1) clarifies that the applicant must provide a valid
7 United States Department of Transportation (USDOT) number that was issued to the applicant, to prevent
8 applicants from attempting to use others’ USDOT numbers.

9 Adopted amendments to §218.13(a)(2) require the applicants to provide additional information
10 and documents, which will help the department to detect, prevent, and revoke chameleon carriers. The
11 department currently requires applicants to provide most of the information in adopted new
12 §218.13(a)(2)(A) and (B) regarding the applicant, including contact and identifying information. Adopted
13 new §218.13(a)(A) also makes the rule text consistent with the department’s current process, which
14 requires that the applicant’s name and email address match the information the applicant provided to
15 FMCSA to obtain the USDOT number that the applicant provided to the department in the application.
16 This requirement helps the department to identify the applicant and to prevent fraud. Adopted new
17 §218.13(a)(2)(C) adds a new requirement for a legible and accurate electronic image of the certificate of
18 filing, certificate of incorporation, or certificate of registration on file with the Secretary of State, as well
19 as the existing requirement for an applicant to provide each assumed named certificate on file with the
20 Secretary of State or county clerk, if applicable. This new requirement also helps the department to
21 identify the applicant and prevent fraud.

22 Adopted new §218.13(a)(3)(A) through (F) require applicants to provide information and
23 documents on the applicant’s owners, managers, representatives, and affiliates, as applicable. An adopted

1 amendment to §218.13(a)(3)(A) puts authorized representatives of an applicant on notice that they may
2 be required to provide written proof of authority to act on behalf of the applicant. Many of these
3 requirements are new requirements that will provide the department with additional information and
4 documents that are necessary to detect and prevent chameleon carriers.

5 At the MCRAC meeting in December 2023, members of MCRAC expressed concerns regarding a
6 prior draft of adopted new §218.13(a)(3)(E) because the language could have required applicants to
7 provide information on many employees who do not direct the operations of the motor carrier, and to
8 update the information frequently due to frequent staff turnover in lower-ranking positions. Although the
9 MCRAC members voted to strike new §218.13(a)(3)(E), the department further defined the positions to
10 which this application requirement applies to obtain relevant information to help the department detect
11 and prevent chameleon carriers by focusing on the applicant’s representatives who have or exercise
12 authority to direct some or all of the applicant’s operational policy regarding compliance with applicable
13 laws regarding a motor carrier. Examples of applicable laws regarding a motor carrier are the motor carrier
14 safety regulations that are administered by the Texas Department of Public Safety under Transportation
15 Code, Chapter 644 and 37 TAC Chapter 4 (Commercial Vehicle Regulations and Enforcement Procedures).
16 In addition, the department modified the draft amendments to §218.13(i) that the department provided
17 to the MCRAC members for the December 2023 MCRAC meeting to eliminate the draft amendment that
18 would have required a motor carrier with a certificate of registration to update all information and
19 documents that the motor carrier provided to the department in the motor carrier’s current application
20 within 30 days of a change in the information or documents the motor carrier provided to the department.
21 The adopted amendments to §218.13(i) only require a motor carrier with a certificate of registration to
22 update its principal business address, mailing address, and email address in the department’s online
23 system within 30 days of a change to the information.

1 The department adopts §218.13(a)(3)(F)(ii) with a change at adoption to decapitalize the word
2 “card” because the word should not be capitalized in the term “Texas identification card.”

3 Adopted amendments to §218.13(a)(4) clarify the language and replace the term “principal place
4 of business” with the term “principal business address” to be consistent with the terminology used in
5 Transportation Code, §643.052(1). Adopted amendments to §218.13(a)(6) delete the word “commercial”
6 from the term “commercial motor vehicle” because Transportation Code, §643.051(b) requires a
7 household goods carrier to obtain operating authority under Transportation Code, Chapter 643, even if
8 their motor vehicles do not fall within the definition of a “commercial motor vehicle” as defined by
9 Transportation Code, §548.001. An adopted amendment to §218.13(a)(6) also removes the word “motor”
10 from the term “vehicle identification number” to make the term consistent with current terminology.

11 An adopted amendment to §218.13(a)(7) deletes the language that required the applicant to state
12 if the applicant is domiciled in a foreign country because this requirement is not relevant to the type of
13 motor carrier operation, and an adopted amendment adds this requirement to new §218.13(a)(12)(E).
14 Adopted amendments to §218.13(a)(11)(A)(ii) and §218.13(a)(14) replace the references to
15 §218.2(8)(A)(ii) with references to Transportation Code, §548.001(1)(B) to specify the portion of the
16 definition for “commercial motor vehicle” that deals with a vehicle designed or used to transport more
17 than 15 passengers. These adopted amendments are necessary because an adopted amendment to
18 §218.2 removes the specific language from the definition of “commercial motor vehicle” and instead
19 refers broadly to Transportation Code, §548.001.

20 Adopted amendments to §218.13(a) and §218.13(a)(12) clarify that the requirements apply to an
21 original application. An adopted amendment to §218.13(a)(12)(C) adds the word “the” to improve the
22 wording of the sentence.

1 An adopted amendment to §218.13(a)(12) deletes the language in prior subparagraph (D)
2 because an adopted amendment moved the language to new §218.13(a)(2)(A), and re-lettered
3 subsequent subparagraphs accordingly. Adopted amendments to new §218.13(a)(12)(D) incorporate the
4 language from the department’s New Applicant Questionnaire into rule text, with certain amendments,
5 such as providing a three-year timeframe for certain responses. The New Applicant Questionnaire was
6 designed to obtain relevant information to help the department detect, prevent, and revoke chameleon
7 carriers.

8 Adopted amendments to new §218.13(a)(12)(F) include the current application certification in
9 rule text. An adopted amendment to new §218.13(a)(12)(G) clarifies that an application must be
10 accompanied by any other information and documents the department requires to evaluate the
11 application under current law, to allow the department the latitude to request additional required
12 information and documentation in order to prevent chameleon carriers and ensure the applicant is
13 eligible for a certificate of registration under Chapter 218 and Transportation Code, Chapter 643.

14 Adopted amendments to §218.13(a) also delete prior language because the prior language was
15 modified and incorporated into adopted amendments to §218.13(a) in addition to new requirements. In
16 addition, adopted amendments to §218.13(a) renumber or re-letter subdivisions due to deletions and
17 additions.

18 An adopted amendment to §218.13(a)(14)(B) replaces the word “vehicles” with the word
19 “vehicle” to correct a grammatical error and to clarify that the requirement applies to each commercial
20 motor vehicle.

21 Adopted amendments throughout §218.13(c), (g) and (i) change certain instances of the words
22 “will” or “must” to “shall” for clarity and consistency. Government Code, §311.016 defines the word
23 “shall” to impose a duty, which is the intended meaning in §218.13(c), (g) and (i). The department adopts

1 §218.13(c) with changes at adoption to change the word “will” to “must” in two places. Government Code,
2 §311.016 defines the word “must” to create or recognize a condition precedent, which is the intended
3 meaning in §218.13(c). An adopted amendment to §218.13(c)(2) changes the term “registrant’s” to
4 “motor carrier’s” because the term “motor carrier” is defined in §218.2. An adopted amendment to
5 §218.13(c)(2) also changes the term “principal place of business” to “principal business address” to be
6 consistent with terminology in Transportation Code, §643.052(1). An adopted amendment to
7 §218.13(c)(2)(C) deletes the word “commercial” from the term “commercial motor vehicle” because
8 Transportation Code, §643.051(b) applies to household goods carriers, even if their motor vehicles do not
9 fall within the definition of a “commercial motor vehicle” as defined by Transportation Code, §548.001.

10 An adopted amendment to §218.13(c)(2)(F) replaces the word “information” with “cab card” for
11 consistency. In addition, an adopted amendment to §218.13(c)(2) deletes prior subparagraph (G), which
12 said the display of an image that includes the insurance cab card or the display of insurance information
13 via a wireless communication device does not constitute effective consent for a law enforcement officer
14 or any other person to access any other content of the wireless communication device, because the
15 department does not have the statutory authority for this language. However, the person who chooses
16 to display an image that includes the insurance cab card or the display of insurance information via a
17 wireless communication device can verbally specify the extent of their consent to having the law
18 enforcement officer or any other person access the device prior to displaying the image.

19 An adopted amendment to §218.13(d)(2) replaces the word “shall” with the word “must.”
20 Government Code, 311.016 defines the word “must” to create or recognize a condition precedent, which
21 is the intended meaning in §218.13(d)(2).

22 An adopted amendment to the introductory sentence in §218.13(e) modernizes the rule text by
23 adding language that says a motor carrier shall electronically file a supplement to an original application

1 in the department’s designated registration system. An adopted amendment to §218.13(e)(7)(A) replaces
2 the word “re-register” with the word “reregister” because the word does not have a hyphen in
3 Transportation Code, §643.0585. An adopted amendment to §217.13(e)(7)(B) replaces the word “facts”
4 with the word “issue” for clarity.

5 An adopted amendment to §218.13(g) deletes the word “commercial” from the term
6 “commercial motor vehicle” because Transportation Code, §643.051(b) applies to household goods
7 carriers, even if their motor vehicles do not fall within the definition of a “commercial motor vehicle”
8 under Transportation Code, §548.001. Adopted amendments to §218.13(i) require a motor carrier with a
9 certificate of registration to update their principal business address, mailing address, and email address
10 in the department’s online system within 30 days of a change to the information. These amendments to
11 §218.13(i) replace a requirement for the motor carrier to review this information in the department’s
12 online system every six months and to update such information if it is no longer correct. The requirement
13 for the motor carrier to update information within 30 days is intended to provide the department with
14 updated information sooner and to eliminate an unnecessary requirement for a motor carrier to review
15 this information every six months even if there is no change to the information.

16 An adopted amendment to the title to §218.14 deletes the word “commercial” from the term
17 “commercial motor vehicle” because Transportation Code, §643.051(b) applies to household goods
18 carriers, even if their motor vehicles do not fall within the definition of a “commercial motor vehicle”
19 under Transportation Code, §548.001. Adopted amendments throughout §218.14 change the word “will”
20 to “shall.” Government Code, §311.016 defines the word “shall” to impose a duty, which is the intended
21 meaning in §218.14. Adopted amendments throughout §218.14 add a hyphen to the words “90-day” and
22 “seven-day” as a grammatical correction because the words are compound modifiers of the word
23 “certificates.”

1 An adopted amendment to §218.14(b)(1) changes the first sentence to say that the department
2 shall provide the renewal notice to each registered motor carrier at least 30 days before the expiration of
3 the motor carrier’s registration to be consistent with Transportation Code, §643.058(b). An adopted
4 amendment to §218.14(b)(1) also replaces the word “division’s” with the term “Motor Carrier Division’s”
5 for clarity because other sections in Chapter 218 refer to the department’s Enforcement Division, and an
6 adopted amendment to §218.2 deletes the definition for the word “division.” In addition, an adopted
7 amendment to §218.14(b)(1) changes the word “mailed” to “sent” because the department may send the
8 notice electronically. Further, an adopted amendment to §218.14(b)(1) removes the requirement for the
9 motor carrier to submit its renewal application to the department at least 15 days prior to the renewal
10 date because motor carriers currently submit their renewals online in the department’s designated
11 registration system in which the renewal is automated if there are no issues with the renewal application.
12 Lastly, an adopted amendment to §218.14(b)(1) adds language that says a motor carrier shall
13 electronically file a renewal application in the department’s designated registration system to modernize
14 the rule.

15 Adopted amendments to §218.14(b)(1)(A) require the applicant to provide the department with
16 any new information and documents required under §218.13(e) if the information or documents have not
17 previously been provided to the department. The department needs updated information and documents
18 to ensure the motor carrier still qualifies to be a motor carrier, as well as to prevent and detect chameleon
19 carriers.

20 Adopted amendments to §218.14(b)(5) make the language consistent with Transportation Code,
21 §643.058(d), which prohibits a motor carrier from renewing a registration that has been expired for more
22 than 180 days. Also, adopted amendments to §218.14(b)(5) modernize the rule by adding language that
23 says a motor carrier shall electronically file a supplemental application in the department’s designated

1 registration system. In addition, adopted amendments to §218.14(b)(5) make the language easier to read
2 by breaking the language into multiple subparagraphs and improving the language. An adopted
3 amendment to new §218.14(b)(5)(C) clarifies the language by adding a reference to evidence of financial
4 responsibility as authorized by Transportation Code, §643.102. Adopted amendments to new
5 §218.14(b)(5)(C) replace a reference to the “division” with a reference to the “department” for clarity and
6 consistency.

7 An adopted amendment to §218.14(c)(2) replaces the word “re-register” with the word
8 “reregister” because the word does not have a hyphen in Transportation Code, §643.0585. Adopted
9 amendments to §218.14(c)(2) replace the term “public streets and highways” with “a public highway,”
10 which is a defined term in §218.2. Adopted amendments throughout §218.14(c) and §218.16 change the
11 word “will” to “shall.” Government Code, §311.016 defines the word “shall” to impose a duty, which is
12 the intended meaning in §218.14(c) and §218.16.

13 Adopted amendments to §218.16(a) delete the word “commercial” in the term “commercial
14 automobile liability insurance” because Transportation Code, §643.101 does not use the word
15 “commercial” to describe the amount of liability insurance that is required under Transportation Code,
16 Chapter 643. An adopted amendment to §218.16(a) also clarifies the coverage required under an
17 automobile liability insurance policy, which must cover bodily injury to or death of an individual, as well
18 as loss or damage to property.

19 In addition, adopted amendments to §218.16(a) clarify the financial responsibility requirements
20 of a motor carrier that operates a foreign commercial motor vehicle in intrastate transportation in Texas
21 if the motor carrier is required to register with the department under Transportation Code, Chapter 643.
22 Although Transportation Code, §643.101(b) authorizes the department to set the amount of required
23 liability insurance at an amount that does not exceed the amount required for a motor carrier under a

1 federal regulation adopted under 49 U.S.C. §13906(a)(1), Transportation Code, §648.102 requires the
2 department to adopt rules that conform with 49 C.F.R. Part 387 requiring motor carriers that operate
3 foreign commercial motor vehicles in Texas to maintain financial responsibility. Also, Transportation Code,
4 §648.102(b) states that Transportation Code, Chapter 648 prevails over any other requirement of state
5 law relating to financial responsibility for operation of foreign commercial motor vehicles in Texas. The
6 department must comply with both Transportation Code, §643.101 and §648.102 regarding the required
7 amount of financial responsibility for a motor carrier that is required to register with the department
8 under Transportation Code, Chapter 643 that operates a foreign commercial motor vehicle in intrastate
9 transportation in Texas. The financial responsibility requirements under 49 C.F.R. §387.9 regarding
10 minimum levels of financial responsibility for motor carriers of property, and 49 C.F.R. §387.33T regarding
11 minimum levels of financial responsibility for motor carriers of passengers, are higher than the minimum
12 levels of financial responsibility for certain motor carriers under §218.16 that do not operate a foreign
13 commercial motor vehicle.

14 Pursuant to the department's rulemaking authority under both Transportation Code, §643.101(b)
15 and §648.102, adopted amendments to §218.16(a) adopt by reference the required level of financial
16 responsibility under 49 C.F.R. Part 387, including any amendments that became effective through July 1,
17 2024, for a motor carrier operating a foreign commercial motor vehicle in intrastate transportation in
18 Texas. An adopted amendment to §218.16(a) deletes reference to the amendments to 49 C.F.R. Part 387
19 with an effective date of October 23, 2015, because FMCSA has since amended 49 C.F.R. Part 387.

20 The department adopts §218.16(a) with changes at adoption to clarify that a motor carrier that is
21 required to register with the department under Transportation Code, Chapter 643 and operates a foreign
22 commercial motor vehicle in intrastate transportation in Texas must comply with the minimum level of
23 financial responsibility in 49 C.F.R. Part 387 for such vehicle. If such a motor carrier also operates a motor

1 vehicle that is not a foreign commercial motor vehicle as defined in Transportation Code, §648.001, the
2 motor carrier must comply with the minimum level of financial responsibility in Figure 43 TAC §218.16(a)
3 for the non-foreign commercial motor vehicle while operating in intrastate transportation in Texas.

4 Adopted amendments to the second and third categories in Figure 43 TAC §218.16(a) modify the
5 language to be consistent with Transportation Code, §548.001(1)(B) regarding vehicles, including buses,
6 designed or used to transport more than 15 passengers, including the driver. The department adopts
7 Figure 43 TAC §218.16(a) with a change at adoption to delete the word “commercial” from the term
8 “commercial school buses” in the fourth category because Transportation Code, §643.1015 uses the term
9 “school bus.” Adopted amendments to the seventh and eighth categories in Figure 43 TAC §218.16(a)
10 modify the language to be consistent with language in 49 C.F.R. §387.9(3) and (2), respectively, because
11 federal law provides the minimum levels of financial responsibility for intrastate transportation for these
12 categories under 49 U.S.C. §31139(d). Adopted amendments to the ninth category in Figure 43 TAC
13 §218.16(a) modify the language to be consistent with language in 49 C.F.R. §387.9(4) because
14 Transportation Code, §643.101(b) requires the department to set the amount of required liability
15 insurance at an amount that does not exceed the amount required for a motor carrier under a federal
16 regulation adopted under 49 U.S.C. §13906(a)(1), which cites to §31139 regarding the minimum financial
17 responsibility requirements for transporting property. The statutory authority listed for 49 C.F.R. §387.9
18 regarding minimum levels of financial responsibility for motor carriers of property includes 49 U.S.C.
19 §13906 and §31139.

