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**ADOPTION OF**

**SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

**43 TAC §217.56**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 TAC §217.56, concerning vehicle registration reciprocity agreements. The amendments are necessary to implement Transportation Code §502.091(b), which authorizes the department to require an applicant for vehicle registration under the International Registration Plan (IRP) to register under the Unified Carrier Registration System Plan and Agreement under 49 U.S.C. §14504a (UCR) before applying for vehicle registration under the IRP if the applicant is required to register under UCR. The amendments are also necessary to delete certain definitions because the relevant terms are defined in the IRP. The amendments are also necessary to incorporate by reference the January 1, 2021, edition of the IRP. All amendments are substantive, except for the deletion of the definitions. The department adopts §217.56 without changes to the proposed text as published in the November 12, 2021, issue of the *Texas Register* (46 TexReg 7769). The rule will not be republished.

**REASONED JUSTIFICATION.** Amendments to §217.56(c)(2)(B) are necessary to incorporate by reference the January 1, 2021, edition of the IRP. Texas is bound by the IRP, which is a vehicle registration reciprocity agreement between the 48 contiguous states, the District of Columbia, and the Canadian provinces. Section 217.56 must incorporate the latest edition of the IRP because it contains language regarding the nature and requirements of vehicle registration under the IRP. Texas is a member of the IRP, as authorized by Transportation Code §502.091 and 49 U.S.C. §31704, and must comply with the IRP. The jurisdictions that are members of the IRP amended the January 1, 2019 edition of the IRP as follows to create the January 1, 2021, edition of the IRP: amended Section 1325 regarding the composition of the Board of Directors of the Repository, and added a new Dispute Resolution Committee decision.

1 Amendments to §217.56(c)(2)(B) are also necessary to delete definitions because the relevant terms are  
2 defined in the IRP. It is not necessary to repeat any definitions from the IRP in §217.56(c)(2) because the  
3 IRP is adopted by reference in §217.56(c)(2)(B). Also, most of the defined terms in the definitions in  
4 §217.56(c)(2)(B) do not appear in §217.56(c)(2) other than in the definitions.

5 The amendment to §217.56(c)(2)(C)(i) is necessary to implement Transportation Code §502.091(b) by  
6 requiring an applicant for vehicle registration under the IRP to register under UCR before applying for IRP  
7 registration if the applicant is required to register under UCR. Texas participates in UCR, which is a federal  
8 registration program that is administered by the 41 states that participate in UCR (participating states)  
9 under 49 U.S.C. §14504a. Motor carriers and motor private carriers (motor carriers), as well as brokers,  
10 freight forwarders, and leasing companies (transportation service providers), that provide interstate  
11 transportation services must register under UCR and pay the fees under §14504a and 49 C.F.R. §367.20, *et*  
12 *seq.* Texas is authorized to participate in UCR under Transportation Code Chapter 645 and 43 TAC §218.17.  
13 The department currently enforces UCR through audits and administrative enforcement actions. The  
14 amendment to §217.56(c)(2)(C)(i) requires an applicant for IRP to provide the department with a copy of  
15 the applicant's receipt under UCR to prove the applicant is currently registered under UCR if the applicant  
16 is required to register under UCR. The department believes the amendment to §217.56(c)(2)(C)(i) will help  
17 Texas comply with the 85% UCR compliance rate as required by the UCR State Performance Standards  
18 dated January 28, 2020. The department also believes the amendment will help Texas increase its UCR  
19 compliance rate. Texas achieved a UCR compliance rate of 88.37% for UCR registration year 2019, and  
20 85.39% for UCR registration year 2020. Also, as more of the participating states increase their UCR  
21 compliance rate, it increases the chances that the Federal Motor Carrier Safety Administration (FMCSA)  
22 will reduce the UCR fees for all motor carriers and transportation service providers.

1 The UCR State Performance Standards require each participating state to achieve a minimum of an 85%  
2 UCR registration compliance rate by the end of each UCR registration period, which is the period during  
3 which registration fees are collected for each UCR registration year. The UCR registration compliance rate  
4 for a state is determined for each UCR registration period by dividing the total number of UCR registrations  
5 for that state by the total number of people, including sole proprietors and legal entities, that are required  
6 to have UCR registration in that state. According to the UCR State Performance Standards, states that do  
7 not demonstrate the ability to achieve the 85% registration compliance rate must submit a remedial  
8 action plan to the UCR Audit Subcommittee that identifies actions the state has taken or will take to help  
9 ensure future compliance with the 85% registration compliance rate. The UCR State Performance  
10 Standards also require participating states to undergo periodic compliance reviews which are  
11 administered with oversight from the UCR Audit Subcommittee and the UCR Board of Directors.

