

ADOPTION OF

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.56

4 **INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 TAC
5 §217.56, concerning vehicle registration reciprocity agreements. The amendments are necessary to
6 implement Transportation Code §502.091(b), which authorizes the department to require an applicant
7 for vehicle registration under the International Registration Plan (IRP) to register under the Unified Carrier
8 Registration System Plan and Agreement under 49 U.S.C. §14504a (UCR) before applying for vehicle
9 registration under the IRP if the applicant is required to register under UCR. The amendments are also
10 necessary to delete certain definitions because the relevant terms are defined in the IRP. The
11 amendments are also necessary to incorporate by reference the January 1, 2021, edition of the IRP. All
12 amendments are substantive, except for the deletion of the definitions. The department adopts §217.56
13 without changes to the proposed text as published in the November 12, 2021, issue of the *Texas Register*
14 (46 TexReg 7769). The rule will not be republished.

15 **REASONED JUSTIFICATION.** Amendments to §217.56(c)(2)(B) are necessary to incorporate by reference
16 the January 1, 2021, edition of the IRP. Texas is bound by the IRP, which is a vehicle registration reciprocity
17 agreement between the 48 contiguous states, the District of Columbia, and the Canadian provinces.
18 Section 217.56 must incorporate the latest edition of the IRP because it contains language regarding the
19 nature and requirements of vehicle registration under the IRP. Texas is a member of the IRP, as authorized
20 by Transportation Code §502.091 and 49 U.S.C. §31704, and must comply with the IRP. The jurisdictions
21 that are members of the IRP amended the January 1, 2019 edition of the IRP as follows to create the
22 January 1, 2021, edition of the IRP: amended Section 1325 regarding the composition of the Board of
23 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.

12 (C) Application.

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.

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

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.

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;

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.

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.

6 (M) Temporary cab card.

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).

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:

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.

/s/ Aline Aucoin
Aline Aucoin, Acting General Counsel