20 Adopted amendments to §218.16(b) remove the words “for hire” because the definition for the
21 term “household goods carrier” in §218.2 already includes the words “for compensation.” An adopted
22 amendment to §218.16(b) also changes the word “shipper” to a plural possessive “shippers” because the
23 language deals with damage to multiple shippers’ cargo. Adopted amendments to §218.16(c) make the

1 language consistent with the language in Transportation Code, §643.106 regarding insurance for
2 employees. Adopted amendments to §218.16(c) also add letters for new subparagraphs (C) and (D) to
3 break the paragraph into additional subdivisions to help make the language consistent with the language
4 in Transportation Code, §643.106.

5 Adopted amendments throughout §218.16(d) add the term “motor carrier” after the term “self-
6 insured” for clarity. Adopted amendments to §218.16(d)(1) clarify that an applicant for self-insured status
7 under Transportation Code, §643.102 is authorized to request self-insured status for cargo liability, as well
8 as for bodily injury and property damage liability. An adopted amendment to §218.16(d)(2) changes the
9 word “allow” to “enable” for clarity because the department is allowed to determine whether the
10 applicant should be granted self-insured status; however, the department needs information and
11 documents to enable the department to make the determination. An adopted amendment to
12 §218.16(d)(2) also replaces the word “materials” with the term “information and documents” for clarity.

13 An adopted amendment to §218.16(d)(2)(B) replaces the term “security limits” with the term
14 “insurance levels” for clarity. An adopted amendment to §218.16(d)(2)(C) makes the language consistent
15 with the Texas Department of Public Safety’s “satisfactory safety rating” under Transportation Code,
16 Chapter 644 and 37 TAC §4.15. Also, an adopted amendment to §218.16(d)(2)(C) authorizes an applicant
17 to provide evidence of a “satisfactory” safety rating from FMCSA because a safety rating from FMCSA is
18 relevant evidence of the motor carrier’s safety program. Another adopted amendment to
19 §218.16(d)(2)(C) states that an application by a motor carrier with less than a “satisfactory” safety rating
20 or no safety rating will be summarily denied for self-insured status. Transportation Code, §643.102
21 requires the department to provide a responsible system of self-insurance for a motor carrier, and safety
22 is an integral component of such a system.

1 Adopted amendments to §218.16(d)(4) replace the word “applicant” with the words “approved
2 self-insured motor carrier” or “motor carrier” for clarity. Adopted amendments to §218.16(d)(4) also
3 update the language to reflect current procedures regarding the filing of annual statements and any
4 reports with the department.

5 An adopted amendment to §218.16(d)(5) replaces the word “applicant” with the term “motor
6 carrier” for clarity. An adopted amendment to §218.16(d)(5) also clarifies the department’s current
7 practice of including limitations, restrictions, and requirements in the department’s letter approving self-
8 insured status under Transportation Code, §643.102. The department adopts §218.16(d)(5) with a change
9 at adoption to improve the language regarding any department letter approving self-insured status.

10 Adopted amendments to §218.16(d)(6) update the language to reflect current procedures, to
11 clarify the language, and to remove unnecessary language.

12 An adopted amendment to §218.16(e)(2)(A) adds the word “a” to correct a grammatical error. An
13 adopted amendment to §218.16(e)(3) changes the word “shall” to “must” because it a condition
14 precedent for an applicant to pay the required filing fee of \$100 to obtain a certificate of registration.
15 Government Code, §311.016 states that the word “must” creates or recognizes a condition precedent,
16 which is the intended meaning in §218.16(e)(3). An adopted amendment to §218.16(e)(3) also combines
17 the two prior sentences into one sentence to clarify that the applicant is only required to pay the \$100
18 filing fee when the applicant submits an original application and when the applicant submits a
19 supplemental application when retaining a revoked certificate of registration number. Transportation
20 Code, §643.103(a) and (c) only authorize the department to charge the \$100 filing fee in certain
21 circumstances, which are more limited than the circumstances under which a motor carrier’s insurer is
22 required to file proof of insurance with the department under §218.16(e)(2).

1 An adopted amendment to §218.16(f) makes the language consistent with Transportation Code,
2 §643.104(a) by modifying the language and replacing the word “shall” with “may not.” Government Code,
3 §311.016 defines the word “may not” as imposing a prohibition, and the language in §218.16(f) is intended
4 to be a prohibition. Transportation Code, §643.104(a) prohibits an insurer from terminating insurance
5 coverage to a motor carrier that is registered under Subchapter B of Transportation Code, Chapter 643
6 unless the insurer provides the department with notice at least 30 days before the date the termination
7 of insurance takes effect. Adopted amendments to §218.16(f) also add a hyphen to the words “90-day”
8 and “seven-day” as a grammatical correction because the words are compound modifiers of the word
9 “certificates.” Adopted amendments to §218.16(h) make the language consistent with Transportation
10 Code, §643.105 and specify the people who are authorized to sign the affidavit for the motor carrier if an
11 insurer for a motor carrier becomes insolvent, is placed in receivership, or has its certificate of authority
12 suspended or revoked, and the motor carrier no longer has insurance coverage as required by
13 Transportation Code, Chapter 643, Subchapter C.

14 An adopted amendment to §218.18(d) clarifies that a motor carrier is not required to carry proof
15 of registration in a vehicle leased from a registered leasing business under a short-term lease.
16 Transportation Code, §643.063(a)(2) defines a “short-term lease” as a lease of 30 days or less.
17 Subchapter C. Records and Inspections.

18 An adopted amendment to §218.31(b)(3) changes the word “will” to “shall” for consistency and
19 clarity. Government Code, §311.016 defines the word “shall” to impose a duty, and that is the intended
20 meaning in §218.31. Adopted amendments to §218.31(c)(1) and §218.32(c) change the term “principal
21 place of business” to “principal business address” for consistency and to use the same term that is defined
22 in §218.2 and used in Transportation Code, §643.052(1). An adopted amendment to §218.32(c) also
23 decapitalizes the word “department” because the word is not capitalized in Transportation Code, Chapter

1 643. In addition, an adopted amendment to §218.32(c)(3) deletes a reference to 49 C.F.R. §390.29
2 because the inspection of documents for motor carriers that are required to register under Transportation
3 Code, Chapter 643 is governed by Transportation Code, §643.254.

4 Subchapter D. Motor Transportation Brokers.

5 An adopted amendment to §218.41(b)(3) replaces the word “shipper” with a reference to the
6 person to whom the motor transportation broker provides services to clarify that this language is not
7 limited to a shipper of a household goods motor carrier. An adopted amendment to §218.41(b)(3) also
8 changes the word “it” to “the person” to conform with the adopted amendment to replace the reference
9 to the word “shipper.” An adopted amendment to §218.41 deletes prior subsection (d), regarding the
10 amount of recovery, because the department lacks statutory authority for the language.

11 Subchapter E. Consumer Protection.

12 Adopted amendments to §218.53 replace the mandatory standard for uniform cargo liability with
13 a voluntary standard for uniform cargo liability for a household goods carrier as authorized by
14 Transportation Code, §643.152. The adopted amendments to §218.53 are consistent with 49 C.F.R.
15 §375.201, which is a federal regulation adopted under Subtitle IV, Title 49, United States Code. The
16 language in Transportation Code, §643.152 is based on language in 49 U.S.C. §14501(c)(1) and (3)(A) and
17 (B), which is a federal preemption statute. Even though 49 U.S.C. §14501(c)(2)(B) says that the restrictions
18 in subsection (c)(1) do not apply to the intrastate transportation of household goods, Transportation
19 Code, §643.152 does not provide an exemption for the intrastate transportation of household goods. The
20 department therefore does not have statutory authority to set a mandatory standard for uniform cargo
21 liability for the intrastate transportation of household goods in Texas.

22 The absence of a mandatory standard for uniform cargo liability under Transportation Code,
23 §643.152 means that language in a moving services contract regarding cargo liability, including limitation

1 of liability for loss or damage to cargo, is not an enforcement issue for the department. Household goods
2 carriers and shippers are authorized to agree to any cargo liability and limitation of liability for each
3 intrastate shipment of household goods to the extent authorized by other applicable law that the
4 department is not authorized to implement or enforce, such as Transportation Code, Chapter 5, contract
5 law, other consumer protection laws, and certain common law, which a court could interpret in the event
6 of a lawsuit.

7 An adopted amendment to §218.53 also adopts by reference 49 C.F.R. §375.201, including any
8 amendments that became effective through July 1, 2024.

9 Adopted amendments to §218.54(a) replace the word “carrier” with the possessive word
10 “carrier’s” to fix a grammatical error, include a reference to the moving service contract between the
11 parties (including a pre-existing transportation contract as described by §218.57(d)) to replace a reference
12 to §218.53 regarding the amount of the household goods carrier’s liability, and clarify that the parties
13 might agree that the household goods carrier would have no liability for loss or damage regarding the
14 shipper’s property. An adopted amendment to §218.54(d) replaces the catch line for the subsection
15 because the word “penalty” is a confusing term. The department is authorized to assess administrative
16 penalties, which is something different than the liability referenced in §218.54(d).

17 An adopted amendment to §218.56(a)(5) deletes language regarding the mandatory uniform
18 cargo liability that the department deleted in the adopted amendments to §218.53. An adopted
19 amendment to §218.56(a)(5) also rewords the sentence due to the deletion and clarifies that the proposal
20 might state that the household goods carrier would have no liability for loss or damage regarding the
21 shipper’s property. An adopted amendment to §218.56(e)(3) deletes language regarding a portion of a
22 uniform bill of lading under §218.58 because the department adopted the repeal of §218.58. An adopted
23 amendment to §218.56(e)(3) also adds a reference to the moving services contract regarding the

1 authority for the household goods carrier to place the shipment in storage and assess fees relating to
2 storage.

3 Adopted new §218.57(a)(6) replaces a reference to the mandatory uniform cargo liability under
4 §218.53 for the reasons stated regarding the adopted amendments to §218.53, and replaces the language
5 with text that is similar to the language in 49 C.F.R. §375.201 regarding the disclosure of the limits of the
6 household goods carrier's liability for loss or damage to a shipper's household goods; however, the
7 adopted amendment also clarifies that the moving services contract must expressly state if the household
8 goods carrier's liability is \$0.00 for loss or damage to a shipper's household goods.

9 Adopted new §218.57(a)(7) replaces a reference to the mandatory uniform cargo liability under
10 §218.53 for the reasons stated regarding the adopted amendments to §218.53, and replaces the language
11 with text that requires the household goods carrier to clearly and concisely disclose any costs associated
12 with the household goods carrier's increased liability for loss or damage to a shipper's household goods.

13 Adopted new §218.57(a)(9) replaces a mandatory clause with an explanation of the clause that a
14 household goods carrier must include in its contract with a shipper to put the shipper on notice regarding
15 the documents that constitute the contract. The mandatory clause in prior §218.57(a)(9) appeared to be
16 written for a hard copy of the moving services contract because it referred to "the front and back of this
17 document." However, the parties may use an electronic version of the moving services contract. Also, the
18 mandatory clause in prior §218.57(a)(9) referred to an addendum, but the average shipper may not know
19 what an addendum is. The adopted new §218.57(a)(9) gives the household goods carrier the flexibility to
20 draft a clause that works for its moving services contract.

21 Adopted new §218.57(a)(13) adds a clause to require the household goods carrier to include
22 certain language in the moving services contract regarding the claims process for a shipper who wants to
23 file a claim against the household goods carrier. This language is designed to protect a consumer using

1 the services of a household goods carrier, as authorized by Transportation Code, §643.153(a) and (b).
2 Although the department is prohibited from establishing a uniform bill of lading under Transportation
3 Code, §643.152, the prohibitions under §643.152 are intended to prohibit the economic regulation of
4 motor carriers regarding the prices, routes, or services as stated in Transportation Code, §643.151 and
5 the title to Transportation Code, Chapter 643, Subtitle D (Economic Regulation). New §218.57(a)(13) is
6 not an economic regulation regarding the household goods carrier’s prices, routes, or services. New
7 §218.57(a)(13) deals with the claims process under §218.61, which is part of the department’s formal
8 process for resolving a dispute over a fee or damage under Transportation Code, §643.153(b)(1). Due to
9 the adoption of new §218.57(a)(13), the department also adopts amendments to §218.57(a) to delete the
10 word “and” in §218.57(a)(11) and to add the word “and” at the end of §218.57(a)(12).

11 The department adopts the repeal of §218.58 because Transportation Code, §643.152 says that
12 the department is only authorized to establish a voluntary standard for “uniform bills of lading or receipts
13 for cargo being transported” and that any voluntary standard that the department establishes must be
14 consistent with Subtitle IV, Title 49, United States Code, or a regulation adopted under that law. The
15 language in Transportation Code, §643.152 is based on language in 49 U.S.C. §14501(c)(1) and (3)(A) and
16 (B), which is a federal preemption statute. Transportation Code, §643.152 and 49 U.S.C. 14501(c)(3)(A)
17 both use the term “uniform cargo liability.” Although 49 U.S.C. 14501(c)(3)(A) uses the term “uniform bills
18 of lading or receipts for property being transported,” Transportation Code, §643.152 uses the similar term
19 “uniform bills of lading or receipts for cargo being transported.” The federal laws on household goods
20 carriers are therefore relevant sources to determine what the Texas Legislature intended the term “bill of
21 lading” to mean in Transportation Code, §643.152. Federal law, such as 49 C.F.R. §375.103, and Appendix
22 A to 49 C.F.R. Part 375 (Your Rights and Responsibilities When You Move), Definitions and Common Terms,
23 and the language in the department’s rules, such as the definition for “moving services contract” in §218.2

1 and the repealed language in §218.58, state that a bill of lading is a moving services contract. A “moving
2 services contract” in repealed §218.58 is a “bill of lading” under state and federal law. The department
3 adopts the repeal of §218.58 because it contained a mandatory standard for a portion of a “uniform bill
4 of lading” regarding limitation of liability, that is impermissible under Transportation Code, §643.152. To
5 the extent the household goods carrier sought to alter or expand on the limitation of liability language
6 that is set forth in §218.57, §218.58 required the household goods carrier to include one of two sets of
7 legal terms and conditions verbatim in their moving services contract with the shipper, which means the
8 language in prior §218.58 was a mandatory standard for a portion of a “uniform bill of lading” regarding
9 limitation of liability. As stated above, prior §218.57(a)(6) and (7) included uniform cargo liability language
10 that said a household goods carrier’s liability for loss or damage to any shipment is \$0.60 per pound per
11 article, unless the carrier and shipper agree, in writing, to a greater level of liability. The department
12 adopted the deletion of the language in prior §218.57(a)(6) and (7) because they were mandatory
13 standards, which the department lacks legal authority to create through rule under Transportation Code,
14 §643.152.

15 Moreover, the department was not authorized to amend §218.58 to say that it is a voluntary
16 standard because Transportation Code, §643.152 says that the department is only authorized to establish
17 a voluntary standard for “uniform bills of lading or receipts for cargo being transported” and that any
18 voluntary standard that the department establishes must be consistent with Subtitle IV, Title 49, United
19 States Code, or a regulation adopted under that law. The language in repealed §218.58 was not entirely
20 consistent with Subtitle IV, Title 49, United States Code, or a regulation adopted under that law, such as
21 49 C.F.R Part 375 (Transportation of Household Goods in Interstate Commerce; Consumer Protection
22 Regulations).

1 An adopted amendment to §218.61(b)(1) provides a clear deadline of 23 days for a household
2 goods carrier to issue the acknowledgment letter to the claimant, and an adopted amendment to
3 §218.61(b)(1)(B) makes a conforming amendment due to the adopted amendment to §218.61(b)(1). The
4 prior 20-day deadline for a household goods carrier to send an acknowledgment of the claim to the
5 claimant excluded Sundays and nationally-recognized holidays, which made it harder for a household
6 goods carrier to calculate the deadline.

7 Adopted amendments to §218.61(b)(1)(A) and (2) provide a clear deadline of 35 days for a shipper
8 to submit a request to the department for mediation. The prior 30-day deadline excluded Sundays and
9 nationally recognized holidays, which made it harder for a shipper to calculate the deadline.