12 The current UCR Handbook says the participating states enforce the payment of UCR fees in a variety of  
13 ways. The UCR Handbook also says that some states deny a motor carrier its vehicle registration under  
14 the IRP until the motor carrier completes its UCR registration.

15 If the owner of a commercial vehicle registers its vehicle under the IRP, the vehicle is registered in the 48  
16 contiguous states, as well as the District of Columbia and the Canadian provinces (member jurisdictions).

17 If the owner of a commercial vehicle does not have IRP registration, the owner must generally obtain  
18 vehicle registration in each of the member jurisdictions in which the vehicle will travel. Many owners of  
19 commercial vehicles that travel through more than one of the member jurisdictions want to get IRP  
20 registration because it is an efficient and cost-effective way to obtain vehicle registration at a fraction of  
21 the cost. When the owner registers its vehicles with one base member jurisdiction under the IRP, the  
22 vehicles are only required to display one license plate that indicates the vehicles are registered in all  
23 member jurisdictions. Also, under the IRP, the owner pays vehicle registration fees based on the

1 percentage of travel in each member jurisdiction relative to the total distance traveled in all member  
2 jurisdictions. IRP registration is also called apportioned registration because the owner is only required to  
3 pay a portion of the registration fees in any member jurisdiction.

4 FMCSA must set the UCR fees in an amount sufficient to collect enough revenue to pay the administrative  
5 costs for UCR and to pay the participating states the revenue they are entitled to receive under §14504a(g)  
6 and (h), based on the recommendation of the UCR Board under §14504a(d)(7)(A). The 41 participating  
7 states collect the UCR fees for each UCR registration year. The collected UCR fees are allocated to the  
8 states and to pay the administrative costs for UCR under §14504a(g) and (h).

9 FMCSA must increase the UCR fees if there is a shortage of UCR revenue and the UCR board requests an  
10 adjustment to the fees. *See* §14504a(d)(7) and (f)(1)(E). When FMCSA proposed to increase the UCR fees  
11 in 2010, some commenters stated that the UCR fees should only be raised after the participating states  
12 achieved adequate compliance with UCR. *See Fees for the Unified Carrier Registration Plan and*  
13 *Agreement, 75 Federal Register 21993, 22001 (April 27, 2010)*. Many commenters stated that raising the  
14 UCR fees as proposed was unfair because it increased the burden on compliant motor carriers to the  
15 benefit of the non-compliant motor carriers. *Id.* at 22002. One commenter stated that applicants for  
16 vehicle registration should be required to show proof of compliance with UCR before their vehicle could  
17 be registered. *Id.* FMCSA encouraged more states to register any person, including any entities, for UCR  
18 at the same time the states renew vehicle registration, including IRP registration. *Id.* at 21999.

19 FMCSA must reduce the UCR fees if there is a surplus of UCR revenue and the UCR board requests an  
20 adjustment to the fees. *See* §14504a(d)(7), (f)(1)(E), and (h)(4). A surplus of UCR revenue occurs when the  
21 participating states collect more UCR revenue than is needed to pay the administrative costs for UCR and  
22 to pay the participating states the revenue they are entitled to receive under §14504a(g) and (h). The  
23 participating states are not allowed to get more UCR revenue than they are entitled to keep under

1 §14504a(g) and (h), even if there is a surplus of UCR revenue. As more of the participating states increase  
2 their UCR compliance rate, it increases the chances that FMCSA will reduce the UCR fees for all motor  
3 carriers and transportation service providers. The last time FMCSA reduced the UCR fees was in  
4 2020. See Fees for the Unified Carrier Registration Plan and Agreement, 85 Fed. Reg. 8192 (Feb. 13, 2020)  
5 (codified at 49 C.F.R. §367.60).

6 **SUMMARY OF COMMENTS.**

7 No comments on the proposed amendments were received.

8 **STATUTORY AUTHORITY.** The department adopts amendments to §217.56 under Transportation Code  
9 §§502.091(b), 502.0021, and 1002.001.

10 Transportation Code §502.091(b) authorizes the department to adopt rules to carry out the IRP and to  
11 require an applicant for IRP to register under UCR before the applicant applies for registration under IRP.

12 Transportation Code §502.0021 authorizes the department to adopt rules to administer Transportation  
13 Code Chapter 502.

