

1 The amendments allow vehicle owners the option to purchase embossed specialty license plates
2 if they choose to do so. No person would be required to purchase an embossed license plate and the
3 standard default option would still be a printed plate.

4 The amendments also allow classic car collectors to fully restore cars with historically accurate
5 embossed license plates.

6 Amendments to §217.52(h) clarify the rule by using the term “vendor specialty license plates”
7 that is defined in §217.52(a) to provide consistent meaning throughout §217.52.

8 An amendment to §217.52(h)(5) implements SB 702 by adding an embossed option for
9 background-only, non-personalized license plates. The amendment clarifies that background-only, non-
10 personalized license plates are available as either embossed or non-embossed.

11 An amendment to §217.52(h)(5) creates fees for issuance of embossed, background-only license
12 plates; however, the amendment would expressly retain the grandfathered fees under re-numbered
13 subsection (h)(9)(C) if the board approves a crossover plate under Transportation Code, §504.6011 as an
14 embossed plate design. These fees are sufficient to cover the department’s direct, indirect, and
15 administrative costs associated with the department’s contract with its specialty license plates vendor
16 and were determined through discussions with the vendor.

17 Amendments to §217.52(h)(5) add subparagraphs (A) and (B) to separate the fees for non-
18 embossed, background-only specialty license plates from the fees for embossed, background-only
19 specialty license plates.

20 In addition, amendments to §217.52(h)(5) add a hyphen between the words “background” and
21 “only” because they are compound modifiers for the term “license plates.”

1 Amendments to §217.52(h)(7) clarify that the fees for an auction pattern apply to an embossed
2 license plate design and that the owner of an auction pattern may move the auction pattern to an
3 embossed license plate design under subsection (n) regarding a restyled vendor specialty plate design.

4 New §217.52(h)(8) implements SB 702 by creating personalized, embossed specialty license
5 plates. New §217.52(h)(8) allows the department's vendor to source, market and sell a range of
6 embossed, personalized specialty license plates with board-approved background and color
7 combinations. New §217.52(h)(8) also sets fees for issuance of embossed, personalized specialty license
8 plates. New §217.52(h)(8) clarifies that the fees under subsection (h)(7), regarding auction plate patterns,
9 are grandfathered for embossed plate designs. New §217.52(h)(8) also clarifies that the personalization
10 and specialty plate fees under renumbered subsection (h)(9) do not apply to an embossed, personalized
11 specialty plate because the fees under §217.52(h)(8) already include the personalization fees; however,
12 there is an exception under re-numbered subsection (h)(9)(C) if the board approves a crossover plate
13 under Transportation Code, §504.6011 as an embossed plate design. These fees are sufficient to cover
14 the department's direct, indirect, and administrative costs associated with the department's contract with
15 its specialty license plates vendor and were determined through discussions with the vendor.

16 Amendments also renumber current §217.52(h)(8) to §217.52(h)(9). Amendments to
17 renumbered §217.52(h)(9) expressly retain the grandfathered fees if the board approves a crossover plate
18 under Transportation Code, §504.6011 as an embossed plate design.

19 Amendments to §217.52(n) implement SB 702 by adding embossed specialty license plate styles
20 to the provision on restyled vendor specialty license plates to allow people who currently have non-
21 embossed specialty license plates to restyle their plates into an embossed specialty license plate.

22 New §217.52(n)(2)(B) sets a fee of \$75 for restyling a non-embossed specialty license plate into
23 an embossed specialty license plate. This fee is sufficient to cover the department's direct, indirect, and

1 administrative costs associated with the department’s contract with its specialty license plates vendor
2 and were determined through discussions with the vendor. The amendments also re-letter subparagraphs
3 within §217.52(n) for clarity and ease of reference.

4 **SUMMARY OF COMMENTS.**

5 Comment: Sean Kennedy, Vice President of MyPlates, supported the Board’s adoption of amendments
6 to 43 TAC §217.52. Mr. Kennedy stated that MyPlates had conducted a poll and found that the public was
7 interested in having embossed plates as an option for specialty plates. Mr. Kennedy noted that the
8 amendment would make the rule consistent with SB 702. Mr. Kennedy stated that the rule amendments
9 will allow citizens of Texas a license plate that was previously available to the public and would increase
10 public interest in the specialty plate program generally.