10 Section 218.62 describes the department’s mediation process, which is part of the department’s
11 formal process for resolving a dispute over a fee or damage under Transportation Code, §643.153(b)(1)
12 to protect a shipper of a household goods carrier from deceptive or unfair practices and unreasonably
13 hazardous activities. Adopted amendments to §218.62(a) clarify that a claimant may only make a written
14 request to the department for mediation regarding a dispute over a fee or damage to a shipper’s
15 household goods because Transportation Code, §643.153(b)(1) only authorizes the department to
16 establish a formal process for resolving a dispute over a fee or damage. There are other potential claims
17 that a claimant may have against a household goods carrier, such as a personal injury claim, that are
18 outside the scope of the department’s mediation program. The claimant may have the right to seek
19 damages against the household goods carrier or the individuals who are responsible for the damages in a
20 court of law.

21 An adopted amendment to §218.62(c) provides a clear deadline of 35 days for a shipper to submit
22 a request for mediation to the department. The prior 30-day deadline excluded Sundays and nationally
23 recognized holidays, which made it harder for a shipper to calculate the deadline. An adopted amendment

1 to §218.62(d) makes a conforming amendment to increase the number of days after which the
2 department shall deny a request for mediation due to the adopted amendment to §218.62(c). The
3 adopted amendment to §218.62(d) substitutes “125 days” for “120 days (excluding Sundays and
4 nationally recognized holidays).” The current 90-day deadline in §218.61(a)(1) does not include the clause
5 “(excluding Sundays and nationally recognized holidays),” so 90 days plus the new 35-day deadline under
6 the adopted amendment to §218.62(c) equals 125 days. An adopted amendment to §218.62(f) makes a
7 conforming amendment to increase the 30-day deadline to a 35-day deadline for a shipper to submit a
8 request for mediation to the department, due to the adopted amendment to §218.62(c).

9 An adopted amendment to §218.62(c)(3) corrects a grammatical error by changing the word “has”
10 to “have.” Adopted amendments to §218.62(d) change the word “will” to “shall” for consistency and
11 clarity. Government Code, §311.016 defines the word “shall” to impose a duty, which is the intended
12 meaning in §218.62(d). An adopted amendment to §218.62(f) modernizes the rule by authorizing the
13 calculation of the 35-day deadline for requesting mediation to be based on the date the claim denial or
14 settlement offer letter is emailed to the claimant.

15 Adopted amendments to §218.62(i) add a new paragraph (1) and modify the requirement for a
16 household goods carrier to participate in the mediation process due to the adopted amendments to
17 §218.53 to change the mandatory uniform cargo liability standard to a voluntary standard. The adopted
18 amendments to §218.62(i) strike a balance between protecting a shipper and not forcing the household
19 goods carrier to mediate a shipper’s claim for loss or damage regarding the shipper’s property that
20 conflicts with the terms of the moving services contract regarding the household goods carrier’s liability.
21 Because there is no longer a mandatory standard for uniform cargo liability under the adopted
22 amendments to §218.53, the household goods carrier and the shipper might agree in their moving
23 services contract that the household goods carrier will have \$0.00 liability for loss or damage to the

1 shipper’s property, which may reduce the contract costs for the shipper. If the parties agree that there
2 will be \$0.00 liability or if a pre-existing transportation contract states the household goods carrier will
3 have \$0.00 liability, there is nothing to mediate regarding liability for loss or damages to the shipper’s
4 property. However, there could still be a need for a mediation regarding a possible claim on the fee under
5 the moving services contract, or a claim if the shipper purchases insurance from the household goods
6 carrier and the household goods carrier does not obtain the insurance policy or other appropriate
7 evidence of purchased insurance for the shipper under §218.54. The department adopts §218.62(i)(1)
8 with changes at adoption to remove the word “would” and to change the word “exceed” to “exceeds” to
9 improve the language in the rule text.

10 Adopted amendments to §218.62(i) also add a new paragraph (2) to separate the language in new
11 paragraph (1) from the prior language in §218.62(i) regarding the department’s authority to impose
12 administrative penalties on a household goods carrier who refuses to participate in mediation as required
13 by §218.62. In addition, an adopted amendment to new §218.62(i)(2) substitutes the word “penalties” for
14 the word “sanctions” because §218.71 deals with penalties, rather than sanctions.

15 Adopted amendments to §218.64(a) and (b) delete the references to “two incorporated cities” to
16 be consistent with the language in Transportation Code, §643.153(d) regarding the tariff that a household
17 goods carrier shall file with the department regarding the maximum charges for all transportation
18 services. An adopted amendment to §218.64(c)(3)(B) replaces the word “applicant” with the word
19 “association” because the language refers to the collective ratemaking association. An adopted
20 amendment to §218.64(c)(6)(B) makes the language consistent with the language in Transportation Code,
21 §643.154(e) regarding the approval of a collective ratemaking agreement. An adopted amendment to
22 §218.64(c)(9) changes the word “of” to “by” to correct a grammatical error.

1 Adopted new §218.64(d) exempts a household goods carrier that is required to register under
2 Transportation Code, Chapter 643 from Chapter 15, Business and Commerce Code, for an activity relating
3 to the establishment of a joint line rate, route, classification, or mileage guide, as authorized by
4 Transportation Code, §643.154(c).

5 Adopted amendments to §218.64 and §218.65 change the word “will” to “shall” for consistency
6 and clarity. Government Code, §311.016 defines the word “shall” to impose a duty, which is the intended
7 meaning in §218.64 and §218.65.

8 An adopted amendment to §218.65(a)(1)(E) deletes a portion of the language because paragraph
9 (1) is supposed to list the contents of the tariff; however, the department moved the deleted language to
10 the appropriate location in §218.65(a)(4)(D) and (b) under adopted amendments referenced below. An
11 adopted amendment to §218.65(a)(3)(B) replaced the term “principal office” with the term “principal
12 business address,” which is the term used in Transportation Code, §643.052(1) and a defined term in
13 §218.2. An adopted amendment to §218.65(a)(3)(C) added the words “certificate of” for clarity because
14 the transmittal letter must include the household goods carrier’s certificate of registration number.
15 Adopted new §218.65(a)(4)(D) includes a modified version of the first sentence in the language that the
16 department removed from §218.65(a)(1)(E) regarding the requirement to file the mileage guide as an
17 addendum to the tariff because §218.65(a)(4) is the correct location for this language. Another adopted
18 amendment to §218.65 deletes prior subsection (b) as outdated and unnecessary because the oldest tariff
19 that is on file with the department is dated 2018. All tariffs must now comply with §218.65. Adopted new
20 §218.65(b) contains the second sentence from the language the department deleted from
21 §218.65(a)(1)(E) regarding the requirement to allow department personnel free access to a computer
22 database used as a mileage guide in the household goods carrier’s tariff.
23 Subchapter F. Administrative Penalties and Sanctions.

1 Adopted amendments to §218.72(b) add the word “Texas” to clarify that the references are to
2 the Texas Department of Public Safety. Adopted amendments to §218.72(c) replace the word “motor”
3 with “household goods” for clarity and consistency because the term “household goods carrier” is a
4 defined term in §218.2. Adopted amendments to §218.72(c) also replace the words “mover’s” and
5 “mover” with the terms “goods carrier’s” and “goods carrier” for clarity and consistency because
6 “household goods carrier” is a defined term in §218.2.

7 Subchapter G. Financial Responsibility for Foreign Commercial Motor Vehicles.

8 Transportation Code, §648.102 requires the department to adopt rules that conform with 49
9 C.F.R. Part 387 requiring motor carriers that operate foreign commercial motor vehicles in Texas to
10 maintain financial responsibility. Also, Transportation Code, §648.102(b) states that Transportation Code,
11 Chapter 648 prevails over any other requirement of state law relating to financial responsibility for
12 operation of foreign commercial motor vehicles in Texas. The department complied with Transportation
13 Code, §648.102 by adopting Subchapter G of Chapter 218. The department adopts amendments to
14 Subchapter G to clarify and update the rules.

15 An adopted amendment to §218.80 clarifies that for the purposes of Subchapter G of Chapter
16 218, the term “motor carrier” is defined by Transportation Code, §648.001, which defines the term “motor
17 carrier” to include a foreign motor carrier and a foreign motor private carrier, as defined in 49 U.S.C.
18 §13102(6) and (7). Also, adopted amendments to §218.80 clarify that Subchapter G does not apply to a
19 motor carrier that is required to register with the department under Transportation Code, Chapter 643
20 because the financial responsibility requirements for such a motor carrier are addressed in §218.16. In
21 addition, an adopted amendment to §218.80 clarifies that Subchapter G does not apply to a motor carrier
22 that is required to register with FMCSA for interstate transportation and is not operating in intrastate

1 transportation within this state. FMCSA has the authority to regulate motor carriers regarding interstate
2 transportation.

3 The department adopts §218.80 with clarifying changes at adoption to reorganize the text into
4 separate subsections (a) and (b), and to state that the language in subsection (b) is an exception to the
5 language in subsection (a).

6 An adopted amendment to §218.82(a) deletes the prior second sentence regarding a motor
7 carrier that is required to register with the department under Transportation Code, Chapter 643 due to
8 the adopted amendments to §218.80, including the amendment that moves most of this second sentence
9 to §218.80 with some changes. An adopted amendment to §218.82(a) also changes the term “public road
10 or highway” to “public highway,” which is a defined term in §218.2.

11 Adopted amendments to §218.82(b) adopt by reference the required level of financial
12 responsibility under 49 C.F.R. Part 387, including any amendments that became effective through July 1,
13 2024. Also, an adopted amendment to §218.82(b) deletes reference to the amendments to 49 C.F.R. Part
14 387 with an effective date of October 23, 2015, because FMCSA has since amended 49 C.F.R. Part 387.

15 **SUMMARY OF COMMENTS.**

16 The department received one written comment on the proposal from the representative for both
17 the Southwest Movers Association and the Texas Trucking Association (commenters).

18 **Comment:** The commenters support the department’s revised amendments to §218.13(a)(3)(E) and (i),
19 which the department made in response to an adopted motion and comments from the members of
20 MCRAC at the MCRAC meeting in December 2023.

21 **Response:** The department agrees with this comment.

22

1 **Comment:** The commenters are opposed to the department’s proposed amendments regarding the
2 voluntary standard for uniform cargo liability under Transportation Code, §643.152 out of concern that
3 the amendments would eliminate essential consumer protections, are not in the public’s best interest,
4 and could harm the reputation of the household goods moving industry. In addition, the commenters
5 state that they intend to work closely with all stakeholders, their members, the department, and state
6 lawmakers in the upcoming legislative session to address the concerns regarding the voluntary standard
7 for uniform cargo liability.

8 **Response.** The department disagrees that Transportation Code, §643.152 allows the department to adopt
9 or enforce a rule requiring a mandatory standard for uniform cargo liability because the statute permits
10 only a voluntary standard. The department is therefore required by Transportation Code, §643.152 to
11 adopt the revisions regarding the voluntary standard for uniform cargo liability. The department agrees
12 that lawmakers in the upcoming legislative session will have an opportunity to decide whether the
13 department’s authority to establish a voluntary standard for uniform cargo liability under Transportation
14 Code, §643.152 should be amended regarding the intrastate transportation of household goods.

15

16

SUBCHAPTER A. GENERAL PROVISIONS

17

43 TAC §218.2

18

19 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
20 §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter
21 643; Transportation Code, §643.051, which states that a motor carrier may not operate a commercial
22 motor vehicle, as defined by Transportation Code, §548.001, on a road or highway in Texas, and may not
23 operate a vehicle, regardless of size, to transport household goods for compensation on a road or highway

1 in Texas unless the motor carrier registers with the department under Subchapter B of Transportation
2 Code, Chapter 643; Transportation Code, §548.001, which defines the term “commercial motor vehicle”
3 and “farm vehicle” under Transportation Code, Chapter 548; Transportation Code, §643.153, which
4 authorizes the department to adopt rules that are necessary to ensure that a customer of a motor carrier
5 transporting household goods is protected from deceptive or unfair practices and unreasonably
6 hazardous activities, including rules that require the motor carrier to indicate clearly to a customer
7 whether an estimate is binding or nonbinding and to disclose the maximum price a customer could be
8 required to pay, and rules that require a motor carrier transporting household goods to list a place of
9 business with a street address in Texas and the motor carrier’s registration number issued under
10 Transportation Code, Chapter 643 in any print advertising published in Texas; Transportation Code,
11 §648.102, which authorizes the department to adopt rules that conform with 49 C.F.R. Part 387 requiring
12 motor carriers operating foreign commercial motor vehicles in Texas to maintain financial responsibility;
13 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
14 appropriate to implement the powers and duties of the department under the Transportation Code and
15 other laws of this state; Government Code, §2001.004, which requires state agencies to adopt rules of
16 practice stating the nature and requirements of all available formal and informal procedures; and the
17 statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein
18 by reference.

19 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter 643
20 and §648.102; and Government Code, Chapter 2001.

21

22 TEXT.

23 §218.2. Definitions.

1 (a) The definitions contained in Transportation Code, Chapter 643 apply to this chapter. In the
2 event of a conflict with this chapter, the definitions contained in Transportation Code, Chapter 643
3 control; however, the definition of the word “director” in this section controls over the definition in
4 Transportation Code, Chapter 643.

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

7 (1) Advertisement--An oral, written, graphic, or pictorial statement or representation
8 made in the course of soliciting intrastate household goods transportation services, including, without
9 limitation, a statement or representation made in a newspaper, magazine, or other publication, or
10 contained in a notice, sign, poster, display, circular, pamphlet, or letter, or on radio, the Internet, or via
11 an online service, or on television. The term does not include direct communication between a
12 household goods carrier or carrier's representative and a prospective shipper, and does not include the
13 following:

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

15 (B) business cards;

16 (C) listings not paid for by the household goods carrier or its household goods
17 carrier's agent; and

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

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

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

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

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

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

10 (7) Certified scale--Any scale designed for weighing motor vehicles, including trailers or
11 semitrailers not attached to a tractor, and certified by an authorized scale inspection and licensing
12 authority. A certified scale may also be a platform-type or warehouse-type scale properly inspected and
13 certified.

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

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

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

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

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

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

- 1 (F) a tow truck, as defined by Occupations Code, §2308.002.
- 2 (9) Conspicuous--Written in a size, color, and contrast so as to be readily noticed and
3 understood.
- 4 (10) Conversion--A change in an entity's organization that is implemented with a
5 Certificate of Conversion issued by the Texas Secretary of State under Business Organizations Code,
6 §10.154.
- 7 (11) Director--The director of the department's Motor Carrier Division, whom the
8 executive director of the department designated as the director under Transportation Code,
9 §643.001(2).
- 10 (12) Estimate--An informal oral calculation of the approximate price of transporting
11 household goods.
- 12 (13) Farmer--A person who operates a farm or is directly involved in cultivating land,
13 crops, or livestock that are owned by or are under the direct control of that person.
- 14 (14) Farm vehicle--A commercial motor vehicle that is:
- 15 (A) controlled and operated by a farmer to transport either:
- 16 (i) agricultural products; or
- 17 (ii) farm machinery, farm supplies, or both, to and from a farm;
- 18 (B) not being used in the operation of a for-hire motor carrier;
- 19 (C) not carrying hazardous materials of a type or quantity that requires the
20 commercial motor vehicle to be placarded in accordance with 49 C.F.R. §177.823; and
- 21 (D) being used within 150 air-miles of the farmer's farm.
- 22 (15) FMCSA--Federal Motor Carrier Safety Administration.
- 23 (16) Foreign commercial motor vehicle--As defined in Transportation Code, §648.001.

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

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

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

6 (18) Household goods agent--A motor carrier who transports household goods on
7 behalf of another motor carrier.

8 (19) Household goods carrier--A motor carrier who transports household goods for
9 compensation, regardless of the size of the vehicle.

10 (20) Inventory--A list of the items in a household goods shipment and the condition of
11 the items.

12 (21) Leasing business--A person that leases vehicles requiring registration under
13 Subchapter B of this chapter to a motor carrier that must be registered.

14 (22) Mediation--A non-adversarial form of alternative dispute resolution in which an
15 impartial person, the mediator, facilitates communication between two parties to promote
16 reconciliation, settlement, or understanding.

17 (23) Motor Carrier or carrier--As defined in Transportation Code, §643.001(6).

18 (24) Motor transportation broker--As defined in Transportation Code, §646.001.

19 (25) Moving services contract--A contract between a household goods carrier and
20 shipper, such as a bill of lading, receipt, order for service, or work order, that sets out the terms of the
21 services to be provided.

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

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

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

8 (29) Print advertisement--A written, graphic, or pictorial statement or representation
9 made in the course of soliciting intrastate household goods transportation services, including, without
10 limitation, a statement or representation made in or contained in a newspaper, magazine, circular, or
11 other publication. The term does not include direct communication between a household goods carrier
12 or carrier's representative and a prospective shipper, and does not include the following:

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

14 (B) business cards;

15 (C) Internet websites;

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

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

21 (30) Public highway--Any publicly owned and maintained street, road, or highway in this
22 state.

23 (31) Replacement vehicle--A vehicle that takes the place of another vehicle that has

1 been removed from service.

2 (32) Revocation--The withdrawal of registration and privileges by the department or a
3 registration state.

4 (33) Shipper--The owner of household goods or the owner's representative.

5 (34) Short-term lease--A lease of 30 days or less.