14 Transportation Code §1002.001 authorizes the board to adopt rules that are necessary and appropriate  
15 to implement the powers and the duties of the department.

16 **CROSS REFERENCE TO STATUTE.** Transportation Code §502.091 and §645.001.

17 Subchapter B. Motor Vehicle Registration

18 §217.56

19 §217.56. Registration Reciprocity Agreements.

20 (a) Purpose. To promote and encourage the fullest possible use of the highway system and  
21 contribute to the economic development and growth of the State of Texas and its residents, the  
22 department is authorized by Transportation Code, §502.091 to enter into agreements with duly  
23 authorized officials of other jurisdictions, including any state of the United States, the District of Columbia,

1 a foreign country, a state or province of a foreign country, or a territory or possession of either the United  
2 States or of a foreign country, and to provide for the registration of vehicles by Texas residents and  
3 nonresidents on an allocation or distance apportionment basis, and to grant exemptions from the  
4 payment of registration fees by nonresidents if the grants are reciprocal to Texas residents.

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

7 (1) Cab card--The apportioned vehicle registration receipt that contains, but is not limited  
8 to, the vehicle description and the registered weight at which the vehicle may operate in each jurisdiction.

9 (2) Department--The Texas Department of Motor Vehicles.

10 (3) Director--The director of the Motor Carrier Division, Texas Department of Motor  
11 Vehicles.

12 (4) Executive director--The chief executive officer of the department.

13 (5) Regional Service Center--A department office which provides specific services to the  
14 public, including replacement titles, bonded title rejection letters, and apportioned registration under the  
15 International Registration Plan (IRP).

16 (6) Temporary cab card--A temporary registration permit authorized by the department  
17 that allows the operation of a vehicle for 30 days subject to all rights and privileges afforded to a vehicle  
18 displaying apportioned registration.

19 (c) Multilateral agreements.

20 (1) Authority. The executive director may on behalf of the department enter into a  
21 multilateral agreement with the duly authorized officials of two or more other jurisdictions to carry out  
22 the purpose of this section.

23 (2) International Registration Plan.

1 (A) Applicability. The IRP is a registration reciprocity agreement among states of  
2 the United States and other jurisdictions providing for payment of registration fees on the basis of fleet  
3 distance operated in various jurisdictions. Its purpose is to promote and encourage the fullest possible  
4 use of the highway system by authorizing apportioned registration for commercial motor vehicles and  
5 payment of appropriate vehicle registration fees and thus contributing to the economic development and  
6 growth of the member jurisdictions.

7 (B) Adoption. The department adopts by reference the January 1, 2021 edition of  
8 the IRP. The department also adopts by reference the January 1, 2016, edition of the IRP Audit Procedures  
9 Manual. In the event of a conflict between this section and the IRP or the IRP Audit Procedures Manual,  
10 the IRP and the IRP Audit Procedures Manual control. Copies of the documents are available for review in  
11 the Motor Carrier Division, Texas Department of Motor Vehicles. Copies are also available on request.

12 (C) Application.

13 (i) An applicant must submit an application to the department on a form  
14 prescribed by the director, along with additional documentation as required by the director. An applicant  
15 shall provide the department with a copy of the applicant's receipt under the Unified Carrier Registration  
16 System Plan and Agreement under 49 U.S.C. §14504a (UCR) to prove the applicant is currently registered  
17 under UCR if the applicant is required to register under UCR.

18 (ii) Upon approval of the application, the department will compute the  
19 appropriate registration fees and notify the registrant.

20 (D) Fees. Upon receipt of the applicable fees in the form as provided by §209.23  
21 of this title (relating to Methods of Payment), the department will issue one or two license plates and a  
22 cab card for each vehicle registered.

23 (E) Display of License Plates and Cab Cards.

1 (i) The department will issue one license plate for a tractor, truck-tractor,  
2 trailer, and semitrailer. The license plate issued to a tractor or a truck-tractor shall be installed on the  
3 front of the tractor or truck-tractor, and the license plate issued for a trailer or semitrailer shall be installed  
4 on the rear of the trailer or semitrailer.

5 (ii) The department will issue two license plates for all other vehicles that  
6 are eligible to receive license plates under the IRP. Once the department issues two license plates for a  
7 vehicle listed in this clause, one plate shall be installed on the front of the vehicle, and one plate shall be  
8 installed on the rear of the vehicle.