11 Response: The department agrees with the comment.

12 **STATUTORY AUTHORITY.**

13 The department adopts amendments to §217.52 under Transportation Code, §504.0011, which grants the
14 board authority to adopt rules to implement Transportation Code, Chapter 504; Transportation Code,
15 §504.0051, which gives the department authority to issue personalized license plates and forbids the
16 department from issuing replacement personalized license plates unless the vehicle owner pays the
17 statutory fee required under Transportation Code, §504.007; Transportation Code, §504.007, which
18 states that replacement license plates can only be issued if the vehicle owner pays the statutory fee;
19 Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate to reestablish
20 its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and for the board to
21 establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a), which allows
22 the department to contract with a private vendor to provide specialty and personalized license plates;
23 Transportation Code, §504.851(b) – (d), which authorize the board to establish fees by rule for the

1 issuance or renewal of personalized license plates that are marketed and sold by the vendor as long as
2 the fees are reasonable and not less than the amounts necessary to allow the department to recover all
3 reasonable costs associated with the procurement, implementation and enforcement of the vendor's
4 contract; Transportation Code, §504.851(i), as amended by SB 702, 88th Legislature, Regular Session
5 (2023), which requires a contract entered into by the department and a private vendor for the marketing
6 and sale of specialty license plates to allow the vendor to establish a range of premium embossed specialty
7 license plates to be sourced, marketed, and sold by the private vendor; and Transportation Code,
8 §1002.001 which authorizes the board to adopt rules that are necessary and appropriate to implement
9 the powers and the duties of the department under the Transportation Code and other laws of this state.
10 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 504 and 1002.

11
12 **TEXT.**

13 **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

14 **43 TAC §217.52**

15 §217.52. Marketing of Specialty License Plates through a Private Vendor.

16 (a) Purpose and scope. The department will enter into a contract with a private vendor to market
17 department-approved specialty license plates in accordance with Transportation Code, Chapter 504,
18 Subchapter J. This section sets out the procedure for approval of the design, purchase, and replacement
19 of vendor specialty license plates. In this section, the license plates marketed by the vendor are referred
20 to as vendor specialty license plates.

21 (b) Application for approval of vendor specialty license plate designs.

1 (1) Approval required. The vendor shall obtain the approval of the board for each license
2 plate design the vendor proposes to market in accordance with this section and the contract entered into
3 between the vendor and the department.

4 (2) Application. The vendor must submit a written application on a form approved by the
5 executive director to the department for approval of each license plate design the vendor proposes to
6 market. The application must include:

7 (A) a draft design of the specialty license plate;

8 (B) projected sales of the plate, including an explanation of how the projected
9 figure was determined;

10 (C) a marketing plan for the plate including a description of the target market;

11 (D) a licensing agreement from the appropriate third party for any design or
12 design element that is intellectual property; and

13 (E) other information necessary for the board to reach a decision regarding
14 approval of the requested vendor specialty plate.

15 (c) Review and approval process. The board will review vendor specialty license plate applications.

16 The board:

17 (1) will not consider incomplete applications; and

18 (2) may request additional information from the vendor to reach a decision.

19 (d) Board decision.

20 (1) Decision. The decision of the board will be based on:

21 (A) compliance with Transportation Code, Chapter 504, Subchapter J;

22 (B) the proposed license plate design, including:

1 (i) whether the design meets the legibility and reflectivity standards
2 established by the department;

3 (ii) whether the design meets the standards established by the
4 department for uniqueness to ensure that the proposed plate complies with Transportation Code,
5 §504.852(c);

6 (iii) whether the license plate design can accommodate the International
7 Symbol of Access (ISA) as required by Transportation Code, §504.201(f);

8 (iv) the criteria designated in §217.27 of this title (relating to Vehicle
9 Registration Insignia) as applied to the design;

10 (v) whether a design is similar enough to an existing plate design that it
11 may compete with the existing plate sales; and

12 (vi) other information provided during the application process.

13 (2) Public comment on proposed design. All proposed plate designs will be considered by
14 the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of
15 proposed plate designs will be posted in accordance with Office of the Secretary of State meeting notice
16 requirements. Notice of each license plate design will be posted on the department's Internet web site to
17 receive public comment at least 25 days in advance of the meeting at which it will be considered. The
18 department will notify all specialty plate organizations and the sponsoring agencies who administer
19 specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the
20 posting. A comment on the proposed design can be submitted in writing through the mechanism provided
21 on the department's Internet web site for submission of comments. Written comments are welcome and
22 must be received by the department at least 10 days in advance of the meeting. Public comment will be
23 received at the board's meeting.

1 (e) Final approval and specialty license plate issuance.

2 (1) Approval. The board will approve or disapprove the specialty license plate application
3 based on all of the information provided pursuant to this subchapter in an open meeting.

4 (2) Application not approved. If the application is not approved, the applicant may submit
5 a new application and supporting documentation for the design to be considered again by the board if:

6 (A) the applicant has additional, required documentation; or

7 (B) the design has been altered to an acceptable degree.

8 (3) Issuance of approved specialty plates.

