



1           The proposed amendments to §217.63(a)(2) clarify that the registration period of the digital  
2 license plate will be aligned with the vehicle registration period, and that the initial administrative fee will  
3 be prorated based on the remaining registration period. These proposed amendments would not change  
4 the meaning of the provision but would make it less confusing for the reader.

5           The proposed amendment to §217.63(b) clarifies the purpose of the rule by amending the  
6 subsection title and language. The proposed amendment to §217.63(b)(2) corrects the description of the  
7 payment process for digital license plate fees to clarify that the fees for issuance of digital license plates  
8 are paid directly to the state through the digital license plate provider and state systems, in accordance  
9 with current practices.

10 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
11 has determined that for each year of the first five years these rules will be in effect, there will be no  
12 significant fiscal impact to state or local governments as a result of the enforcement or administration of  
13 the proposal. There have been fewer than 10 digital license plates issued to Texas vehicles since the  
14 program began in 2020, so a change in the fee revenue created from their issuance and renewal is not  
15 expected to create a significant fiscal impact. Annette Quintero, Director of the Vehicle Titles and  
16 Registration (VTR) Division, has determined that there will be no measurable effect on local employment  
17 or the local economy as a result of the proposal.

18 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero has also determined that, for each year of the first five  
19 years the amended and new section is in effect, there are public benefits anticipated from the  
20 administrative fee reduction for digital license plates.

21           Anticipated Public Benefits. The public benefits anticipated as a result of the proposal include a  
22 reduction in the cost of digital license plates to the public. Additionally, since digital license plates can  
23 serve as screens to broadcast emergency alerts including public safety alerts issued by governmental

1 entities, the proposed rules have an anticipated public benefit of increasing the number of digital license  
2 plates on Texas roads that can serve to enhance public awareness of emergency alerts like Amber Alerts,  
3 Silver Alerts, and Blue Alerts.

4 Anticipated Costs to Comply with the Proposal. Ms. Quintero anticipates that there will be no  
5 significant costs to comply with these rules because no one is required to buy a digital license plate and  
6 because the proposal reduces the administrative fees associated with digital license plates.

7 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
8 Code §2006.002(c), the department has determined that the amended section will not have an adverse  
9 economic impact on small businesses, micro businesses, and rural communities because there are no  
10 anticipated economic costs for persons required to comply. The department has determined that there  
11 will be no adverse economic impact on rural communities as a result of the proposal. Therefore, the  
12 department is not required to prepare a regulatory flexibility analysis under Government Code §2006.002.

13 **TAKINGS IMPACT ASSESSMENT.** The department has determined that no private real property interests  
14 are affected by this proposal and that this proposal does not restrict or limit an owner's right to property  
15 that would otherwise exist in the absence of government action and, therefore, does not constitute a  
16 taking or require a takings impact assessment under the Government Code, §2007.043.

17 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that for each year of the  
18 first five years the proposed amendments are in effect, the proposed rules will not create or eliminate a  
19 government program; will not require the creation of new employee positions or the elimination of  
20 existing employee positions; will not require an increase or decrease in future legislative appropriations  
21 to the department; will not create new regulations or expand existing regulations; will not repeal, expand,  
22 or limit existing regulations; will not expand or limit the number of individuals subject to the rule's  
23 applicability; and will not either positively or negatively impact the Texas economy. The department has

1 determined that for each year of the first five years the proposed amendments are in effect, they may  
2 create a decrease in fees the department receives if the number of digital license plates does not increase  
3 as expected. On the other hand, if the sales volume of digital license plates increases significantly as a  
4 result of the reduced digital license plate fees during each year of the first five years the proposed  
5 amendments are in effect, the proposed rules may create an increase in total fees paid to the department.

6 **REQUEST FOR PUBLIC COMMENT.** If you want to comment on the proposal, submit your written  
7 comments by 5:00 p.m. CST on January 28, 2024. A request for a public hearing must be sent separately  
8 from your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov*  
9 or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue,  
10 Austin, Texas 78731. If a hearing is held, the department will consider written comments and public  
11 testimony presented at the hearing.

12 **STATUTORY AUTHORITY.** The amendments and new sections are proposed under Transportation Code,  
13 §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to  
14 adopt rules that are necessary and appropriate to implement the powers and the duties of the  
15 department; and more specifically, Transportation Code, §§504.151-504.157, which authorize digital  
16 license plates while giving the department rulemaking authority to implement the statutory provisions  
17 including setting specifications and requirements for digital license plates and establishing a fee.

18 **CROSS REFERENCE TO STATUTE.** The amendment implements Transportation Code, §§504.151- 504.157.

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20 **TEXT.**

21 **Subchapter B. Vehicle Titles and Registration**

22 **43 TAC §217.63**

23 §217.63. Digital License Plate Fees and Payment.

24 (a) Fees.

1 (1) A person issued a digital license plate must pay an administrative fee of \$45 ~~[95 to the~~  
2 ~~digital license plate provider]~~ upon initial application for a digital license plate~~[,] and [to the county tax~~  
3 ~~assessor collector or the department, as applicable,]~~ on renewal of registration for a vehicle with a digital  
4 license plate.

5 (2) The registration period ~~[expiration date]~~ of the digital license plate will be aligned with  
6 the registration period for the vehicle and the administrative fee due under subsection (a) ~~[of this section]~~  
7 will be prorated ~~[adjusted]~~ to yield the appropriate fee based on the remaining registration period.

8 (3) A digital license plate administrative fee will be refunded only when registration fees  
9 are overcharged under Transportation Code, §502.195.

10 (b) Payment of fees.

11 (1) All state, county, local, and other applicable fees are due at the time of registration of  
12 a vehicle with a digital license plate.

13 (2) The fees for issuance of digital license plates will be paid directly to the state through  
14 the digital license plate provider and state systems. ~~[Digital license plate providers that have received the~~  
15 ~~administrative fee under subsection (a) must submit payment of the administrative fee due in full to the~~  
16 ~~department upon receipt of an application for a digital license plate.]~~

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18 **CERTIFICATION.** The agency certifies that legal counsel has reviewed the proposal and found it to be  
19 within the state agency's legal authority to adopt.

20 Filed with the Office of the Secretary of State on December 15, 2023.

21 /s/ Laura Moriatty  
22 Laura Moriatty, General Counsel  
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