6 (35) Substitute vehicle--A vehicle that is leased from a leasing business and that is used
7 as a temporary replacement for a vehicle that has been taken out of service for maintenance, repair, or
8 any other reason causing the temporary unavailability of the permanent vehicle.

9 (36) Suspension--Temporary removal of privileges granted to a registrant by the
10 department or a registration state.

11 (37) Unified Carrier Registration System or UCR--A motor vehicle registration system
12 established under 49 U.S.C. §14504a or a successor federal registration program.

13 (38) USDOT--United States Department of Transportation.

14 (39) USDOT number--An identification number issued by or under the authority of the
15 FMCSA or its successor.

16

17 **SUBCHAPTER B. MOTOR CARRIER REGISTRATION**

18 **43 TAC §§218.10, 218.11, 218.13, 218.14, 218.16, AND 218.18**

19

20 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
21 §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter
22 643; Transportation Code, §643.051, which states that a motor carrier may not operate a commercial
23 motor vehicle, as defined by Transportation Code, §548.001, on a road or highway in Texas, and may not

1 operate a vehicle, regardless of size, to transport household goods for compensation on a road or
2 highway in Texas unless the motor carrier registers with the department under Subchapter B of
3 Transportation Code, Chapter 643; Transportation Code, §643.052, which requires a motor carrier to
4 submit to the department an application on a form prescribed by the department to register under
5 Subchapter B of Transportation Code, Chapter 643, as well as the required components of the
6 application, which include information the department by rule determines is necessary for the safe
7 operation of a motor carrier under Transportation Code, Chapter 643; Transportation Code, §643.053,
8 which provides additional requirements for an application filed with the department under
9 Transportation Code, §643.052; Transportation Code, §643.054, which authorizes the department to
10 deny an application for registration under certain circumstances, in addition to authorizing the
11 department to adopt simplified procedures for the registration of motor carriers transporting household
12 goods as agents for carriers required to register under Transportation Code, Chapter 643;
13 Transportation Code, §643.056, which requires a motor carrier that is required to register under
14 Subchapter B of Transportation Code, Chapter 643, to supplement the motor carrier's application for
15 registration under certain circumstances; Transportation Code, §643.058, which specifies the
16 requirements for a motor carrier to apply for renewal of registration issued under Subchapter B of
17 Transportation Code, Chapter 643, as well as the authority for the department to deny an application for
18 renewal of registration; Transportation Code, §643.0585, which specifies the requirements for a motor
19 carrier to apply for reregistration after its registration has been revoked, as well as the authority for the
20 department to deny an application for reregistration; Transportation Code, §643.061, which authorizes
21 the department to adopt rules to vary the registration period under Subchapter B of Transportation
22 Code, Chapter 643; Transportation Code, §643.062, which states that a foreign-based international
23 motor carrier that is required to register under Transportation Code, Chapter 643 or that is registered

1 under Transportation Code, Chapter 645 may not transport persons or cargo in intrastate commerce in
2 Texas; Transportation Code, §643.063, which authorizes the department to adopt rules that provide for
3 the operation of vehicles under a short-term lease under flexible procedures, which are designed to
4 avoid requiring a vehicle to be registered more than once in a calendar year and which allow a leasing
5 business to register a vehicle on behalf of a lessee; Transportation Code, §643.101(b), which authorizes
6 the department to adopt rules to set the amount of liability insurance that a motor carrier that is
7 required to register under Subchapter B of Transportation Code, Chapter 643 must maintain, at an
8 amount that does not exceed the amount required for a motor carrier under a federal regulation
9 adopted under 49 U.S.C. §13906(a)(1); Transportation Code, §643.102, which authorizes the
10 department to adopt rules to provide for a responsible system of self-insurance for a motor carrier;
11 Transportation Code, §643.103, which authorizes the department to charge a fee of \$100 when a motor
12 carrier that is required to register under Subchapter B of Transportation Code, Chapter 643 files
13 evidence of insurance in the amounts required by Transportation Code, §643.101 or §643.1015, or
14 evidence of financial responsibility as described by Transportation Code, §643.102, in a form prescribed
15 by the department; Transportation Code, §643.252, which authorizes the department to deny a
16 registration issued under Transportation Code, Chapter 643 under certain circumstances; Transportation
17 Code, §648.102, which authorizes the department to adopt rules that conform with 49 C.F.R. Part 387
18 requiring motor carriers operating foreign commercial motor vehicles in Texas to maintain financial
19 responsibility; Transportation Code, §1002.001, which authorizes the board to adopt rules that are
20 necessary and appropriate to implement the powers and duties of the department under the
21 Transportation Code and other laws of this state; Government Code, §2001.004, which requires state
22 agencies to adopt rules of practice stating the nature and requirements of all available formal and
23 informal procedures; Government Code, §2001.054, which specifies the requirements regarding the

1 grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license; and the statutory
2 authority referenced throughout this preamble and in the rule text, which is incorporated herein by
3 reference.

4 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter
5 643; and Government Code, Chapter 2001.

6
7 TEXT.

8 §218.10. Purpose.

9 This subchapter prescribes the procedures by which a motor carrier, leasing business, or household
10 goods carrier may register with the department, and sets out minimum insurance requirements and
11 minimum accidental insurance requirements.

12
13 §218.11. Motor Carrier Registration.

14 (a) A motor carrier may not operate a commercial motor vehicle upon a public highway of this
15 state without first obtaining a certificate of registration issued by the department as prescribed in this
16 subchapter and a valid USDOT number.

17 (b) A household goods carrier may not operate a vehicle upon a public highway of this state
18 without first obtaining a certificate of registration issued by the department as prescribed in this
19 subchapter and a valid USDOT number.

20 (c) For the purposes of this subchapter, a valid USDOT number is an active USDOT number.

21
22 §218.13. Application for Motor Carrier Registration.

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

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

5 (2) Applicant information and documents. All applications must include the following
6 information and documents:

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

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

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

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

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

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

23 (A) The contact name, email address, and telephone number of the person
24 submitting the application. An authorized representative of the applicant who files an application with

1 the department on behalf of an applicant may be required to provide written proof of authority to act on
2 behalf of the applicant.

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

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

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

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

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

17 (E) The name, social security number or Individual Taxpayer Identification
18 Number (to the extent the natural person is authorized by law to obtain one of these numbers), date of
19 birth, and business address for each person who serves or will serve as the applicant's manager, operator,
20 or representative who has or exercises authority to direct some or all of the applicant's operational policy
21 regarding compliance with applicable laws regarding a motor carrier, excluding sales functions.

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

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

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

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

9 (iv) United States passport; or

10 (v) United States military identification.

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

14 (5) Legal agent.

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

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

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

22 (6) Description of vehicles. An application must include a motor carrier equipment report
23 identifying each motor vehicle that requires registration and that the carrier proposes to operate. Each

1 motor vehicle must be identified by its vehicle identification number, make, model year, and type of cargo
2 and by the unit number assigned to the motor vehicle by the motor carrier. Any subsequent registration
3 of vehicles must be made under subsection (e) of this section.

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

6 (8) Insurance coverage. An applicant must indicate insurance coverage as required by
7 §218.16 of this title (relating to Insurance Requirements).

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

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

15 (11) Duration of registration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (i) Have you ever had another motor carrier certificate of registration
20 number issued by the department in the three years prior to the date of this application? If your answer
21 is yes, provide the certificate of registration number for the motor carrier(s). In the Applicant
22 Questionnaire, the word “you” means the applicant or any business that is operated, managed, or
23 otherwise controlled by or affiliated with the applicant or a family member, corporate officer, manager,

1 operator, or owner (if the business is not a publicly traded company) of the applicant. In the Applicant
2 Questionnaire, the word “manager” means a person who has or exercises authority to direct some or all
3 of the applicant’s operational policy regarding compliance with applicable laws regarding a motor carrier,
4 excluding sales functions.

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

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

14 (iv) Are you related to another motor carrier, or have you been related to
15 another motor carrier within the three years prior to the date of your application? The relationship may
16 be through a person (including a family member), corporate officer, or partner who also operates or has
17 operated as a motor carrier in Texas. If your answer is yes, state how you are related and provide the
18 motor carrier’s name and the motor carrier’s USDOT number, or the certificate of registration number
19 issued by the department for each related motor carrier.

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

23 (I) department’s notice number(s); and

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

3 (vi) Name and title of person completing the Applicant Questionnaire;
4 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (A) A current copy of the page of the insurance cab card on which the vehicle is
18 shown shall be maintained in each vehicle listed, unless the motor carrier chooses to maintain a legible
19 and accurate image of the insurance cab card on a wireless communication device in the vehicle or
20 chooses to display such information on a wireless communication device by accessing the department's
21 online system from the vehicle. The appropriate information concerning that vehicle shall be highlighted
22 if the motor carrier chooses to maintain a hard copy of the insurance cab card or chooses to display an
23 image of the insurance cab card on a wireless communication device in the vehicle. The insurance cab

1 card or the display of such information on a wireless communications device shall serve as proof of
2 insurance as long as the motor carrier has continuous insurance or financial responsibility on file with the
3 department.

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

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

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

14 (E) If an insurance cab card is lost, stolen, destroyed, or mutilated; if it becomes
15 illegible; or if it otherwise needs to be replaced, the department shall print out a new insurance cab card
16 at the request of the motor carrier. Motor carriers are authorized to print out a copy of a new insurance
17 cab card using the department's online system.

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

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

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

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

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

14 (1) Change of cargo. A registered motor carrier may not begin transporting household
15 goods or hazardous materials unless the carrier submits a supplemental application to the department
16 and shows the department evidence of insurance or financial responsibility in the amounts specified by
17 §218.16.

18 (2) Change of name. A motor carrier that changes its name shall file a supplemental
19 application for registration no later than the effective date of the change. The motor carrier shall include
20 evidence of insurance or financial responsibility in the new name and in the amounts specified by §218.16.
21 A motor carrier that is a corporation must have its name change approved by the Texas Secretary of State
22 before filing a supplemental application. A motor carrier incorporated outside the state of Texas must

1 complete the name change under the law of its state of incorporation before filing a supplemental
2 application.

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

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

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

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

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

20 (A) filing a supplemental application to reregister instead of filing an original
21 application; and

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

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

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

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

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

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

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

20 (i) Once the motor carrier obtains a certificate of registration, the motor carrier shall update its
21 principal business address, mailing address, and email address in the department's online system within
22 30 days of a change to the information.

23

1 §218.14. Expiration and Renewal of Motor Vehicle Registration.

2 (a) Expiration and renewal dates.

3 (1) A motor carrier with annual or biennial registration shall be assigned a date for the
4 expiration and renewal of its motor carrier registration according to the last digit of the carrier's certificate
5 of registration number, as outlined in the following chart:

6 Attached Graphic

7 (2) 90-day certificates of registration are valid for 90 calendar days from the effective
8 date.

9 (3) Seven-day certificates of registration are valid for seven calendar days from the
10 effective date.

11 (b) Registration renewal.

12 (1) At least 30 days before the expiration of registration, the department shall mail or
13 send electronically a renewal notice to each registered motor carrier with annual or biennial registration.
14 The notice shall be sent to the carrier's last known address according to the Motor Carrier Division's
15 records. Failure to receive the notice does not relieve the registrant of the responsibility to renew. A
16 supplement to an application for motor carrier registration renewal must be filed electronically in the
17 department's designated motor carrier registration system and must:

18 (A) supply any new information and documents required under §218.13(e) of this
19 title (relating to Application for Motor Carrier Registration) if the information or documents have not
20 previously been provided to the department; and

21 (B) include a \$10 fee for each vehicle that the carrier operates under an annual
22 certificate of registration and a \$20 fee for each vehicle that the carrier operates under a biennial
23 certificate of registration.

1 (2) Seven-day and 90-day registrations may not be renewed.

2 (3) A motor carrier shall maintain continuous insurance or evidence of financial
3 responsibility in an amount at least equal to the amount prescribed under §218.16 of this title (relating to
4 Insurance Requirements).

5 (4) The insurance cab card issued to a motor carrier is valid for the same period as the
6 motor carrier's certificate of registration.

7 (5) To renew registration after it has expired, a motor carrier must file a supplemental
8 application electronically in the department's designated motor carrier registration system within 180
9 days after the registration expiration and must include the following information, documents, and fees:

10 (A) identify its vehicles on a form prescribed by the director;

11 (B) pay all vehicle fees; and

12 (C) if current proof of insurance or evidence of financial responsibility is not on
13 file with the department, comply with all insurance requirements.

14 (c) Interstate motor carrier operating in intrastate commerce.

15 (1) An interstate motor carrier registered under §218.17 of this title (relating to Unified
16 Carrier Registration System) is not required to renew a certificate of registration issued under §218.11 of
17 this title (relating to Motor Carrier Registration) except when the motor carrier is operating as a

18 (A) non-charter bus carrier;

19 (B) household goods carrier; or

20 (C) recyclable materials or waste carrier.

21 (2) If a motor carrier that registered under §218.17 does not maintain continuous motor
22 carrier registration under §218.11, the motor carrier must file a supplemental application to reregister
23 under §218.13 to operate on a public highway in this state.

1 (3) The motor carrier must notify the department if the motor carrier is registered under
2 UCR. The notification must be filed with the department on a form prescribed by the department. Once
3 the department receives the notification, the department shall convert the motor carrier's certificate of
4 registration to a non-expiring certificate of registration if the motor carrier qualifies for a non-expiring
5 certificate of registration.

6 (4) If the department issues the motor carrier a non-expiring certificate of registration,
7 the motor carrier shall notify the department if the motor carrier is no longer registered under UCR or if
8 the motor carrier operates as a non-charter bus carrier, household goods carrier, or recyclable materials
9 or waste carrier. The notification shall be filed with the department on a form prescribed by the
10 department.

11
12 §218.16. Insurance Requirements.

13 (a) Automobile liability insurance requirements. A motor carrier must file proof of automobile
14 liability insurance with the department on a form acceptable to the director for each vehicle required to
15 be registered under this subchapter. The motor carrier shall carry and maintain automobile liability
16 insurance that is combined single limit liability for bodily injury to or death of an individual per
17 occurrence, and loss or damage to property (excluding cargo) per occurrence. Extraneous information
18 will not be considered acceptable, and the department may reject proof of automobile liability
19 insurance if it is provided in a format that includes information beyond what is required. Minimum
20 insurance levels are indicated in the following table. However, a motor carrier that is required to register
21 with the department under Transportation Code, Chapter 643 and operates a foreign commercial motor
22 vehicle must comply with the minimum level of financial responsibility in 49 C.F.R. Part 387 for such
23 vehicle. The department adopts by reference 49 C.F.R. Part 387 regarding the required level of financial

1 responsibility, including any amendments that became effective through July 1, 2024.

2 Attached Graphic

3 (b) Cargo insurance. Household goods carriers shall file and maintain with the department proof
4 of financial responsibility.

5 (1) The minimum limits of financial responsibility for a household goods carrier is \$5,000
6 for loss or damage to a single shipper's cargo carried on any one motor vehicle.

7 (2) The minimum limits of financial responsibility for a household goods carrier is
8 \$10,000 for aggregate loss or damage to multiple shippers' cargo carried on any one motor vehicle. In
9 cases in which multiple shippers sustain damage and the aggregate amount of cargo damage is greater
10 than the cargo insurance in force, the insurance company shall prorate the benefits among the shippers
11 in relationship to the damage incurred by each shipper.

12 (c) Workers' compensation or accidental insurance coverage.

13 (1) A motor carrier that is required to register under this subchapter and whose primary
14 business is transportation for compensation or hire between two or more municipalities shall provide
15 workers' compensation for all its employees or accidental insurance coverage in the amounts prescribed
16 in paragraph (2) of this subsection.

17 (2) Accidental insurance coverage required by paragraph (1) of this subsection shall be
18 at least in the following amounts:

19 (A) \$300,000 for medical expenses for at least 104 weeks;

20 (B) \$100,000 for accidental death and dismemberment;

21 (C) 70 percent of the employee's pre-injury income for not less than 104 weeks
22 when compensating for loss of income; and

23 (D) \$500 for the maximum weekly benefit.

1 (d) Qualification of motor carrier as self-insured motor carrier.

2 (1) General qualifications. A motor carrier may meet the insurance requirements of
3 subsections (a) and (b) of this section by filing an application, in a form prescribed by the department, to
4 qualify as a self-insured motor carrier. The application must include a true and accurate statement of
5 the motor carrier's financial condition and other evidence that establishes its ability to satisfy
6 obligations for bodily injury and property damage liability, or cargo liability, if applicable, without
7 affecting the stability or permanency of its business. The department may accept USDOT evidence of the
8 motor carrier's qualifications as a self-insured motor carrier.

9 (2) Applicant guidelines. In addition to filing an application as prescribed by the
10 department, an applicant for self-insured status must submit information and documents that will
11 enable the department to determine the following information.

12 (A) Applicant's net worth. An applicant's net worth must be adequate in relation
13 to the size of its operations and the extent of its request for self-insurance authority. The applicant must
14 demonstrate that it can and will maintain an adequate net worth.

