
To: Texas Department of Motor Vehicles Board
From: Annette Quintero, Vehicle Titles and Registration Division Director
Agenda Item: 15
Subject: Chapter 217, Vehicle Titles and Registration
Amendments, §217.63, Digital License Plates

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

The amendments are designed to provide an incentive for customers to choose a digital license plate over another type of specialty license plate by reducing the digital license plate administrative fee from \$95 to \$45.

FINANCIAL IMPACT

There will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. The legislature authorized the department to charge an administrative fee to recoup its administrative costs, and the department originally proposed a \$95 administrative fee to recoup the state's costs in approximately 15 years. Due to the lack of sales of the digital license plates, the department has decided to provide an incentive for customers to choose a digital license plate by proposing a reduction in the administrative fee paid by customers from \$95 to \$45, which may allow the vendor to have sufficient sales to realize a profit, allow for more of the digital license plates to be on Texas roads, and to allow the department to recoup the investment made to continue to administer the digital license program.

BACKGROUND AND DISCUSSION

The amendments:

- §217.63(a)(1) – reduces the administrative fee from \$95 to \$45 upon initial application of a digital license plate and on renewal of registration for a vehicle with a digital license plate.
- §217.63(a)(2) – clarifies that the registration period of the digital license plate will be aligned with the purchaser's vehicle registration period, and the initial administrative fee will be prorated based on the remaining registration period.
- §217.63(b) – clarifies the purpose of the rule by amending the subsection title and language.
- §217.63(b)(2) – corrects the description of the payment process for digital license plate fees to clarify the fees for issuance of digital license plates are paid directly to the state through the digital license plate provider and state systems, in accordance with current practices.



SPANISH TRANSLATION PENDING