

1 **PROPOSAL OF**

2 **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

3 **43 TAC §217.54**

4 **INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes amendments  
5 to 43 Texas Administrative Code (TAC) §217.54 concerning registration of fleet vehicles. These  
6 amendments are necessary to implement House Bill (HB) 433 enacted during the 88<sup>th</sup> Legislature, Regular  
7 Session (2023). HB 433 amends the definition of “commercial fleet” in Transportation Code, §502.001(6)  
8 by reducing from 25 to 12 the minimum number of nonapportioned motor vehicles, semitrailers, or  
9 trailers owned, operated, or leased by a business entity necessary to constitute a commercial fleet.

10 **EXPLANATION.**

11 Under Transportation Code, §502.0023 and 43 TAC §217.54, vehicles in commercial fleets are  
12 eligible for multi-year registration and the same registration expiration date for the entire commercial  
13 fleet. The proposed amendments to §217.54 are necessary to implement HB 433 and would incorporate  
14 the change in the eligibility requirements for fleet registration and fleet composition. The proposed  
15 amendment to §217.54(b)(1) would replace the number “25” with “12” for fleet eligibility requirements.  
16 The proposed amendments to §217.54(f)(3) would replace the number “25” with “12” for fleet  
17 composition as it relates to the status of an account holder’s registration when the account falls below  
18 the minimum number of vehicles for a commercial fleet.

19 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
20 has determined that for each year of the first five years the amendments will be in effect, there will be no  
21 significant fiscal impact to state or local governments as a result of the enforcement or administration of  
22 the proposal. Jimmy Archer, Director of the Motor Carrier Division (MCD), has determined that there will  
23 be no measurable effect on local employment or the local economy as a result of the proposal.

1 **PUBLIC BENEFIT AND COST NOTE.** Mr. Archer has also determined that, for each year of the first five  
2 years the amended section is in effect, the anticipated public benefit is that §217.54 would be consistent  
3 with the definition of “commercial fleet” in Transportation Code, §502.001(6) as amended by HB 433.

4 Anticipated Costs To Comply With The Proposal. Mr. Archer anticipates that there will be no costs  
5 to comply with the proposed amendments.

6 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
7 Code, §2006.002, the department has determined that the proposed amendments will not have an  
8 adverse economic effect on small businesses, micro-businesses, and rural communities because the  
9 amendments would make §217.54 consistent with the definition of “commercial fleet” in Transportation  
10 Code, §502.001(6) as amended by HB 433. The proposed amendments do not require small businesses,  
11 micro businesses, or rural communities to obtain commercial fleet registration under Transportation  
12 Code, §502.0023. Therefore, the department is not required to prepare a regulatory flexibility analysis  
13 under Government Code, §2006.002.

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

18 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
19 first five years the proposed amendments are in effect, no government program would be created or  
20 eliminated. Implementation of the proposed amendments would not require the creation of new  
21 employee positions or elimination of existing employee positions. Implementation would not require an  
22 increase or decrease in future legislative appropriations to the department or an increase or decrease of  
23 fees paid to the department. The proposed amendments do not create a new regulation, or limit, or repeal

1 an existing regulation. The proposed amendments expand an existing regulation by reducing from 25 to  
2 12 the number of vehicles required to constitute a commercial fleet, which is eligible for an extended  
3 vehicle registration period and the same registration expiration date for the entire commercial fleet. The  
4 proposed amendments would increase the number of individuals subject to the rule's applicability,  
5 because smaller fleets of 12 vehicles or more will now be eligible for multi-year registration. Lastly, the  
6 rule will not affect this state's economy.

7 **REQUEST FOR PUBLIC COMMENT.**

8 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on October 1,  
9 2023. A request for a public hearing must be sent separately from your written comments. Send written  
10 comments or hearing requests by email to *rules@txdmv.gov* or by mail to Office of General Counsel, Texas  
11 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the  
12 department will consider written comments and public testimony presented at the hearing.