15 (B) Self-insurance program. An applicant must demonstrate that it has
16 established and shall maintain a sound insurance program that will protect the public against all claims
17 involving motor vehicles to the same extent as the minimum insurance levels applicable under this
18 section. In determining whether an applicant is maintaining a sound insurance program, the department
19 shall consider:

- 20 (i) reserves;
- 21 (ii) sinking funds;
- 22 (iii) third-party financial guarantees;
- 23 (iv) parent company or affiliate sureties;

1 (v) excess insurance coverage; and

2 (vi) other appropriate aspects of the applicant's program.

3 (C) Safety program. An applicant must submit evidence of a current
4 “satisfactory” safety rating from the Texas Department of Public Safety under Transportation Code,
5 Chapter 644 and administrative rules adopted under Transportation Code, Chapter 644 or a
6 “satisfactory” safety rating from FMCSA under federal law. An application by a motor carrier with less
7 than a current “satisfactory” safety rating or no safety rating will be summarily denied.

8 (3) Other securities or agreements. The department may accept an application for
9 approval of a security or agreement if satisfied that the security or agreement offered will adequately
10 protect the public.

11 (4) Periodic reports. An approved self-insured motor carrier shall file with the
12 department annual statements and any reports required by the department reflecting the motor
13 carrier’s financial condition and the status of its self-insurance program while the motor carrier is self-
14 insured.

15 (5) Duration and coverage of self-insured status. The department may approve an
16 applicant as a self-insured motor carrier for any specific time or for an indefinite time. An approved self-
17 insured status only applies to the type of cargo that the motor carrier reported to the department in the
18 application for self-insured status, and is subject to any limitations, restrictions, or requirements that
19 the department includes in any letter approving self-insured status.

20 (6) Revocation of self-insured status. On receiving evidence that a self-insured motor
21 carrier's financial condition has changed, that its safety program or record is inadequate, or that it is
22 otherwise not in compliance with this subchapter, the department may at any time require the self-
23 insured motor carrier to provide additional information and documents. On 10 days' notice from the

1 department, the self-insured motor carrier shall provide the department with information and
2 documents, as applicable, that demonstrate that it remains in compliance with the requirements of this
3 section and of any active self-insurance requirements included in the department's approval letter. If a
4 motor carrier fails to comply with the applicable requirements under this section, its self-insured status
5 may be revoked. The revocation of self-insured status will be governed by Chapter 224 of this title
6 (relating to Adjudicative Practice and Procedure) and Transportation Code, Chapter 643.

7 (7) Appeal of denial of application for self-insured status. An applicant may appeal a
8 denial of self-insured status by filing an appeal in accordance with §224.126 of this title (relating to
9 Appeal of a Denial of Self-Insured Status).

10 (e) Filing proof of insurance with the department.

11 (1) Forms.

12 (A) A motor carrier shall file and maintain proof of automobile liability insurance
13 for all vehicles required to be registered under this subchapter at all times. This proof shall be filed on a
14 form acceptable to the director.

15 (B) A household goods carrier shall also file and maintain proof of cargo
16 insurance for its cargo at all times. This proof shall be on a form acceptable to the director.

17 (2) Filing proof of insurance. A motor carrier's insurer shall file and maintain proof of
18 insurance on a form acceptable to the director:

19 (A) at the time of the original application for a motor carrier certificate of
20 registration;

21 (B) on or before the cancellation date of the insurance coverage as described in
22 subsection (f) of this section;

23 (C) when the motor carrier changes insurers;

1 (D) when the motor carrier asks to retain the certificate number of a revoked
2 certificate of registration;

3 (E) when the motor carrier changes its name under §218.13(e)(2) of this title
4 (relating to Application for Motor Carrier Registration);

5 (F) when the motor carrier, under subsection (a) of this section, changes the
6 classification of the cargo being transported; and

7 (G) when replacing another active insurance filing.

8 (3) Filing fee. Each certificate of insurance or proof of financial responsibility filed with
9 the department for the coverage required under this section must be accompanied by a nonrefundable
10 filing fee of \$100 when the carrier submits an original application and when the carrier submits a
11 supplemental application when retaining a revoked certificate of registration number.

12 (4) Acceptable filings. The motor carrier's insurer must file proof of insurance with the
13 department in a form prescribed by the department and approved by an authorized agent of the
14 insurer.

15 (f) Cancellation of insurance coverage. Except when replaced by another acceptable form of
16 insurance coverage or proof of financial responsibility approved by the department, insurance coverage
17 may not be canceled or withdrawn until 30 days after notice has been given to the department by the
18 insurer in a form approved by the department. Nonetheless, proof of insurance coverage for a seven-
19 day or 90-day certificate of registration may be canceled by the insurer without 30 days' notice if the
20 certificate of registration is expired, suspended, or revoked, and the insurer provides a cancellation date
21 on the proof of insurance coverage.

22 (g) Replacement insurance filing. The department shall consider a new insurance filing as the
23 current record of financial responsibility required by this section if:

1 (1) the new insurance filing is received by the department; and

2 (2) a cancellation notice has not been received for previous insurance filings.

3 (h) Insolvency of insurance carrier. An affidavit required by Transportation Code, §643.105 must
4 be executed by an owner, partner, or officer of the motor carrier.

5

6 §218.18. Short-term Lease and Substitute Vehicles.

7 (a) Registration. A short-term lease vehicle registered under this section is exempt from the
8 registration requirements described in §218.13 of this title (relating to Application for Motor Carrier
9 Registration) while leased to a registered motor carrier.

10 (1) Application. A leasing business registering vehicles under this section shall file an
11 application on a form prescribed by the director.

12 (2) Annual report. The operation of a short-term lease vehicle shall be reported to the
13 department on a form prescribed by the director not later than April 1 of each calendar year for the
14 previous calendar year's operations. The report must identify the number of short-term lease vehicles
15 that would otherwise be subject to the registration requirements of this subchapter.

16 (3) Fees. An annual registration fee of \$10 per vehicle operated must be paid at the time
17 the report is filed under paragraph (2) of this subsection.

18 (4) Cancellation, expiration, and revocation.

19 (A) A leasing business must make a written request for cancellation of
20 registration.

21 (B) A leasing business registration expires on April 30 of each year unless the
22 leasing business reports by April 1 the actual number of vehicles requiring registration operated in the
23 previous calendar year.

1 (C) The department may suspend or revoke a leasing business registration under
2 §218.72 of this title (relating to Administrative Sanctions).

3 (b) Proof of contingency liability insurance. A leasing business registering a vehicle under this
4 section must file and maintain proof of liability insurance on a form prescribed by the director as
5 required by §218.16 of this title (relating to Insurance Requirements).

6 (1) Filings. A leasing business shall file proof of insurance at the time of its initial
7 registration and whenever it changes insurance carriers in accordance with §218.16.

8 (2) Filing fee. Each proof of insurance filing under this section shall be accompanied by a
9 nonrefundable \$100 filing fee.

10 (3) Cancellation of insurance coverage. Any cancellation of insurance filed under this
11 section must comply with the requirements set out in §218.16.

12 (c) Substitute vehicles. A registered motor carrier is not required to comply with the provisions
13 of §218.13(d) for a vehicle that is leased from a leasing business and that is used as a temporary
14 replacement for a vehicle that has been taken out of service for maintenance, repair, or any other
15 reason causing the temporary unavailability of the permanent vehicle.

16 (d) Identification. A registered motor carrier is not required to carry proof of registration, as
17 required by §218.13(c)(2), in a vehicle leased from a registered leasing business under a short-term
18 lease. A copy of the lease agreement or of the lease for the originally leased vehicle, in the case of a
19 temporary replacement vehicle, must be carried in the cab of the vehicle.

20

21

SUBCHAPTER C. RECORDS AND INSPECTIONS

22

43 TAC §218.31 AND §218.32

23

1 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
2 §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter
3 643; Transportation Code, §643.051, which states that a motor carrier may not operate a commercial
4 motor vehicle, as defined by Transportation Code, §548.001, on a road or highway in Texas, and may not
5 operate a vehicle, regardless of size, to transport household goods for compensation on a road or
6 highway in Texas unless the motor carrier registers with the department under Subchapter B of
7 Transportation Code, Chapter 643; Transportation Code, §643.254, which authorizes the department to
8 investigate an alleged violation of Transportation Code, Chapter 643 or a rule or order adopted under
9 Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to
10 adopt rules that are necessary and appropriate to implement the powers and duties of the department
11 under the Transportation Code and other laws of this state; Government Code, §2001.004, which
12 requires state agencies to adopt rules of practice stating the nature and requirements of all available
13 formal and informal procedures; and the statutory authority referenced throughout this preamble and
14 in the rule text, which is incorporated herein by reference.

15 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter
16 643; and Government Code, Chapter 2001.

17

18 TEXT.

19 §218.31. Investigations and Inspections of Motor Carrier Records.

20 (a) Certification of department investigators. In accordance with Transportation Code, Chapter
21 643, the executive director or designee will designate department employees as certified for the
22 purpose of entering the premises of a motor carrier to copy or verify documents the motor carrier is
23 required to maintain according to this chapter. The executive director or designee shall provide

1 credentials to department investigators identifying them as department employees and as certified to
2 conduct investigations and inspect records on behalf of the department.

3 (b) Investigations and Inspections.

4 (1) A motor carrier shall grant a department investigator certified under this section
5 access to the carrier's premises to conduct inspections or investigations of alleged violations of this
6 chapter and of Transportation Code, Chapters 643 and 645. The motor carrier shall provide adequate
7 work space with reasonable working conditions and allow the department investigators to copy and
8 verify records and documents the motor carrier is required to maintain according to this chapter.

9 (2) The department investigator may conduct inspections and investigations during
10 normal business hours unless mutual arrangements have been made otherwise.

11 (3) The department investigator shall present his or her credentials to the motor carrier
12 prior to conducting an investigation or inspection.

13 (c) Access. A motor carrier shall provide access to requested records and documents at:

14 (1) the motor carrier's principal business address; or

15 (2) a location agreed to by the department and the motor carrier.

16 (d) Designation of meeting time. If the motor carrier's normal business hours do not provide the
17 access necessary for the investigator to conduct the investigation and the parties cannot reach an
18 agreement as to a time to meet to access the records, the department shall designate the time of the
19 meeting and provide written notice via the business address, facsimile number, or email address on file
20 with the department.

21

22 §218.32. Motor Carrier Records.

23 (a) General records to be maintained. Every motor carrier shall prepare and maintain in a

1 complete and accurate manner:

2 (1) operational logs, insurance certificates, documents to verify the carrier's operations,

3 and proof of registration fee payments;

4 (2) records of services performed;

5 (3) all certificate of title documents, weight tickets, permits for oversize or overweight

6 vehicles and loads, dispatch records, or any other document that would verify the operations of the

7 vehicle to determine the actual weight, insurance coverage, size, and/or capacity of the vehicle; and

8 (4) the original certificate of registration and registration listing, if applicable.

9 (b) Proof of motor carrier registration.

10 (1) Except as provided in paragraph (2) of this subsection and in §218.13(c)(2) of this

11 title (relating to Application for Motor Carrier Registration), every motor carrier shall maintain a copy of

12 its current registration listing in the cab of each registered vehicle at all times. A motor carrier shall

13 make available to a department investigator or any law enforcement officer a copy of the current

14 registration listing upon request.

15 (2) A registered motor carrier is not required to carry proof of registration in a vehicle

16 leased from a leasing business that is registered under §218.18 of this title (relating to Short-term Lease

17 and Substitute Vehicles), when leased as a temporary replacement due to maintenance, repair, or other

18 unavailability of the originally leased vehicle. A copy of the lease agreement, or the lease for the

19 originally leased vehicle, in the case of a substitute vehicle, must be carried in the cab of the vehicle.

20 (3) A motor carrier is not required to carry proof of compliance with UCR or the UCR

21 plan or agreement in its vehicle.

22 (c) Location of files. Except as provided in this subsection, every motor carrier shall maintain at a

23 principal business address in Texas all records and information required by the department.

1 (1) Texas motor carriers. If a motor carrier wishes to maintain records at a specific
2 location other than its principal business address in Texas, the motor carrier shall make a written
3 request to the director. A motor carrier may not begin maintaining records at an alternate location until
4 the request is approved by the director.

5 (2) Out-of-state motor carriers. A motor carrier whose principal business address is
6 located outside the state of Texas shall maintain records required under this section at its business
7 location in Texas. Alternatively, a motor carrier may maintain such records at a specific out-of-state
8 facility if the carrier reimburses the department for necessary travel expenses and per diem for any
9 inspections or investigations conducted in accordance with §218.31 of this title (relating to
10 Investigations and Inspections of Motor Carrier Records).

11 (3) Regional office or driver work-reporting location. All records and documents
12 required by this subchapter which are maintained at a regional office or driver work-reporting location,
13 whether or not maintained in compliance with paragraphs (1) and (2) of this subsection, shall be made
14 available for inspection upon request at the motor carrier's principal business address or other location
15 specified by the department within 48 hours after a request is made. Saturdays, Sundays, and federal
16 and state holidays are excluded from the computation of the 48-hour period of time.

17 (d) Preservation and destruction of records. All books and records generated by a motor carrier,
18 except driver's time cards and logs, must be maintained for not less than two years at the motor
19 carrier's principal business address. A motor carrier must maintain driver's time cards and logs for not
20 less than six months at the carrier's principal business address.

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SUBCHAPTER D. MOTOR TRANSPORTATION BROKERS

23

43 TAC §218.41

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STATUTORY AUTHORITY. The department adopts the amendments under Transportation Code, §646.003, which prohibits a person from acting as a motor transportation broker unless the person provides a bond to the department; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code and other laws of this state; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 646; and Government Code, Chapter 2001.

TEXT.

§218.41. Bond.

(a) Filing. A motor transportation broker shall file a bond with the department before it may act as a motor transportation broker.

(b) Conditions of bond.

(1) The bond shall be:

(A) in an amount of at least \$10,000;

(B) executed by a bonding company authorized to do business in the state of

Texas; and

(C) payable to the State of Texas or a person to whom the motor transportation

broker provides services.

1 (2) The bond shall be conditioned upon:

2 (A) the faithful performance of the contracts or agreements of transportation by
3 the motor carrier or motor carriers for whom the motor transportation broker is acting, and which were
4 negotiated by the broker; and

5 (B) the honest and faithful performance by the motor transportation broker in
6 that capacity.

7 (3) The bond shall provide that all defenses available to the motor carrier shall be
8 available to the principal and surety, but no condition or provision of the bond shall otherwise affect the
9 right of the person to whom the motor transportation broker provides services to collect all damages to
10 which the person may be entitled at law.

11 (c) Expiration or cancellation of bond. The bond shall not expire or be subject to cancellation
12 until the 30th day after written notice of expiration or cancellation has been served on the principal and
13 the department, either personally or by certified mail. Unless the principal files a new bond in
14 compliance with the requirements of this section on or before the expiration of the 30-day period, the
15 person may not act as a motor transportation broker.

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17

SUBCHAPTER E. CONSUMER PROTECTION

18

43 TAC §§218.53, 218.54, 218.56, 218.57, 218.58, 218.61, 218.62, 218.64, AND 218.65

19

20 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
21 §643.152, which authorizes the department to establish voluntary standards for uniform cargo liability
22 and uniform bills of lading or receipts for cargo, which standards must be consistent with Subtitle IV,
23 Title 49, United States Code, or a regulation adopted under that law; Transportation Code, §643.153,

1 which authorizes the department to adopt rules to protect a consumer using the service of a motor
2 carrier who is transporting household goods for compensation; and authorizes the department to adopt
3 rules that are necessary to ensure that a customer of a household goods carrier is protected from
4 deceptive or unfair practices and unreasonably hazardous activities; Transportation Code, §643.153(d),
5 which requires a household goods carrier that is required to register under Subchapter B of
6 Transportation Code, Chapter 643 to file a tariff with the department that establishes the maximum
7 charges for all transportation services; Transportation Code, §643.154(c), which authorizes the
8 department to adopt a rule to exempt a motor carrier that is required to register under Subchapter B of
9 Transportation Code, Chapter 643, from Chapter 15, Business and Commerce Code, for an activity
10 relating to the establishment of a joint line rate, route, classification, or mileage guide; Transportation
11 Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code,
12 Chapter 643; Transportation Code, §643.051, which states that a motor carrier may not operate a
13 vehicle, regardless of size, to transport household goods for compensation on a road or highway in
14 Texas unless the motor carrier registers with the department under Subchapter B of Transportation
15 Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt rules that are
16 necessary and appropriate to implement the powers and duties of the department under the
17 Transportation Code and other laws of this state; Government Code, §2001.004, which requires state
18 agencies to adopt rules of practice stating the nature and requirements of all available formal and
19 informal procedures; and the statutory authority referenced throughout this preamble and in the rule
20 text, which is incorporated herein by reference.

21 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter
22 643; and Government Code, Chapter 2001.

23

1 TEXT.

2 §218.53. Household Goods Carrier Cargo Liability.

