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1 ADOPTION OF

2 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

3 43 TAC §217.54

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) §217.54 concerning registration of fleet vehicles. The department adopts §217.54 with changes to the proposed text to correct punctuation as published in the September 1, 2023, issue of the *Texas Register* (48 TexReg 4807). The rule will be republished. The amendments are necessary to implement House Bill (HB) 433 enacted during the 88th Legislature, Regular Session (2023). HB 433 amended the definition of "commercial fleet" in Transportation Code, §502.001(6) by reducing from 25 to 12 the minimum number of non-apportioned motor vehicles, semitrailers, or trailers owned, operated, or leased by a business entity necessary to constitute a commercial fleet.

REASONED JUSTIFICATION. The amendments to §217.54 are necessary to implement HB 433 by changing the eligibility requirements for fleet registration and fleet composition. Amendments to §217.54(b)(1) replace the number "25" with "12" for fleet eligibility requirements. Amendments to §217.54(f)(3) replace the number "25" with "12" for fleet composition as it relates to the status of an account holder's

SUMMARY OF COMMENTS.

No comments on the proposed amendments were received.

STATUTORY AUTHORITY. The department adopts amendments to §217.54 under Transportation Code, §502.001(6), as amended by HB 433, which defines "commercial fleet" for purposes of Transportation Code, Chapter 502; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.0023, which sets out the requirements for extended vehicle registration of commercial fleets and requires the department to adopt

registration when the account falls below the minimum number of vehicles for a commercial fleet.

1	rules to implement those requirements; and Transportation Code, §1002.001, which authorizes the board
2	to adopt rules that are necessary and appropriate to implement the powers and the duties of the
3	department as provided in the Texas Transportation Code and other laws of this state.
4	CROSS REFERENCE TO STATUTE. Transportation Code, Chapters 502 and 1002.
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6	TEXT.
7	SUBCHAPTER B. MOTOR VEHICLE REGISTRATION
8	43 TAC §217.54
9	§217.54 Registration of Fleet Vehicles
10	(a) Scope. A registrant may consolidate the registration of multiple motor vehicles in a fleet
11	instead of registering each vehicle separately. A fleet may include trailers and semitrailers. Except as
12	provided by §217.55 of this title (relating to Exempt and Alias Vehicle Registration), to consolidate
13	registration, a registration must meet the requirements of this section.
14	(b) Eligibility. A fleet must meet the following requirements to be eligible for fleet registration.
15	(1) No fewer than 12 vehicles will be registered as a fleet;
16	(2) Vehicles may be registered in annual increments for up to eight years;
17	(3) All vehicles in a fleet must be owned by or leased to the same business entity;
18	(4) All vehicles must be vehicles that are not registered under the International
19	Registration Plan; and
20	(5) Each vehicle must currently be titled in Texas or be issued a registration receipt, or
21	the registrant must submit an application for a title or registration for each vehicle.
22	(c) Application.

Ī	(1) Application for fleet registration must be in a form prescribed by the department. At
2	a minimum the form will require:
3	(A) the full name and complete address of the registrant;
4	(B) a description of each vehicle in the fleet, which may include the vehicle's
5	model year, make, model, vehicle identification number, document number, body style, gross weight,
6	empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in tons;
7	(C) the existing license plate number, if any, assigned to each vehicle; and
8	(D) any other information that the department may require.
9	(2) The application must be accompanied by the following items:
10	(A) in the case of a leased vehicle, a certification that the vehicle is currently
11	leased to the person to whom the fleet registration will be issued;
12	(B) registration fees prescribed by law for the entire registration period selected
13	by the registrant;
14	(C) local fees or other fees prescribed by law and collected in conjunction with
15	registering a vehicle for the entire registration period selected by the registrant;
16	(D) evidence of financial responsibility for each vehicle as required by
17	Transportation Code, §502.046, unless otherwise exempted by law;
18	(E) annual proof of payment of Heavy Vehicle Use Tax;
19	(F) the state's portion of the vehicle inspection fee; and
20	(G) any other documents or fees required by law.
21	(d) Registration period.
22	(1) The fleet owner will designate a single registration period for a fleet so the
23	registration period for each vehicle will expire on the same date.