13 **STATUTORY AUTHORITY.** The department proposes amendments to §217.54 under Transportation Code,  
14 §502.001(6), as amended by HB 433, which defines “commercial fleet” for purposes of Transportation  
15 Code, Chapter 502; Transportation Code, §502.0021, which authorizes the department to adopt rules to  
16 administer Transportation Code, Chapter 502; Transportation Code, §502.0023, which sets out the  
17 requirements for extended vehicle registration of commercial fleets and requires the department to adopt  
18 rules to implement those requirements; and Transportation Code, §1002.001, which authorizes the board  
19 to adopt rules that are necessary and appropriate to implement the powers and the duties of the  
20 department as provided in the Texas Transportation Code and other laws of this state.

21 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 502 and 1002.

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23 **TEXT.**

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**SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

**43 TAC §217.54**

§217.54 Registration of Fleet Vehicles

(a) Scope. A registrant may consolidate the registration of multiple motor vehicles in a fleet instead of registering each vehicle separately. A fleet may include trailers and semitrailers. Except as provided by §217.55 of this title (relating to Exempt and Alias Vehicle Registration), to consolidate registration, a registration must meet the requirements of this section.

(b) Eligibility. A fleet must meet the following requirements to be eligible for fleet registration.

(1) No fewer than 12 [~~25~~] vehicles will be registered as a fleet;

(2) Vehicles may be registered in annual increments for up to eight years;

(3) All vehicles in a fleet must be owned by or leased to the same business entity;

(4) All vehicles must be vehicles that are not registered under the International

Registration Plan; and

(5) Each vehicle must currently be titled in Texas or be issued a registration receipt, or

the registrant must submit an application for a title or registration for each vehicle.

(c) Application.

(1) Application for fleet registration must be in a form prescribed by the department. At

a minimum the form will require:

(A) the full name and complete address of the registrant;

(B) a description of each vehicle in the fleet, which may include the vehicle's

model year, make, model, vehicle identification number, document number, body style, gross weight,

empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in tons;

(C) the existing license plate number, if any, assigned to each vehicle; and

1 (D) any other information that the department may require.

2 (2) The application must be accompanied by the following items:

3 (A) in the case of a leased vehicle, a certification that the vehicle is currently  
4 leased to the person to whom the fleet registration will be issued;

5 (B) registration fees prescribed by law for the entire registration period selected  
6 by the registrant;

7 (C) local fees or other fees prescribed by law and collected in conjunction with  
8 registering a vehicle for the entire registration period selected by the registrant;

9 (D) evidence of financial responsibility for each vehicle as required by  
10 Transportation Code, §502.046, unless otherwise exempted by law;

11 (E) annual proof of payment of Heavy Vehicle Use Tax;

12 (F) the state's portion of the vehicle inspection fee; and

13 (G) any other documents or fees required by law.

14 (d) Registration period.

15 (1) The fleet owner will designate a single registration period for a fleet so the  
16 registration period for each vehicle will expire on the same date.

17 (2) The fleet registration period will begin on the first day of a calendar month and end  
18 on the last day of a calendar month.

19 (e) Registration receipt and fleet license plates.

20 (1) As evidence of registration, the department will issue a registration receipt and one  
21 or two metal fleet license plates for each vehicle in a fleet.

22 (2) The registration receipt for each vehicle shall at all times be carried in that vehicle  
23 and be available to law enforcement personnel upon request.

1 (3) A registration receipt or fleet license plate may not be transferred between vehicles,  
2 owners, or registrants.

3 (f) Fleet composition.

4 (1) A registrant may add a vehicle to a fleet at any time during the registration period.

5 An added vehicle will be given the same registration period as the fleet and will be issued one or two  
6 metal fleet license plates and a registration receipt.