3 Pursuant to Transportation Code, §643.152, the voluntary standard for uniform cargo liability
4 for a household goods carrier can be found in 49 C.F.R. §375.201, which the department adopts by
5 reference, including any amendments that became effective through July 1, 2024.

6

7 §218.54. Selling Insurance to Shippers.

8 (a) Type of insurance. A household goods carrier and its representatives may sell, or offer to sell,
9 or procure insurance for a shipper for transported or stored property. The insurance policy must cover
10 loss or damage in excess of the household goods carrier's liability, if any, to which the parties agree in
11 the moving services contract, including a pre-existing transportation contract described by §218.57(d) of
12 this title (Relating to Moving Services Contract).

13 (b) Policy issuance. A copy of the policy or other appropriate evidence of purchased insurance
14 must be issued to the shipper before the shipment is loaded.

15 (c) Policy language. Policies or other appropriate evidence of purchased insurance must be
16 written in a clear and concise manner, specifying the nature and extent of coverage including any
17 deductibles. The policies or other appropriate evidence of purchased insurance must also clearly
18 indicate:

19 (1) the name, address, and telephone number of the insurance company;

20 (2) the policy number; and

21 (3) a statement of whether claims are to be filed with the insurance company or with
22 the household goods carrier.

23 (d) Subject to Full Liability. If the shipper purchased insurance from the household goods carrier

1 and the household goods carrier does not obtain the insurance policy or other appropriate evidence of
2 purchased insurance for the shipper, the household goods carrier shall be subject to full liability for all of
3 the loss or damage caused by the household goods carrier.

4

5 §218.56. Proposals and Estimates for Moving Services.

6 (a) Written proposals. Prior to loading, a household goods carrier shall provide a written
7 proposal, such as a bid or quote, to the shipper. A proposal shall state the maximum amount the shipper
8 could be required to pay for the listed transportation and listed related services. This section does not
9 apply if a pre-existing transportation contract sets out the maximum amount the shipper could be
10 required to pay for the transportation services. Pre-existing transportation contracts include, but are not
11 limited to, corporate contracts for the relocation of multiple employees.

12 (1) A proposal must contain the name and registration number of the household goods
13 carrier as they appear on the motor carrier certificate of registration. If a proposal is prepared by the
14 household goods carrier's agent, it shall include the name of the agent as listed on the carrier's agent
15 filing with the department. A proposal shall also include the street address of the household goods
16 carrier or its agent.

17 (2) A proposal must clearly and conspicuously state whether it is a binding or not-to-
18 exceed proposal.

19 (3) A proposal must completely describe the shipment and all services to be provided. A
20 proposal must state, "This proposal is for listed items and services only. Additional items and services
21 may result in additional costs."

22 (4) A proposal must specifically state when the shipper will be required to pay the
23 transportation charges, such as if payment must be made before unloading at the final destination. A

1 proposal must also state what form of payment is acceptable, such as a cashier's check.

2 (5) A proposal must conspicuously state the household goods carrier's liability, if any, for
3 loss or damage to cargo.

4 (b) Hourly rates. If a proposal is based on an hourly rate, then it is not required to provide the
5 number of hours necessary to perform the transportation and related services. However, if the number
6 of hours is not included in a proposal, then the carrier must secure a written acknowledgment from the
7 shipper indicating the proposal is complete without the number of hours. Also, the proposal shall state
8 the maximum amount the shipper could be required to pay for the listed transportation and listed
9 related services.

10 (c) Proposal as addendum. If a proposal is accepted by the shipper and the carrier transports the
11 shipment, then the proposal is considered an addendum to the moving services contract.

12 (d) Additional items and services. If the household goods carrier determines additional items are
13 to be transported and/or additional services are required to load, transport, or deliver the shipment,
14 then before the carrier transports the additional items or performs the additional services the carrier
15 and shipper must agree, in writing, to:

16 (1) allow the original proposal to remain in effect;

17 (2) amend the original proposal or moving services contract; or

18 (3) substitute a new proposal for the original.

19 (e) Amendments and storage.

20 (1) An amendment to an original proposal or moving services contract, as allowed in
21 subsection (d) of this section, must:

22 (A) be signed and dated by the household goods carrier and shipper; and

23 (B) clearly and specifically state the amended maximum price for the

1 transportation of the household goods.

2 (2) If the household goods carrier fails to amend or substitute an original proposal as
3 required by this subsection and subsection (d) of this section, only the charges stated on the original
4 proposal for moving services may be assessed on the moving services contract. The carrier shall not
5 attempt to amend or substitute the proposal to add items or services after the items or services have
6 been provided or performed.

7 (3) If through no fault of the carrier, the shipment cannot be delivered during the agreed
8 delivery period, then the household goods carrier may place the shipment in storage and assess fees
9 relating to storage to the extent authorized in the moving services contract, without a written
10 agreement with the shipper to amend or substitute the original proposal.

11 (f) Combination document. A proposal required by subsection (a) of this section may be
12 combined with other shipping documents, such as the moving services contract, into a single document.
13 If a proposal is combined with other shipping documents, the purpose of each signature line on the
14 combination document must be clearly indicated. Each signature is independent and shall not be
15 construed as an agreement to all portions and terms of the combination document.

16 (g) Telephone estimates. A household goods carrier may provide an estimate for the
17 transportation services by telephone. If the household goods carrier provides the estimate by
18 telephone, then the carrier must also furnish a written proposal for the transportation services to the
19 shipper prior to loading the shipment.

20 (h) Written document. To the extent this section requires a document or communication to be
21 in writing, the document or communication may be in a printed or electronic format.

22 (i) Signatures. The signatures of the shipper and household goods carrier, as required by this
23 section, may be transmitted by facsimile or other electronic means.

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§218.57. Moving Services Contract.

(a) Requirements. A household goods carrier must give a copy of the moving services contract to the shipper prior to the loading of the shipment. This copy must include:

(1) the name and motor carrier registration number of the household goods carrier as they appear on the motor carrier certificate of registration, and the address and telephone number of the household goods carrier or the household goods agent that prepared the moving services contract;

(2) the date the shipment is loaded and a description of the shipment as household goods;

(3) the name and address of the shipper;

(4) the addresses of the:

(A) origin;

(B) destination, if known; and

(C) any stops in transit, if known;

(5) the moving services to be performed;

(6) a clear and concise disclosure of the limits of the household goods carrier's liability for loss or damage to a shipper's household goods; however, the moving services contract must expressly state if the household goods carrier's liability is \$0.00 for loss or damage to a shipper's household goods;

(7) a clear and concise disclosure of any costs associated with an agreement regarding the liability of the household goods carrier for loss or damage to a shipper's household goods, and a statement that any agreement regarding the household goods carrier's liability is something different than an insurance policy;

1 (8) a clear notice of the amount of any insurance for property that is transported or
2 stored, the amount of insurance premiums, and the insurance policy number, if insurance for the
3 shipment was purchased from or through the household goods carrier;

4 (9) a clear and conspicuous statement that this document is a contract for moving
5 services and is subject to the terms and conditions throughout the document, including any
6 attachments;

7 (10) a description of whether the proposal is a binding or not-to-exceed proposal, and
8 the maximum price the shipper could be required to pay for the services listed;

9 (11) a statement authorizing performance of the listed services, signed and dated by the
10 household goods carrier and the shipper;

11 (12) a statement signed and dated by the shipper authorizing delivery of household
12 goods at a destination where the shipper is not present if the shipper intends for the household goods
13 carrier to deliver to a site where the shipper will not be present; and

14 (13) the following language regarding claims: “The process for filing a claim against a
15 household goods carrier and the claims procedures are provided on the website of the Texas
16 Department of Motor Vehicles (department), as well as in the department’s administrative rule, 43
17 Texas Administrative Code §218.61 (relating to Claims). A shipper must file any claims against a
18 household goods carrier within 90 days of the delivery of the shipment to the final destination, or after a
19 reasonable time for delivery has elapsed in the case of failure to make delivery.”

20 (b) Delivery. A household goods carrier must give a completed copy of the moving services
21 contract to the shipper upon delivery of the shipment. The household goods carrier must release the
22 household goods to the shipper at destination if the shipper pays the maximum price listed on the
23 moving services contract. Except as provided by subsection (c) of this section, the moving services

1 contract shall be signed and dated by the household goods carrier and the shipper confirming the
2 shipment has been delivered. This signature only confirms delivery of the shipment. Except as provided
3 in subsection (e) of this section, this copy must include the information listed in subsection (a) of this
4 section and:

5 (1) the total charges for the shipment and the specific nature of each charge, including
6 the method used to calculate the minimum and total charges if the shipment was not transported based
7 on a binding proposal;

8 (2) an explanation of all additional moving services provided in accordance with
9 §218.56(d) of this title (relating to Proposals and Estimates for Moving Services); and

10 (3) the addresses of the origin, destination, and any stops in transit if not previously
11 provided on the moving services contract at the origin.

12 (c) Delivery to a destination where the shipper is not present. If a shipper authorizes the
13 household goods carrier to deliver household goods to a destination where the shipper is not present, as
14 allowed in subsection (a)(12) of this section, the moving services contract need not be signed and dated
15 by the shipper at the time of delivery.

16 (d) Pre-existing transportation contracts. A household goods carrier is not required to comply
17 with subsection (b)(1) and (2) of this section if a pre-existing transportation contract sets out the
18 maximum amount the shipper could be required to pay for the transportation services. Pre-existing
19 transportation contracts include, but are not limited to, corporate contracts for the relocation of
20 multiple employees.

21 (e) Copies. To the extent this section requires a copy of a document or a written document, the
22 document may be in a printed or electronic format.

23 (f) Signatures. The signatures of the shipper and the household goods carrier, as required by this

1 section, may be transmitted by facsimile or other electronic means. These signatures must be separate
2 from any signatures required by the household goods carrier such as the acknowledgment of the
3 statement of value of the shipment.

4

5 §218.61. Claims.

6 (a) Filing of claims. A household goods carrier must act on all claims filed by a shipper on
7 shipments of household goods according to this section.

8 (1) A claim must be filed in writing or by electronic format with the household goods
9 carrier or the household goods carrier's agent whose name appears on the moving services contract. A
10 claim is considered filed on the date the claim is received by the household goods carrier or its agent. A
11 shipper must file a claim either in writing or by electronic format within 90 days:

12 (A) of delivery of the shipment to the final destination; or

13 (B) after a reasonable time for delivery has elapsed in the case of failure to
14 make delivery.

15 (2) The claim must include enough facts to identify the shipment. The claim must also
16 describe the type of claim and request a specific type of remedy.

17 (3) Shipping documents may be used as evidence to support a claim, but cannot be
18 substituted for a written claim.

19 (4) A claim submitted by someone other than the owner of the household goods must
20 be accompanied by a written explanation of the claimant's interest in the claim.

21 (b) Acknowledgment and disposition of filed claims.

1 (1) A household goods carrier shall send an acknowledgment of the claim either in
2 writing or by electronic format to the claimant within 23 days after receipt of the claim by the carrier or
3 its agent.

4 (A) The claim acknowledgment shall include the statement, "Household goods
5 carriers have 90 days from receipt of a claim to pay, decline to pay, or make a firm settlement offer, in
6 writing, to a claimant. Questions or complaints concerning the household goods carrier's claims handling
7 should be directed to the Texas Department of Motor Vehicles (TxDMV), Enforcement Division, via the
8 toll-free consumer helpline as listed on the department's website. Additionally, a claimant has the right
9 to request mediation from TxDMV within 35 days after any portion of the claim is denied by the carrier,
10 the carrier makes a firm settlement offer that is not acceptable to the claimant, or 90 days has elapsed
11 since the carrier received the claim and the claim has not been resolved."

12 (B) The household goods carrier is not required to issue the acknowledgment
13 letter prescribed in this subsection if the claim has been resolved within 23 days after receipt of the
14 claim. However, the household goods carrier has the burden of proof regarding the resolution of the
15 claim.

16 (2) After a thorough investigation of the facts, the household goods carrier shall pay,
17 decline to pay, or make a firm settlement offer in writing to the claimant within 90 days after receipt of
18 the claim by the household goods carrier or its household goods agent. The settlement offer or denial
19 shall state, "A claimant has the right to seek mediation through the Texas Department of Motor Vehicles
20 (TxDMV) within 35 days after any portion of the claim is denied by the carrier, the carrier makes a firm
21 settlement offer that is not acceptable to the claimant, or 90 days has elapsed since the carrier received
22 the claim and the claim has not been resolved."

1 (3) A household goods carrier must provide a copy of the shipping documents to the
2 shipper's insurance company upon request. The carrier may assess a reasonable fee for this service.

3 (c) Documenting loss or damage to household goods.

4 (1) Inspection. If a loss or damage claim is filed and the household goods carrier wishes
5 to inspect the items, the carrier must complete any inspection as soon as possible, but no later than 30
6 calendar days, after receipt of the claim.

7 (2) Payment of shipping charges. Payment of shipping charges and payment of claims
8 shall be handled separately, and one shall not be used to offset the other unless otherwise agreed upon
9 by both the household goods carrier and claimant.

10 (d) Claim records. A household goods carrier shall maintain a record of every claim filed. Claim
11 records shall be retained for two years as required by §218.32 of this title (relating to Motor Carrier
12 Records). At a minimum, the following information on each claim shall be maintained in a systematic,
13 orderly and easily retrievable manner:

14 (1) claim number (if assigned), date received, and amount of money or the requested
15 remedy;

16 (2) number (if assigned) and date of the moving services contract;

17 (3) name of the claimant;

18 (4) date the carrier issued its claim acknowledgment letter;

19 (5) date and total amount paid on the claim or date and reasons for disallowing the
20 claim; and

21 (6) dates, time, and results of any mediation coordinated by the department.

22

23 §218.62. Mediation by the Department.

1 (a) The claimant may make a written request to the department for mediation regarding a
2 dispute over a fee, or damage to the shipper's household goods.

3 (b) The claimant must attempt to resolve the claim with the household goods carrier by making
4 a reasonable effort to follow the household goods carrier's claim process before requesting mediation
5 by the department.

6 (c) Requests for mediation must be made within 35 days after the earliest of the following
7 events:

8 (1) any portion of the claim is denied by the carrier;

9 (2) the carrier makes a firm settlement offer that is not acceptable to the claimant; or

10 (3) 90 days have elapsed since the carrier received the claim and the carrier has not
11 responded to the claimant as prescribed in §218.61(b)(2) of this title (relating to Claims).

12 (d) Except as provided in subsection (e) of this section, the department shall deny a request for
13 mediation made more than 125 days after the carrier received the claim. Additionally, the department
14 shall deny a request for mediation if the carrier did not receive the claim within 90 days after the
15 delivery of the shipment to the final destination or within 90 days after a reasonable time for delivery
16 has elapsed in the case of failure to make delivery.

17 (e) The department may grant a mediation request if the claimant and the carrier agree to
18 participate in the mediation process and:

19 (1) the claimant was not advised in writing at least one time of the right to mediation as
20 required by §218.61(b)(1)(A) or (2); or

21 (2) the claimant does not receive the written denial or settlement offer letter required
22 by §218.61(b)(2).

23 (f) For purposes of subsection (c)(1) and (2) of this section, the 35-day deadline for requesting

1 mediation is calculated from the latter of:

2 (1) the date of the claim denial or settlement offer letter; or

3 (2) the date the claim denial or settlement offer letter is mailed, emailed, or faxed to the
4 claimant.

5 (g) The department will not grant more than one mediation request to a claimant for one
6 shipment of household goods.

7 (h) The department will coordinate the selection of a mediator. The mediation will be conducted
8 by written submissions, telephone conferences, or mediation sessions held at the department's facilities
9 in Austin. The department will establish the time, date, and form of the mediation session.

10 (i) Participation in this mediation process by a household goods carrier.

11 (1) A household goods carrier shall participate in this mediation process if the
12 department grants a mediation request under this section regarding the following:

13 (A) a fee under the moving services contract; or

14 (B) the household goods carrier's liability for loss or damage to the shipper's
15 household goods to the extent the following occurs:

16 (i) the shipper and household goods carrier agreed in the moving
17 services contract that the household goods carrier's cargo liability exceeds \$0.00;

18 (ii) a pre-existing transportation contract described by §218.57(d) of this
19 title (Relating to Moving Services Contract) states that the household goods carrier's cargo liability
20 exceeds \$0.00; or

21 (iii) if the shipper purchases insurance from the household goods
22 carrier and the household goods carrier does not obtain the insurance policy or other appropriate

1 evidence of purchased insurance for the shipper under §218.54 of this title (Relating to Selling Insurance
2 to Shippers).

3 (2) The department may impose administrative penalties, under §218.71 of this title
4 (relating to Administrative Penalties), on a household goods carrier who refuses to participate in the
5 mediation process or otherwise fails to comply with the requirements of this section.

6 (j) If the claimant fails to appear at the mediation after due notice or, if the mediator determines
7 the claimant has not cooperated in the mediation process, the department's mediation process shall be
8 considered concluded. The claimant may consider pursuing the claim through an appropriate court of
9 law.