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1	(2) The fleet registration period will begin on the first day of a calendar month and end
2	on the last day of a calendar month.
3	(e) Registration receipt and fleet license plates.
4	(1) As evidence of registration, the department will issue a registration receipt and one
5	or two metal fleet license plates for each vehicle in a fleet.
6	(2) The registration receipt for each vehicle shall at all times be carried in that vehicle
7	and be available to law enforcement personnel upon request.
8	(3) A registration receipt or fleet license plate may not be transferred between vehicles,
9	owners, or registrants.
10	(f) Fleet composition.
11	(1) A registrant may add a vehicle to a fleet at any time during the registration period.
12	An added vehicle will be given the same registration period as the fleet and will be issued one or two
13	metal fleet license plates and a registration receipt.
14	(2) A registrant may remove a vehicle from a fleet at any time during the registration
15	period. After a vehicle is removed from the fleet, the fleet registrant shall either return the metal fleet
16	license plates for that vehicle to the department or provide the department with acceptable proof that
17	the metal fleet license plates for that vehicle have been destroyed. Credit for any vehicle removed from
18	the fleet for the remaining full year increments can be applied to any vehicle added to the fleet or at the
19	time of renewal. No refunds will be given if credit is not used or the account is closed.
20	(3) If the number of vehicles in an account falls below 12 during the registration period,
21	fleet registration will remain in effect. If the number of vehicles in an account is below 12 at the end of
22	the registration period, fleet registration will be canceled. In the event of cancellation, each vehicle shall

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be registered separately. The registrant shall immediately either return all metal fleet license plates to

1 the department or provide the department with acceptable proof that the metal fleet license plates 2 have been destroyed. 3 (g) Fees. 4 (1) When a fleet is first established, the department will charge a registration fee for 5 each vehicle for the entire registration period selected. A currently registered vehicle, however, will be 6 given credit for any remaining time on its separate registration. 7 (2) When a vehicle is added to an existing fleet, the department will charge a 8 registration fee that is prorated based on the number of months of fleet registration remaining. If the 9 vehicle is currently registered, this fee will be adjusted to provide credit for the number of months of 10 separate registration remaining. 11 (3) When a vehicle is removed from fleet registration, it will be considered to be 12 registered separately. The vehicle's separate registration will expire on the date that the fleet 13 registration would have expired. The registrant must pay the statutory replacement fee to obtain 14 regular registration insignia before the vehicle may be operated on a public highway. 15 (4) In addition to the registration fees prescribed by Transportation Code, Chapter 502, 16 an owner registering a fleet under this section must pay a one-time fee of \$10 per motor vehicle, 17 semitrailer, or trailer in the fleet. This fee is also due as follows: 18 (A) for each vehicle added to the owner's existing fleet; and 19 (B) for each vehicle that a buyer registers as a fleet, even though the seller 20 previously registered some or all of the vehicles as a fleet under this section. 21 (h) Payment. Payment will be made in the manner prescribed by the department. 22 (i) Cancellation.

1	(1) The department will cancel registration for non-payment and lack of proof of annual
2	payment of the Heavy Vehicle Use Tax.
3	(2) The department may cancel registration on any fleet vehicle on the anniversary date
4	of the registration if the fleet vehicle is not in compliance with the inspection requirements under
5	Transportation Code, Chapter 548 or the inspection requirements in the rules of the Texas Department
6	of Public Safety.
7	(3) A vehicle with a canceled registration may not be operated on a public highway.
8	(4) If the department cancels the registration of a vehicle under this subsection, the
9	registrant can request the department to reinstate the registration by doing the following:
10	(A) complying with the requirements for which the department canceled the
11	registration;
12	(B) providing the department with notice of compliance on a form prescribed by
13	the department; and
14	(C) for a registration canceled under paragraph (2) of this subsection, paying an
15	administrative fee in the amount of \$10.
16	(5) A registrant is eligible for reinstatement of the registration only within 90 calendar
17	days of the department's notice of cancellation.
18	(6) If a registrant fails to timely reinstate the registration of a canceled vehicle
19	registration under this section, the registrant:
20	(A) is not entitled to a credit or refund of any registration fees for the vehicle;
21	and

1	(B) must immediately either return the metal fleet license plates to the
2	department or provide the department with acceptable proof that the metal fleet license plates have
3	been destroyed.
4	(j) Inspection fee. The registrant must pay the department by the deadline listed in the
5	department's invoice for the state's portion of the vehicle inspection fee.
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7	The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of
8	the agency's legal authority.
9	Filed with the Office of the Secretary of State on October 13, 2023.
10 11	/s/ Laura Moriaty