9 (iii) The cab card shall be carried at all times in the vehicle in accordance  
10 with the IRP. If the registrant chooses to display an electronic image of the cab card on a wireless  
11 communication device or other electronic device, such display does not constitute consent for a peace  
12 officer, or any other person, to access the contents of the device other than the electronic image of the  
13 cab card.

14 (iv) The authority to display an electronic image of the cab card on a  
15 wireless communication device or other electronic device does not prevent the Texas State Office of  
16 Administrative Hearings or a court of competent jurisdiction from requiring the registrant to provide a  
17 paper copy of the cab card in connection with a hearing, trial, or discovery proceeding.

18 (F) Audit. An audit of the registrant's vehicle operational records may be  
19 conducted by the department according to the IRP provisions and the IRP Audit Procedures Manual. Upon  
20 request, the registrant shall provide the operational records of each vehicle for audit in unit number order,  
21 in sequence by date, and including, but not limited to, a summary of distance traveled by each individual  
22 vehicle on a monthly, quarterly, and annual basis with distance totaled separately for each jurisdiction in  
23 which the vehicle traveled.



1 (G) Assessment. The department may assess additional registration fees of up to  
2 100% of the apportionable fees paid by the registrant for the registration of its fleet in the registration  
3 year to which the records pertain, as authorized by the IRP, if an audit conducted under subparagraph (F)  
4 of this paragraph reveals that:

5 (i) the operational records indicate that the vehicle did not generate  
6 interstate distance in two or more member jurisdictions for the distance reporting period supporting the  
7 application being audited, plus the six-month period immediately following that distance reporting  
8 period;

9 (ii) the registrant failed to provide complete operational records; or

10 (iii) the distance must be adjusted, and the adjustment results in a  
11 shortage of registration fees due Texas or any other IRP jurisdiction.

12 (H) Refunds. If an audit conducted under subparagraph (F) of this paragraph  
13 reveals an overpayment of fees to Texas or any other IRP jurisdiction, the department will refund the  
14 overpayment of registration fees in accordance with Transportation Code, §502.195 and the IRP. Any  
15 registration fees refunded to a carrier for another jurisdiction will be deducted from registration fees  
16 collected and transmitted to that jurisdiction.

17 (I) Cancellation or revocation. The director or the director's designee may cancel  
18 or revoke a registrant's apportioned registration and all privileges provided by the IRP as authorized by  
19 the following:

20 (i) the IRP; or

21 (ii) Transportation Code, Chapter 502.

22 (J) Enforcement of cancelled or revoked registration.

1 (i) Notice. If a registrant is assessed additional registration fees, as  
2 provided in subparagraph (G) of this paragraph, and the additional fees are not paid by the due date  
3 provided in the notice or it is determined that a registrant's apportioned license plates and privileges  
4 should be canceled or revoked, as provided in subparagraph (I) of this paragraph, the director or the  
5 director's designee will mail a notice by certified mail to the last known address of the registrant. The  
6 notice will state the facts underlying the assessment, cancellation, or revocation; the effective date of the  
7 assessment, cancellation, or revocation; and the right of the registrant to request a conference as  
8 provided in clause (ii) of this subparagraph.

9 (ii) Conference. A registrant may request a conference upon receipt of a  
10 notice issued as provided by clause (i) of this subparagraph. The request must be made in writing to the  
11 director or the director's designee within 30 days of the date of the notice. If timely requested, the  
12 conference will be scheduled and conducted by the director or the director's designee at division  
13 headquarters in Austin and will serve to abate the assessment, cancellation, or revocation unless and until  
14 that assessment, cancellation, or revocation is affirmed or disaffirmed by the director or the director's  
15 designee. In the event matters are resolved in the registrant's favor, the director or the director's designee  
16 will mail the registrant a notice of withdrawal, notifying the registrant that the assessment, cancellation,  
17 or revocation is withdrawn, and stating the basis for that action. In the event matters are not resolved in  
18 the registrant's favor, the director or the director's designee will issue a ruling reaffirming the  
19 department's assessment of additional registration fees or cancellation or revocation of apportioned  
20 license plates and privileges. The registrant has the right to appeal in accordance with clause (iii) of this  
21 subparagraph.

22 (iii) Appeal. If a conference held in accordance with clause (ii) of this  
23 subparagraph fails to resolve matters in the registrant's favor, the registrant may request an

1 administrative hearing. The request must be in writing and must be received by the director no later than  
2 the 20th day following the date of the ruling issued under clause (ii) of this subparagraph. If requested  
3 within the designated period, the hearing will be initiated by the department and will be conducted in  
4 accordance with Chapter 206, Subchapter D of this title (relating to Procedures in Contested Cases).  
5 Assessment, cancellation, or revocation is abated unless and until affirmed or disaffirmed by order of the  
6 Board of the Texas Department of Motor Vehicles or its designee.