10 (k) The mediator shall preside and have discretion over the mediation procedures, including the
11 ability to require the claimant and the household goods carrier to provide information and documents in
12 a timely fashion.

13 (l) If the household goods carrier makes a written report of the results of the inspection
14 documenting the lost or damaged household goods and uses the report during the department's
15 mediation, then the carrier shall provide the original or a legible copy of the report to the claimant.

16
17 §218.64. Rates.

18 (a) Ratemaking. A household goods carrier and/or its household goods agent shall set maximum
19 rates and charges for services in its applicable tariff. The household goods carrier and/or its household
20 goods agent shall disclose the maximum rates and charges to prospective shippers before transporting a
21 shipment.

22 (b) Prohibited charges and allowances. A household goods carrier and/or its household goods
23 agent shall not charge more than the maximum charges published in its tariff on file with the

1 department for services associated with transportation.

2 (c) Collective ratemaking agreements.

3 (1) Eligibility. In accordance with Transportation Code, §643.154, a household goods
4 carrier and/or its household goods agent may enter into collective ratemaking agreements between one
5 or more other household goods carriers or household goods agents concerning the establishment and
6 filing of maximum rates and charges, classifications, rules, or procedures.

7 (2) Designation of collective ratemaking associations. An approved association may be
8 designated by a member household goods carrier as its collective ratemaking association for the
9 purpose of filing a tariff containing maximum rates and charges required by §218.65 of this title (relating
10 to Tariff Registration).

11 (3) Submission. In accordance with Transportation Code, §643.154, a collective
12 ratemaking agreement shall be filed with the department for approval. The agreement shall include the
13 following information:

14 (A) full and correct name, business address (street and number, city, state and
15 zip code), and phone number of the association;

16 (B) whether the association is a corporation or partnership; and

17 (i) if a corporation, the government, state, or territory under the laws of
18 which the association was organized and received its present charter; and

19 (ii) if an association or a partnership, the names of the officers or
20 partners and date of formation;

21 (C) full and correct name and business address (city and state) of each
22 household goods carrier on whose behalf the agreement is filed and whether it is an association, a
23 corporation, an individual, or a partnership;

1 (D) the name, title, and mailing address of counsel, officer, or other person to
2 whom correspondence in regard to the agreement should be addressed; and

3 (E) a copy of the constitution, bylaws, or other documents or writings, specifying
4 the organization's powers, duties, and procedures.

5 (4) Signature. The collective ratemaking agreement shall be signed by all parties subject
6 to the agreement or the association's executive officer.

7 (5) Incomplete agreement. If the department receives an agreement which does not
8 comply with this subsection, the department shall send a letter to the individual submitting the
9 agreement. The letter shall identify the information that is missing and advise the association that the
10 agreement shall not be processed until the information is received.

11 (6) Approval. In accordance with Transportation Code, §643.154, the director or
12 designee shall approve a collective ratemaking agreement if the agreement provides that:

13 (A) all meetings are open to the public; and

14 (B) notice of meetings shall be sent to shippers who are multiple users of the
15 services of a household good carrier that is a party to the agreement.

16 (7) Noncompliance. If the director or the director's designee determines that an
17 agreement does not comply with paragraph (6) of this subsection, the matter will be governed by
18 Chapter 224 of this title (relating to Adjudicative Practice and Procedure) and Transportation Code,
19 Chapter 643.

20 (8) New parties to an agreement. An updated agreement shall be filed with the
21 department as new parties are added.

22 (9) Amendments to approved agreements. Amendments to approved agreements
23 (other than as to new parties) may become effective only after approval by the department.

1 (d) Pursuant to Transportation Code, §643.154(c), a household goods carrier required to register
2 under Transportation Code, Chapter 643 is exempt from Chapter 15, Business and Commerce Code, for
3 an activity relating to the establishment of a joint line rate, route, classification, or mileage guide under
4 Transportation Code, §643.154(a) and (d).

5
6 §218.65. Tariff Registration.

7 (a) Submission. In accordance with Transportation Code, §643.153, a household goods carrier
8 and/or its household goods agent shall file a tariff with the department. A household goods carrier who
9 is not a member of an approved association under §218.64 of this title (relating to Rates) shall file a
10 tariff individually. In lieu of filing individually, a household goods carrier or its household goods agent,
11 that is a member of an approved association in accordance with §218.64, may designate a collective
12 association as its ratemaking association. The association may file a tariff, as required by this subsection,
13 for member carriers.

14 (1) Contents. The tariff:

15 (A) shall set out all rates, charges, rules, regulations, or other provisions, in clear
16 and concise terms, used to determine total transportation charges;

17 (B) may provide for the offering, selling, or procuring of insurance as provided in
18 §218.54 of this title (relating to Selling Insurance to Shippers);

19 (C) may provide for the base transportation charge to include assumption by the
20 household goods carrier for the full value of the shipment in the event a policy or other appropriate
21 evidence of the insurance purchased by the shipper from the household goods carrier is not issued to
22 the shipper at the time of purchase;

23 (D) shall describe the procedure for determining charges that are below the

1 maximum rate for each service performed; and

2 (E) shall reference a specific mileage guide or source, if information on rates and
3 charges based on mileage is included in the tariff.

4 (2) Interstate tariff. In accordance with Transportation Code, §643.153, a household
5 goods carrier may satisfy the requirements of this subsection by filing a copy of its tariff governing
6 interstate household goods transportation services.

7 (3) Transmittal letter. A transmittal letter shall accompany a tariff being filed. The
8 transmittal letter shall provide:

9 (A) the name of the household goods carrier;

10 (B) the Texas mailing address and street address of the household goods
11 carrier's principal business address;

12 (C) the household goods carrier's certificate of registration number, if any;

13 (D) the name and title of the household goods carrier's representative

14 authorizing the tariff filing; and

15 (E) whether the tariff is being filed on behalf of a member carrier.

16 (4) Format. Tariffs shall be filed:

17 (A) on 8 1/2" x 11" paper;

18 (B) with a cover sheet showing:

19 (i) the name of the issuing household goods carrier or collective
20 ratemaking association;

21 (ii) the Texas mailing and street address;

22 (iii) the issuance date of the tariff;

23 (iv) the effective date of the tariff; and

1 (v) the tariff number; and

2 (C) separated into the following sections:

3 (i) general rules;

4 (ii) accessorial services; and

5 (iii) rates; and

6 (D) if the tariff references a mileage guide, the mileage guide shall be filed with
7 the department as an addendum to the tariff, unless the household goods carrier utilizes a computer
8 database as a mileage guide.

9 (5) Item numbers. Individual items shall be titled and designated by item number.

10 (6) Amendments. Any amendment to a tariff shall be filed with the department not less
11 than 10 days prior to the effective date of the amendment. The household goods carrier or collective
12 ratemaking association filing on behalf of its member may either file an amended tariff in total or an
13 amendment referencing the specific sections and items which are being amended. The amendment
14 format shall be the same as required by paragraph (4) of this subsection. A transmittal letter providing
15 the same information as required by paragraph (3) of this subsection shall accompany the amendment
16 filing.

17 (7) Rejection. The department shall reject a tariff or amendment filing if it is determined
18 the tariff:

19 (A) fails to meet the requirements of this section; or

20 (B) fails to fully disclose, in clear and concise terms, all rates, charges, and rules.

21 (8) Electronic filings. A household goods carrier may file an electronic copy of its tariff
22 provided that the document is consistent with the provision of this subsection and is formatted in
23 Microsoft Word or other format approved by the director.

1 (b) Department access to computer database used as mileage guide. If the household goods
2 carrier utilizes a computer database as a mileage guide in its tariff, the household goods carrier shall
3 allow department personnel free access to the system when conducting an inquiry regarding a specific
4 movement performed by the household goods carrier.

5 (c) Access. In accordance with Transportation Code, §643.153, tariffs filed in accordance with
6 this section shall be made available for public inspection at the TxDMV Enforcement Division or by
7 calling the department's toll-free consumer helpline as listed on the department's website.

8 (d) Conflicts. All provisions of household goods carriers' tariffs are superseded to the extent they
9 may conflict with the provisions of this chapter.

10

11 **STATUTORY AUTHORITY.** The department adopts the repeal under Transportation Code, §643.152,
12 which authorizes the department to establish voluntary standards for uniform cargo liability and
13 uniform bills of lading or receipts for cargo, which standards must be consistent with Subtitle IV, Title 49,
14 United States Code, or a regulation adopted under that law; Transportation Code, §643.003, which
15 authorizes the department to adopt rules to administer Transportation Code, Chapter 643;
16 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
17 appropriate to implement the powers and duties of the department under the Transportation Code and
18 other laws of this state; and the statutory authority referenced throughout this preamble and in the rule
19 text, which is incorporated herein by reference.

20 **CROSS REFERENCE TO STATUTE.** The adopted repeal implements Transportation Code, Chapter 643.

21

22 TEXT.

23 [~~§218.58. Moving Services Contract—Options for Carrier Limitation of Liability.~~]

1 ~~[(a) General.]~~

2 ~~[(1) Household goods shipments transported between points in Texas shall be subject to~~
3 ~~all terms and conditions of the moving services contract, as set forth in §218.57 of this title (relating to~~
4 ~~Moving Services Contract), except in cases where such terms and conditions are in conflict with the laws~~
5 ~~of the State of Texas.]~~

6 ~~[(2) If a household goods carrier chooses to use additional limitations of liability on a~~
7 ~~shipment, the limitations shall be either of the options specified in subsections (b) or (c) of this section.~~
8 ~~A household goods carrier may not alter or expand on the limitation to its liability or the exact wording~~
9 ~~set out in subsections (b) or (c) of this section. The option selected by the household goods carrier shall~~
10 ~~be included with and is part of the moving services contract.]~~

11 ~~[(b) Option 1. If this option is chosen, the following language must be used verbatim.]~~

12 ~~[(1) Section 1 – General Provisions:]~~

13 ~~[(A) For the purposes of this subsection, the following terms will mean:]~~

14 ~~[(i) Household goods carrier--The motor carrier/mover contracted to~~
15 ~~transport a shipment of household goods.]~~

16 ~~[(ii) Shipper--The owner of the household goods shipment or his~~
17 ~~representative.]~~

18 ~~[(B) Changes to the moving service contract are not valid unless agreed to in~~
19 ~~writing by the household goods carrier and the shipper.]~~

20 ~~[(C) Household goods carriers will transport shipments with reasonable~~
21 ~~dispatch. Reasonable dispatch requires the transportation of a shipment within the agreed period of~~
22 ~~time shown on the moving services contract, except when circumstances beyond the carrier's control,~~
23 ~~force majeure, prevent or delay transportation.]~~

1 ~~[(D) Moving services contracts must comply with all other applicable laws of the~~
2 ~~State of Texas.]~~

3 ~~[(2) Section 2 – Cargo Liability Provisions.]~~

4 ~~[(A) The household goods carrier is liable for any loss or damage to the~~
5 ~~shipment, except as listed in subparagraphs (B) and (C) of this paragraph.]~~

6 ~~[(B) The household goods carrier is not responsible for loss, damage, or delay~~
7 ~~due to acts of God, acts of civil authorities, defects in the shipment, a riot, a strike, or an act or default of~~
8 ~~the shipper.]~~

9 ~~[(C) The household goods carrier is not liable for loss or damage caused by~~
10 ~~dangerous or explosive goods unless the shipper notifies the carrier, in writing, of the nature of the~~
11 ~~goods and the carrier agrees, in writing, to the transportation of these goods.]~~

12 ~~[(3) Section 3 – Claims Provisions:]~~

13 ~~[(A) A written claim must be filed by the shipper within 90 days of delivery of~~
14 ~~the shipment to the final destination. In case of failure to make delivery, then a written claim must be~~
15 ~~filed by the shipper within 90 days after a reasonable time for delivery has elapsed.]~~

16 ~~[(B) A household goods carrier is not liable for any claim that is not filed within~~
17 ~~90 days of the delivery of the shipment to the final destination. A household goods carrier is not liable~~
18 ~~for any claim that is not filed within 90 days after a reasonable time for delivery has elapsed for~~
19 ~~shipments that were not delivered.]~~

20 ~~[(4) Section 4 – Payment Provisions. The shipper must pay the freight charges upon~~
21 ~~delivery unless the shipper and household goods carrier agree otherwise.]~~

22 ~~[(5) Section 5 – Provisions for Shipments Not Delivered.]~~

23 ~~[(A) A household goods carrier may place a shipment of household goods into~~

1 ~~storage if the shipper is not available for delivery of the goods as scheduled.]~~

2 ~~[(B) The cost of such storage is the responsibility of the shipper of the household~~
3 ~~goods.]~~

4 ~~[(C) A shipment of household goods placed in storage is subject to liens for~~
5 ~~storage, freight, and other lawful charges.]~~

6 ~~[(D) A household goods carrier must issue written notice of the storage of the~~
7 ~~household goods to the shipper at each address shown on the moving services contract within three~~
8 ~~days of placing the goods in storage.]~~

9 ~~[(E) If the shipper refuses to accept or does not claim the household goods~~
10 ~~within 15 days of the written notice of storage, the household goods carrier may begin the process of~~
11 ~~selling the goods at public sale, as prescribed in Transportation Code, Chapter 6.]~~

12 ~~[(F) A household goods carrier must give written notice of the public sale to the~~
13 ~~shipper at each address shown on the moving services contract.]~~

14 ~~[(G) The moving services contract does not prohibit the sale of the goods under~~
15 ~~any other lawful manner if the method set out in the contract cannot be reasonably accomplished.]~~

16 ~~[(c) Option 2. If this option is chosen, the following language must be used verbatim.]~~

17 ~~[(1) Section 1 of contract terms and conditions.]~~

18 ~~[(A) The household goods carrier or party in possession of any of the property~~
19 ~~herein described shall be liable at common law for any loss thereof or damage thereto, except as~~
20 ~~hereinafter provided.]~~

21 ~~[(B) No household goods carrier or party in possession of all or any of the~~
22 ~~property herein described shall be liable for any loss thereof or damage thereto or delay caused by an~~
23 ~~act of God, the public enemy, the authority of law, or an act or default of the shipper or owner. The~~

1 household goods carrier's liability shall be that of warehouseman only, for loss, damage, or delay caused
2 by fire occurring after the expiration of the free time (if any) allowed by tariffs lawfully on file after
3 notice of the arrival of the property at destination has been duly sent or given, and after placement of
4 the property for delivery at destination, or tender of delivery of the property to the party entitled to
5 receive it, has been made. Except in case of negligence of the household goods carrier or party in
6 possession (and the burden to prove freedom from such negligence shall be on the household goods
7 carrier or party in possession), the household goods carrier or party in possession shall not be liable for
8 loss, damage, or delay occurring while the property is stopped and held in transit upon the request of
9 the shipper, owner, or party entitled to make such request, or resulting from a defect or inherent vice of
10 the article, including susceptibility to damage because of atmospheric conditions such as temperature
11 and humidity or changes therein, or from riots or strikes. Except in the case of household goods carrier's
12 negligence, no household goods carrier, or party in possession of all or any of the property herein
13 described, shall be liable for delay caused by highway obstruction, faulty or impassable highway, or lack
14 of capacity of any highway, bridge, or ferry, and the burden to prove freedom from such negligence shall
15 be on the household goods carrier or party in possession.]

16 [(C) In case of quarantine the property may be discharged at the risk and
17 expense of the owner into quarantine depot or elsewhere, as required by quarantine regulations or
18 authorities, or for the household goods carrier's dispatch at the nearest available point in the household
19 goods carrier's judgment, and in any such case the household goods carrier's responsibility shall cease
20 when property is so discharged, or property may be returned by the household goods carrier at the
21 owner's expense to the shipping point, earning freight both ways. Quarantine expenses of whatever
22 nature or kind upon or in respect to property shall be borne by the owner of the property or the
23 household goods carrier may file a lien. The household goods carrier shall not be liable for loss or

1 ~~damage occasioned by fumigation or disinfection or other acts required or done by quarantine~~
2 ~~regulations or authorities even though the same may have been done by the household goods carrier's~~
3 ~~officers, local agents, or employees, nor for detention, loss, or damage of any kind occasioned by the~~
4 ~~quarantine or its enforcement. A household goods carrier shall not be liable, except in the case of~~
5 ~~negligence, for any mistake or inaccuracy in any information furnished by the household goods carrier,~~
6 ~~its local agents, or officers, as to quarantine laws or regulations. The shipper shall hold the household~~
7 ~~goods carrier harmless from any expense it may incur, or damages it may be required to pay, by reason~~
8 ~~of the introduction of the property covered by this contract into any place against the quarantine laws~~
9 ~~or regulations in effect at such place.]~~

10 [(2) Section 2 of contract terms and conditions.]

11 [(A) A household goods carrier is not bound to transport property by any
12 particular scheduled vehicle or in time for any particular market other than with reasonable dispatch. A
13 household goods carrier shall have the right, in case of physical necessity, to forward the property by
14 any household goods carrier or route between the point of shipment and the point of destination. In all
15 cases not prohibited by law, where a lower value than actual value has been represented in writing by
16 the shipper or has been agreed upon in writing as the released value of the property as determined by
17 the classification or tariffs upon which the rate is based, such lower value plus freight charges, if paid,
18 shall be the maximum amount recovered, whether or not such loss or damage occurs from negligence.]