7 (2) A registrant may remove a vehicle from a fleet at any time during the registration  
8 period. After a vehicle is removed from the fleet, the fleet registrant shall either return the metal fleet  
9 license plates for that vehicle to the department or provide the department with acceptable proof that  
10 the metal fleet license plates for that vehicle have been destroyed. Credit for any vehicle removed from  
11 the fleet for the remaining full year increments can be applied to any vehicle added to the fleet or at the  
12 time of renewal. No refunds will be given if credit is not used or the account is closed.

13 (3) If the number of vehicles in an account falls below 12 [~~25~~] during the registration  
14 period, fleet registration will remain in effect. If the number of vehicles in an account is below 12 [~~25~~] at  
15 the end of the registration period, fleet registration will be canceled. In the event of cancellation, each  
16 vehicle shall be registered separately. The registrant shall immediately either return all metal fleet  
17 license plates to the department or provide the department with acceptable proof that the metal fleet  
18 license plates have been destroyed.

19 (g) Fees.

20 (1) When a fleet is first established, the department will charge a registration fee for  
21 each vehicle for the entire registration period selected. A currently registered vehicle, however, will be  
22 given credit for any remaining time on its separate registration.

1                   (2) When a vehicle is added to an existing fleet, the department will charge a  
2 registration fee that is prorated based on the number of months of fleet registration remaining. If the  
3 vehicle is currently registered, this fee will be adjusted to provide credit for the number of months of  
4 separate registration remaining.

5                   (3) When a vehicle is removed from fleet registration, it will be considered to be  
6 registered separately. The vehicle's separate registration will expire on the date that the fleet  
7 registration would have expired. The registrant must pay the statutory replacement fee to obtain  
8 regular registration insignia before the vehicle may be operated on a public highway.

9                   (4) In addition to the registration fees prescribed by Transportation Code, Chapter 502,  
10 an owner registering a fleet under this section must pay a one-time fee of \$10 per motor vehicle,  
11 semitrailer, or trailer in the fleet. This fee is also due as follows:

12                                 (A) for each vehicle added to the owner's existing fleet; and

13                                 (B) for each vehicle that a buyer registers as a fleet, even though the seller  
14 previously registered some or all of the vehicles as a fleet under this section.

15                   (h) Payment. Payment will be made in the manner prescribed by the department.

16                   (i) Cancellation.

17                                 (1) The department will cancel registration for non-payment and lack of proof of annual  
18 payment of the Heavy Vehicle Use Tax.

19                                 (2) The department may cancel registration on any fleet vehicle on the anniversary date  
20 of the registration if the fleet vehicle is not in compliance with the inspection requirements under  
21 Transportation Code, Chapter 548 or the inspection requirements in the rules of the Texas Department  
22 of Public Safety

23                                 (3) A vehicle with a canceled registration may not be operated on a public highway.

1 (4) If the department cancels the registration of a vehicle under this subsection, the  
2 registrant can request the department to reinstate the registration by doing the following:

3 (A) complying with the requirements for which the department canceled the  
4 registration;

5 (B) providing the department with notice of compliance on a form prescribed by  
6 the department; and

7 (C) for a registration canceled under paragraph (2) of this subsection, paying an  
8 administrative fee in the amount of \$10.

9 (5) A registrant is eligible for reinstatement of the registration only within 90 calendar  
10 days of the department's notice of cancellation.

11 (6) If a registrant fails to timely reinstate the registration of a canceled vehicle  
12 registration under this section, the registrant:

13 (A) is not entitled to a credit or refund of any registration fees for the vehicle;  
14 and

15 (B) must immediately either return the metal fleet license plates to the  
16 department or provide the department with acceptable proof that the metal fleet license plates have  
17 been destroyed.

18 (j) Inspection fee. The registrant must pay the department by the deadline listed in the  
19 department's invoice for the state's portion of the vehicle inspection fee.

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

23 Filed with the Office of the Secretary of State on August 17, 2023.



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/s/ Laura Moriaty  
Laura Moriaty, General Counsel