7 (K) Reinstatement.

8 (i) The director or the director's designee will reinstate apportioned  
9 registration to a previously canceled or revoked registrant if all applicable fees and assessments due on  
10 the previously canceled or revoked apportioned account have been paid and the applicant provides proof  
11 of an acceptable recordkeeping system for a period of no less than 60 days.

12 (ii) The application for the following registration year will be processed in  
13 accordance with the provisions of the IRP.

14 (L) Denial of apportioned registration for safety reasons. The department will  
15 comply with the requirements of the Performance and Registration Information Systems Management  
16 program (PRISM) administered by the Federal Motor Carrier Safety Administration (FMCSA).

17 (i) Denial or suspension of apportioned registration. Upon notification  
18 from the FMCSA that a carrier has been placed out of service for safety violations, the department will:

19 (I) deny initial issuance of apportioned registration;

20 (II) deny authorization for a temporary cab card, as provided for  
21 in subparagraph (M) of this paragraph;

22 (III) deny renewal of apportioned registration; or

23 (IV) suspend current apportioned registration.

1 (ii) Issuance after denial of registration or reinstatement of suspended  
2 registration. The director or the director's designee will reinstate or accept an initial or renewal application  
3 for apportioned registration from a registrant who was suspended or denied registration under clause (i)  
4 of this subparagraph upon presentation of a Certificate of Compliance from FMCSA, in addition to all other  
5 required documentation and payment of fees.

6 (M) Temporary cab card.

7 (i) Application. The department may authorize issuance of a temporary  
8 cab card to a motor carrier with an established Texas apportioned account for a vehicle upon proper  
9 submission of all required documentation, a completed application, and all fees for either:

10 (I) Texas title as prescribed by Transportation Code, Chapter 501  
11 and Subchapter A of this chapter (relating to Motor Vehicle Titles); or

12 (II) registration receipt to evidence title for registration purposes  
13 only (Registration Purposes Only) as provided for in Transportation Code, §501.029 and §217.24 of this  
14 title (relating to Vehicle Last Registered in Another Jurisdiction).

15 (ii) Title application. A registrant who is applying for a Texas title as  
16 provided for in clause (i)(I) of this subparagraph and is requesting authorization for a temporary cab card,  
17 must submit to a Regional Service Center a photocopy of the title application receipt issued by the county  
18 tax assessor-collector's office.

19 (iii) Registration Purposes Only. A registrant who is applying for  
20 Registration Purposes Only under clause (i)(II) of this subparagraph and is requesting authorization for a  
21 temporary cab card, must submit an application and all additional original documents or copies of original  
22 documents required by the director to a Regional Service Center.

1 (iv) Department approval. On department approval of the submitted  
2 documents, the department will send notice to the registrant to finalize the transaction and make  
3 payment of applicable registration fees.

4 (v) Finalization and payment of fees. To finalize the transaction and print  
5 the temporary cab card, the registrant may compute the registration fees through the department's  
6 apportioned registration software application, TxIRP system, and:

7 (I) make payment of the applicable registration fees to the  
8 department as provided by §209.23 of this title; and

9 (II) afterwards, mail or deliver payment of the title application fee  
10 in the form of a check, certified cashier's check, or money order payable to the county tax assessor-  
11 collector in the registrant's county of residency and originals of all copied documents previously  
12 submitted.

13 (vi) Deadline. The original documents and payment must be received by  
14 the Regional Service Center within 72-hours after the time that the office notified the registrant of the  
15 approval to print a temporary cab card as provided in clause (iv) of this subparagraph.

16 (vii) Failure to meet deadline. If the registrant fails to submit the original  
17 documents and required payment within the time prescribed by clause (vi) of this subparagraph, the  
18 registrant's privilege to use this expedited process to obtain a temporary cab card will be denied by the  
19 department for a period of six months from the date of approval to print the temporary cab card.

20 **CERTIFICATION.** The agency certifies that legal counsel has reviewed the adoption and found it to be a  
21 valid exercise of the agency's legal authority.

22 Issued at Austin, Texas, on February 25, 2022.

23 /s/ Aline Aucoin  
24 Aline Aucoin, Acting General Counsel