19 [(B) As a condition precedent to recovery, a claim must be filed in writing with
20 the receiving or delivering household goods carrier, or the household goods carrier issuing the bill of
21 lading or receipt, or the household goods carrier on whose line the loss, damage, injury, or delay
22 occurred, or the household goods carrier in possession of the property when the loss, damage, injury, or
23 delay occurred, within 90 days after delivery of the property or, in case of failure to make delivery, then

1 within 90 days after a reasonable time for delivery has elapsed; and suits shall be instituted against any
2 household goods carrier only within two years and one day from the day when notice in writing is given
3 by the household goods carrier to the claimant that the household goods carrier has disallowed the
4 claim or any of its part or parts specified in the notice. Where a claim is not filed or a suit is not
5 instituted in accordance with the foregoing provisions, a household goods carrier hereunder shall not be
6 held liable, and the claim will not be paid.]

7 [~~(C) Any household goods carrier or party liable on account of loss of or damage~~
8 ~~to any of the property shall have the full benefit of any insurance that may have been effected, upon, or~~
9 ~~on account of, said property, so far as this shall not avoid the policies or contracts of insurance;~~
10 ~~provided, that the household goods carrier reimburses the claimant for the premium paid.]~~

11 [~~(3) Section 3 of contract terms and conditions. Except where such service is required as~~
12 ~~the result of household goods carrier's negligence, all property shall be subject to necessary coeperage~~
13 ~~and baling at the owner's cost.]~~

14 [~~(4) Section 4 of contract terms and conditions.]~~

15 [~~(A) Property not removed by the party entitled to receive it within the free time~~
16 ~~(if any) allowed by tariff lawfully on file (such free time to be computed as therein provided), after~~
17 ~~notice of the arrival of the property at destination has been duly sent or given, and after tender of the~~
18 ~~property for delivery at destination has been made, or property not received, at time tender of delivery~~
19 ~~of the property to the party entitled to receive it has been made, may be kept in vehicle, warehouse, or~~
20 ~~place of business of the household goods carrier, subject to the tariff charge for storage and to~~
21 ~~household goods carrier's responsibility as warehouseman, only, or at the option of the household~~
22 ~~goods carrier, may be removed to and stored in a public or licensed warehouse at the point of delivery~~
23 ~~or other available point, or if no such warehouse is available at point of delivery or at other available~~

1 ~~storage facility, at the cost of the owner and there held without liability on the part of the household~~
2 ~~goods carrier, and subject to a lien for all freight and other lawful charges, including a reasonable charge~~
3 ~~for storage. In the event consignee cannot be found at address given for delivery, notice of the placing~~
4 ~~of such goods in warehouse shall be mailed to the address given for delivery and mailed to any other~~
5 ~~address given on the bill of lading or receipt for notification, showing the warehouse in which the~~
6 ~~property has been placed.]~~

7 ~~[(B) If nonperishable property which has been transported to destination~~
8 ~~hereunder is refused by consignee or the party entitled to receive it upon tender of delivery, or said~~
9 ~~consignee or party entitled to receive it fails to receive or claim it within 15 days after notice of arrival~~
10 ~~shall have been duly sent or given, the household goods carrier may sell the same at public auction to~~
11 ~~the highest bidder, at such place as may be designated by the household goods carrier; provided, that~~
12 ~~the household goods carrier shall have first mailed, sent, or given to the consignor notice that the~~
13 ~~property has been refused or remains unclaimed, as the case may be, and that it will be subject to sale~~
14 ~~under the terms of the bill of lading or receipt if disposition be not arranged for, and shall have~~
15 ~~published notice containing a description of the property, the name of the party to whom consigned, or,~~
16 ~~if shipped order notify, the name of party to be notified, and the time and place of sale, once a week for~~
17 ~~two successive weeks, in a newspaper of general circulation at the place of sale or nearest place where~~
18 ~~such newspaper is published. Thirty days must elapse after notice that the property was refused or~~
19 ~~remains unclaimed was mailed, sent, or given before notice of sale may be published.]~~

20 ~~[(C) If perishable property which has been transported is refused by the~~
21 ~~consignee or party entitled to receive it, or the consignee or party entitled to receive it shall fail to~~
22 ~~receive it promptly, the household goods carrier may, in its discretion, to prevent deterioration or~~
23 ~~further deteriorations, sell the same to the best advantage at private or public sale; provided, that if~~

1 ~~time serves for notification to the consignor or owner of the refusal of the property or the failure to~~
2 ~~receive it and request for disposition of the property, notification shall be given, in such manner as the~~
3 ~~exercise of due diligence requires before the property is sold.]~~

4 ~~[(D) If the procedure provided for in this section is not possible, it is agreed that~~
5 ~~nothing contained in the section shall be construed to abridge the right of the household goods carrier~~
6 ~~at its option to sell the property under such circumstances and in such manner as may be authorized by~~
7 ~~law.]~~

8 ~~[(E) The proceeds of the sale shall be applied by the household goods carrier to~~
9 ~~the payment of freight, demurrage, storage, and any other lawful charges and the expense of notice,~~
10 ~~advertisement, sale, and other necessary expense and of caring for and maintaining the property, if~~
11 ~~proper care requires special expense. If there is a balance it shall be paid to the owner of the property.]~~

12 ~~[(F) If the household goods carrier is directed by the consignor or its agent to~~
13 ~~load property from (or render any services at) a place or places at which the consignor or its agent is not~~
14 ~~present, the property shall be at the risk of the owner before loading.]~~

15 ~~[(G) If the household goods carrier is directed by the consignee or its agent to~~
16 ~~unload or deliver property (or render any services) at the place or places at which the consignee or its~~
17 ~~agent is not present, the property shall be at the risk of the owner after unloading or delivery.]~~

18 ~~[(5) Section 5 of contract terms and conditions. A household goods carrier shall not carry~~
19 ~~or be liable in any way for documents, specie, or for articles of extraordinary value not specifically rated~~
20 ~~in the published classification or tariffs unless a special agreement to do so and a stipulated value of the~~
21 ~~articles are endorsed.]~~

22 ~~[(6) Section 6 of contract terms and conditions. Every party, whether the principal or~~
23 ~~local agent, shipping explosives or dangerous goods, without previous full written disclosure to the~~

1 household goods carrier of their nature, shall be liable for and indemnify the household goods carrier
2 against all loss or damage caused by the goods, and the goods may be warehoused at the owner's risk
3 and expense or destroyed without compensation.]

4 [(7) Section 7 of contract terms and conditions.]

5 [(A) The owner or consignee shall pay the freight and all other lawful charges
6 accruing on said property; but, except in those instances where it may lawfully be authorized to do so,
7 no household goods carrier shall deliver or relinquish possession at destination of the property covered
8 by this bill of lading or receipt until all rates and charges have been paid. The consignor shall be liable for
9 the freight and all other lawful charges, except that if the consignor stipulates, by signature, in the space
10 provided for that purpose on the face of this bill of lading or receipt that the household goods carrier
11 shall not make delivery without requiring payment of the charges and the household goods carrier,
12 contrary to such stipulation shall make delivery without requiring such payment, the consignor (except
13 as hereinafter provided) shall not be liable for the charges. Where the household goods carrier has been
14 instructed by the shipper or consignor to deliver the property to a consignee other than the shipper or
15 consignee, the consignee shall not be legally liable for transportation charges in respect of the
16 transportation of the property (beyond those billed against him at the time of delivery for which he is
17 otherwise liable) which may be found to be due after the property has been delivered to him, if the
18 consignee is an agent only and has no beneficial title in said property, and prior to delivery of said
19 property has notified the delivering household goods carrier in writing of the fact of such agency and
20 absence of beneficial title, and, in the case of a shipment reconsigned or diverted to a point other than
21 that specified in the original bill of lading or receipt, has also notified the delivering household goods
22 carrier in writing of the name and address of the beneficial owner of said property; and, in such cases
23 the shipper or consignor, or, in the case of a shipment so reconsigned or diverted, the beneficial owner

1 ~~shall be liable for such additional charges.]~~

2 ~~[(B) If the consignee has given to the household goods carrier erroneous~~
3 ~~information as to whom the beneficial owner is, such consignee shall be liable for the additional~~
4 ~~charges. Nothing herein shall limit the right of the household goods carrier to require at time of~~
5 ~~shipment the payment or guarantee of the charges. If upon inspection it is ascertained that the articles~~
6 ~~shipped are not those described in this bill of lading or receipt, the freight charges must be paid on the~~
7 ~~articles actually shipped.]~~

8 ~~[(8) Section 8 of contract terms and conditions. If this bill of lading or receipt is issued on~~
9 ~~the order of the shipper or his agent, in exchange or in substitution for another bill of lading or receipt,~~
10 ~~the shipper's signature to the prior bill of lading or receipt as to the statement of value or otherwise, or~~
11 ~~election of common law or bill of lading or receipt, in or in connection with such prior bill of lading or~~
12 ~~receipt, shall be considered a part of this bill of lading or receipt as fully as if the same were written or~~
13 ~~made in or in connection with this bill of lading or receipt.]~~

14 ~~[(9) Section 9 of contract terms and conditions. Any alteration, addition, or erasure in~~
15 ~~this bill of lading or receipt which shall be made without the special notation herein of the agent of the~~
16 ~~household goods carrier issuing this bill of lading or receipt, shall be without effect, and this bill of lading~~
17 ~~or receipt shall be enforceable according to its original tenor.]~~

18

19 **SUBCHAPTER F. ADMINISTRATIVE PENALTIES AND SANCTIONS**

20 **43 TAC §218.72**

21

22 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code,
23 §643.252, which authorizes the department to suspend or revoke a registration issued under

1 Transportation Code, Chapter 643 or place on probation a motor carrier whose registration is
2 suspended; Transportation Code, §643.257, which authorizes the department to order a motor carrier
3 that violates Transportation Code, Chapter 643 or a rule or order adopted under Transportation Code,
4 Chapter 643 to pay a refund to a consumer who paid the motor carrier to transport household goods;
5 Transportation Code, §643.003, which authorizes the department to adopt rules to administer
6 Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to
7 adopt rules that are necessary and appropriate to implement the powers and duties of the department
8 under the Transportation Code and other laws of this state; Government Code, §2001.004, which
9 requires state agencies to adopt rules of practice stating the nature and requirements of all available
10 formal and informal procedures; and the statutory authority referenced throughout this preamble and
11 in the rule text, which is incorporated herein by reference.

12 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter
13 643; and Government Code, Chapter 2001.

14
15 TEXT.

16 §218.72. Administrative Sanctions.

17 (a) Grounds for suspension, revocation, denial, and probation. Transportation Code, §643.252
18 provides the grounds on which the department can suspend, revoke, or deny a certificate of registration
19 issued under Transportation Code, Chapter 643. Transportation Code, §643.252 also provides the
20 grounds on which the department can place on probation a motor carrier whose registration is
21 suspended.

22 (b) Texas Department of Public Safety enforcement recommendations.

23 (1) The department may suspend or revoke a certificate of registration of a motor

1 carrier upon a written request by the Texas Department of Public Safety, if a motor carrier:

2 (A) has an unsatisfactory safety rating under 49 C.F.R., Part 385; or

3 (B) has multiple violations of Transportation Code, Chapter 644, a rule adopted
4 under that chapter, or Transportation Code, Title 7, Subtitle C.

5 (2) A request under paragraph (1) of this subsection must include documentation
6 showing the violation.

7 (c) Refund.

8 (1) The department may order a household goods carrier that violates Transportation
9 Code Chapter 643, department rules, or a department order adopted under Transportation Code
10 Chapter 643 to issue a refund to a customer who paid the household goods carrier to transport
11 household goods.

12 (2) Under this subsection, a refund is the return of any percentage of funds paid, or
13 contracted to be paid, to a household goods carrier transporting household goods, whether those funds
14 are documented as a separate line item or included in the overall amount paid by a customer.

15 (A) A refund includes overpayments, fees paid for services not rendered, and
16 fees paid for charges not listed on the household goods carrier's tariff after the household goods carrier
17 takes possession of the customer's property.

18 (B) A refund does not include any consideration of damages or harm over the
19 amount paid by the customer.

20

21 **SUBCHAPTER G. FINANCIAL RESPONSIBILITY FOR FOREIGN COMMERCIAL MOTOR VEHICLES**

22 **43 TAC §218.80 AND §218.82**

23

1 **STATUTORY AUTHORITY.** The department adopts the amendments under Transportation Code, §648.102,
2 which authorizes the department to adopt rules that conform with 49 C.F.R. Part 387 requiring motor
3 carriers operating foreign commercial motor vehicles in Texas to maintain financial responsibility;
4 Transportation Code, §643.101(b), which authorizes the department to adopt rules to set the amount of
5 liability insurance that a motor carrier that is required to register under Subchapter B of Transportation
6 Code, Chapter 643 must maintain, at an amount that does not exceed the amount required for a motor
7 carrier under a federal regulation adopted under 49 U.S.C. §13906(a)(1); Transportation Code, §643.003,
8 which authorizes the department to adopt rules to administer Transportation Code, Chapter 643;
9 Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and
10 appropriate to implement the powers and duties of the department under the Transportation Code and
11 other laws of this state; Government Code, §2001.004, which requires state agencies to adopt rules of
12 practice stating the nature and requirements of all available formal and informal procedures; and the
13 statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein
14 by reference.

15 **CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, §648.102;
16 and Government Code, §2001.004.

17

18 TEXT.

19 §218.80. Purpose and Scope.

20 (a) The purpose of this subchapter is to comply with Transportation Code, §648.102. For the
21 purposes of this subchapter, the term “motor carrier” is defined by Transportation Code, §648.001, and
22 does not include the following, except as provided by subsection (b) of this section:

23 (1) a motor carrier that is required to register with the department under

1 Transportation Code, Chapter 643; or

2 (2) a motor carrier that is required to register with FMCSA for interstate transportation,

3 and is not operating in intrastate transportation within this state.

4 (b) If a motor carrier is required to register with the department under Transportation Code,

5 Chapter 643, the motor carrier must comply with the financial responsibility requirements in §218.16 of

6 this title (relating to Insurance Requirements).

7

8 §218.82. Financial Responsibility.

9 (a) Intrastate transportation. No motor carrier shall operate a foreign commercial motor vehicle

10 in intrastate transportation in Texas, unless the motor carrier obtains and has in effect an insurance

11 policy which covers at least the minimum level required by 49 C.F.R. Part 387. For the purposes of this

12 subsection, intrastate transportation is any transportation on a public highway in Texas that is not

13 described in 49 U.S.C. §13501.

14 (b) The department adopts by reference 49 C.F.R. Part 387 regarding the required level of

15 financial responsibility, including any amendments that became effective through July 1, 2024.

16

Figure 43 TAC §218.16(a)

Type of Vehicle	Minimum Insurance Level
1. Vehicles transporting household goods (gross vehicle weight, registered weight, or gross weight rating of 26,000 lbs. or less).	\$300,000
2. Vehicles, including buses, designed or used to transport more than 15 people, but fewer than 27 people, including the driver.	\$500,000
3. Vehicles, including buses, designed or used to transport 27 or more people, including the driver.	\$5,000,000
4. School buses, regardless of the passenger capacity as described in Transportation Code, §643.1015.	\$500,000
5. Farm trucks (gross vehicle weight, registered weight, or gross weight rating of 48,000 lbs. or more).	\$500,000
6. Commercial motor vehicles and vehicles transporting household goods (gross vehicle weight, registered weight, or gross weight rating in excess of 26,000 lbs.).	\$500,000
7. Commercial motor vehicles - Oil listed in 49 C.F.R. §172.101; hazardous waste, hazardous materials, or hazardous substances defined in 49 C.F.R. §171.8 and listed in 49 C.F.R. §172.101, but not mentioned in items 8 or 9 of this table.	\$1,000,000
8. Commercial motor vehicles with a gross vehicle weight rating of 10,001 or more pounds - Hazardous substances, as defined in 49 C.F.R. §171.8, transported in bulk in cargo tanks, portable tanks, or hopper-type vehicles with capacities in bulk; in bulk Division 1.1, 1.2, or 1.3 materials; in bulk Division 2.3, Hazard Zone A material; in bulk Division 6.1, Packing Group I, Hazard Zone A material; in bulk Division 2.1 or 2.2 material; or highway route controlled quantities of a Class 7 material, as defined in 49 C.F.R. §173.403.	\$5,000,000
9. Commercial motor vehicles with a gross vehicle weight rating of less than 10,001 pounds – In bulk Division 1.1, 1.2, or 1.3 material; in bulk Division 2.3, Hazard Zone A material; in bulk Division 6.1, Packing Group I, Hazard Zone A material; or highway route controlled quantities of a Class 7 material as defined in 49 C.F.R. §173.403.	\$5,000,000