9 (A) If the vendor's specialty license plate is approved, the vendor must submit the
10 non-refundable start-up fee before any further design and processing of the license plate.

11 (B) Approval of the plate does not guarantee that the submitted draft plate design
12 will be used. The board has final approval of all specialty license plate designs and will provide guidance
13 on the submitted draft design to ensure compliance with the format and license plate specifications.

14 (f) Redesign of vendor specialty license plates.

15 (1) On receipt of a written request from the vendor, the department will allow a redesign
16 of a vendor specialty license plate.

17 (2) The vendor must pay the redesign administrative costs as provided in the contract
18 between the vendor and the department.

19 (g) Multi-year vendor specialty license plates. Purchasers will have the option of purchasing
20 vendor specialty license plates for a one-year, a three-year, or a five-year period.

21 (h) License plate categories and associated fees. The categories and the associated fees for vendor
22 specialty license plates are set out in this subsection.

1 (1) Custom license plates. Custom license plates include license plates with a variety of
2 pre-approved background and character color combinations that may be personalized with either three
3 alpha and two or three numeric characters or two or three numeric and three alpha characters. Generic
4 license plates on standard white sheeting with the word "Texas" that may be personalized with up to six
5 alphanumeric characters are considered custom license plates before December 2, 2010. The fees for
6 issuance of Custom and Generic license plates are \$150 for one year, \$400 for three years, and \$450 for
7 five years.

8 (2) T-Plates (Premium) license plates. T-Plates (Premium) license plates may be
9 personalized with up to seven alphanumeric characters, including the "T," on colored backgrounds or
10 designs approved by the department. The fees for issuance of T-Plates (Premium) license plates are \$150
11 for one year, \$400 for three years, and \$450 for five years.

12 (3) Luxury license plates. Luxury license plates may be personalized with up to six
13 alphanumeric characters on colored backgrounds or designs approved by the department. The fees for
14 issuance of luxury license plates are \$150 for one year, \$400 for three years, and \$450 for five years.

15 (4) Freedom license plates. Freedom license plates include license plates with a variety of
16 pre-approved background and character color combinations that may be personalized with up to seven
17 alphanumeric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for
18 three years, and \$495 for five years.

19 (5) Background-only license plates. Background-only license plates include non-
20 personalized license plates with a variety of pre-approved background and character color combinations,
21 and may be embossed or non-embossed.

22 (A) The fees for issuance of non-embossed, background-only license plates are
23 \$50 for one year, \$130 for three years, and \$175 for five years.

1 (B) Except as stated in subsection (h)(9)(C), the fees for embossed, background-only
2 license plates are \$125 for one year, \$205 for three years, and \$250 for five years.

3 (6) Vendor souvenir license plates. Vendor souvenir license plates are replicas of vendor
4 specialty license plate designs that may be personalized with up to 24 alphanumeric characters. Vendor
5 souvenir license plates are not street legal or legitimate insignias of vehicle registration. The fee for
6 issuance of souvenir license plates is \$40.

7 (7) Auction of alphanumeric patterns. The vendor may auction alphanumeric patterns for
8 one, three, or five year terms with options to renew indefinitely at the current price established for a one,
9 three, or five year luxury category license plate. The purchaser of the auction pattern may select from the
10 vendor background designs, including any embossed license plate designs, at no additional charge at the
11 time of initial issuance. The auction pattern may be moved from one vendor design plate to another
12 vendor design plate as provided in subsection (n) of this section. The auction pattern may be transferred
13 from owner to owner as provided in subsection (l)(2) of this section.

14 (8) Embossed, personalized specialty license plates. The vendor may sell embossed,
15 personalized specialty license plates with a variety of pre-approved background and character color
16 combinations that may be personalized with up to seven alphanumeric characters. Except as stated in
17 subsection (h)(7) of this section, the fees for issuance of embossed, personalized specialty license plates
18 are \$270 for one year, \$520 for three years, and \$570 for five years. Except as stated in subsection (h)(9)(C)
19 of this section, the fees under subsection (h)(9) of this section do not apply to an embossed, personalized
20 specialty license plate.

21 (9) Personalization and specialty plate fees.

22 (A) The fee for the personalization of license plates applied for prior to November
23 19, 2009 is \$40 if the plates are renewed annually.

1 (B) The personalization fee for plates applied for after November 19, 2009 is \$40
2 if the plates are issued pursuant to Transportation Code, Chapter 504, Subchapters G and I.

3 (C) If the plates are renewed annually, the personalization and specialty plate fees
4 remain the same fee as at the time of issuance if a sponsor of a specialty license plate authorized under
5 Transportation Code, Chapter 504, Subchapters G and I signs a contract with the vendor in accordance
6 with Transportation Code, Chapter 504, Subchapter J, even if the board approves the specialty license
7 plate to be an embossed specialty license plate design.

8 (i) Payment of fees.

9 (1) Payment of specialty license plate fees. The fees for issuance of vendor specialty
10 license plates will be paid directly to the state through vendor and state systems for the license plate
11 category and period selected by the purchaser. A person who purchases a multi-year vendor specialty
12 license plate must pay upon purchase the full fee which includes the renewal fees.

13 (2) Payment of statutory registration fees. To be valid for use on a motor vehicle, the
14 license plate owner is required to pay, in addition to the vendor specialty license plate fees, any statutorily
15 required registration fees in the amount as provided by Transportation Code, Chapter 502, and this
16 subchapter.

17 (j) Refunds. Fees for vendor specialty license plate fees will not be refunded after an application
18 is submitted to the vendor and the department has approved issuance of the license plate.

19 (k) Replacement.

20 (1) Application. An owner must apply directly to the county tax assessor-collector for the
21 issuance of replacement vendor specialty license plates and must pay the fee described in paragraph (2)
22 or (3) of this subsection, whichever applies.

1 (2) Lost or mutilated vendor specialty license plates. To replace vendor specialty license
2 plates that are lost or mutilated, the owner must pay the statutory replacement fee provided in
3 Transportation Code, §504.007.

4 (3) Optional replacements. An owner of a vendor specialty license plate may replace
5 vendor specialty license plates by submitting a request to the county tax assessor-collector accompanied
6 by the payment of a \$6 fee.

7 (4) Interim replacement tags. If the vendor specialty license plates are lost or mutilated
8 to such an extent that they are unusable, replacement license plates will need to be remanufactured. The
9 county tax assessor-collector will issue interim replacement tags for use until the replacements are
10 available. The owner's vendor specialty license plate number will be shown on the interim replacement
11 tags.

12 (5) Stolen vendor specialty license plates. The county tax assessor-collector will not
13 approve the issuance of replacement vendor specialty license plates with the same license plate number
14 if the department's records indicate that the vehicle displaying that license plate number was reported
15 stolen or the license plates themselves were reported stolen.

16 (I) Transfer of vendor specialty license plates.

17 (1) Transfer between vehicles. The owner of a vehicle with vendor specialty license plates
18 may transfer the license plates between vehicles by filing an application through the county tax assessor-
19 collector if the vehicle to which the plates are transferred:

20 (A) is titled or leased in the owner's name; and

21 (B) meets the vehicle classification requirements for that particular specialty
22 license plate.

1 (2) Transfer between owners. Vendor specialty license plates may not be transferred
2 between persons unless the license plate pattern was initially purchased through auction as provided in
3 subsection (h)(7) of this section. An auctioned alphanumeric pattern may be transferred as a specialty
4 license plate or as a virtual pattern to be manufactured on a new background as provided under the restyle
5 option in subsection (n)(1) of this section. In addition to the fee paid at auction, the new owner of an
6 auctioned alphanumeric pattern or plate will pay the department a fee of \$25 to cover the cost of the
7 transfer, and complete the department's prescribed application at the time of transfer.

8 (m) Gift plates.

9 (1) A person may purchase plates as a gift for another person if the purchaser submits a
10 statement that provides:

11 (A) the purchaser's name and address;

12 (B) the name and address of the person who will receive the plates; and

13 (C) the vehicle identification number of the vehicle on which the plates will be
14 displayed or a statement that the plates will not be displayed on a vehicle.

15 (2) To be valid for use on a motor vehicle, the recipient of the plates must file an
16 application with the county tax assessor-collector and pay the statutorily required registration fees in the
17 amount as provided by Transportation Code, Chapter 502, and this subchapter.

18 (n) Restyled vendor specialty license plates. A person who has purchased a multi-year vendor
19 specialty license plate may request a restyled license plate at any time during the term of the plate.

20 (1) For the purposes of this subsection, "restyled license plate" is a vendor specialty
21 license plate that has a different style from the originally purchased vendor specialty license plate but:

1 (A) is within the same price category, except if the pattern is an auction pattern
2 and has the same alpha-numeric characters and expiration date as the previously issued multi-year license
3 plates; or

4 (B) is restyling from a non-embossed specialty license plate style to an embossed
5 specialty license plate style and has the same alpha-numeric characters and expiration date as the
6 previously issued multi-year license plates.

7 (2) The fee for each restyled license plate is:

8 (A) \$50 for restyling under subsection (n)(1)(A) of this section; or

9 (B) \$75 for restyling under subsection (n)(1)(B) of this section.

10 The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of
11 the agency's legal authority.

12 Filed with the Office of the Secretary of State on October 13, 2023.

13 /s/ Laura Moriaty
14 Laura Moriaty, General Counsel
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