

1 **PROPOSAL OF**

2 **SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

3 **43 TAC §217.52**

4 **INTRODUCTION.** The Texas Department of Motor Vehicles (department) proposes to amend 43 Texas  
5 Administrative Code (TAC) §217.52 concerning the marketing of specialty license plates through a private  
6 vendor. These proposed amendments are necessary to implement Senate Bill (SB) 702 enacted during the  
7 88<sup>th</sup> Legislature, Regular Session (2023). SB 702 amends Transportation Code, §504.851, “Contract with  
8 Private Vendor,” to require a contract entered into by the department and a private vendor for the  
9 marketing and sale of specialty license plates to allow the private vendor to establish a range of premium  
10 *embossed specialty license plates to be sourced, marketed, and sold by the private vendor.* Amendments  
11 are proposed for: §217.52(h)(5), to establish fees required for embossed background-only license plates;  
12 §217.52(h)(7), to clarify that the fees for an auction pattern apply to an embossed license plate design  
13 and that the owner of an auction pattern may move the auction pattern to an embossed license plate  
14 design under subsection (n); §217.52(h)(8), to establish embossed personalized specialty license plates  
15 and the corresponding fees required; renumbered §217.52(h)(9), to expressly retain the grandfathered  
16 fees if the board approves a crossover plate under Transportation Code, §504.6011 as an embossed plate  
17 design; and §217.52(n), to define “restyled license plate,” to include embossed specialty license plates,  
18 and to set fees for restyling a plate from non-embossed to embossed.

19 **EXPLANATION.**

20 Texas license plates currently display flat, printed plate numbers. Historically, license plates were  
21 stamped to create raised numbers on the plate, known as embossed license plates. SB 702 amended  
22 Transportation Code, §504.851 to require the department to allow for the establishment of a range of  
23 premium embossed specialty license plates to be sourced, marketed, and sold by the vendor with which

1 the department has entered into a contract. The proposed amendments to §217.52 are necessary to  
2 implement SB 702. The proposed amendments would allow vehicle owners the option to purchase  
3 embossed specialty license plates if they choose to do so. No person would be required to purchase an  
4 embossed license plate and the standard default option would still be a printed plate. The proposed  
5 amendments would allow classic car collectors to fully restore cars with historically accurate embossed  
6 license plates.

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

9 Proposed amendments to §217.52(h)(5) would implement SB 702 by adding an embossed option  
10 for background-only, non-personalized license plates. Proposed amendments to §217.52(h)(5) would  
11 clarify that background-only, non-personalized license plates are available as either embossed or non-  
12 embossed. Another proposed amendment to §217.52(h)(5) would create fees for issuance for embossed,  
13 background-only license plates; however, the amendment would expressly retain the grandfathered fees  
14 under re-numbered subsection (h)(9)(C) if the board approves a crossover plate under Transportation  
15 Code, §504.6011 as an embossed plate design. These fees are sufficient to cover the department’s direct,  
16 indirect and administrative costs associated with the department’s contract with its specialty license  
17 plates vendor and were determined through discussions with the vendor. Other proposed amendments  
18 to §217.52(h)(5) would add subparagraphs (A) and (B) to separate the fees for non-embossed,  
19 background-only specialty license plates from the fees for embossed, background-only specialty license  
20 plates. In addition, proposed amendments to §217.52(h)(5) would add a hyphen between the words  
21 “background” and “only” because they are compound modifiers for the term “license plates.”

22 Proposed amendments to §217.52(h)(7) would clarify that the fees for an auction pattern apply  
23 to an embossed license plate design and that the owner of an auction pattern may move the auction

1 pattern to an embossed license plate design under subsection (n) regarding a restyled vendor specialty  
2 plate design.

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

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

19 Proposed amendments to §217.52(n) would implement SB 702 by adding embossed specialty  
20 license plate styles to the provision on restyled vendor specialty license plates to allow people who  
21 currently have non-embossed specialty license plates to restyle their plates into an embossed specialty  
22 license plate. Proposed new §217.52(n)(2)(B) would set a fee of \$75 for restyling a non-embossed  
23 specialty license plate into an embossed specialty license plate. This fee is sufficient to cover the

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

4 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,  
5 has determined that for each year of the first five years the amendments will be in effect, there will be no  
6 significant fiscal impact to state or local governments as a result of the enforcement or administration of  
7 the proposal. Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined  
8 that there will be no measurable effect on local employment or the local economy as a result of the  
9 proposal.

10 **PUBLIC BENEFIT AND COST NOTE.** Ms. Quintero has also determined that, for each year of the first five  
11 years the amended section is in effect, there are several public benefits anticipated because it would  
12 provide an option for vehicle owners to purchase an embossed specialty license plate, allowing classic car  
13 collectors to have the vintage-look embossed license plates as a purchase option.

14 Anticipated Costs To Comply With The Proposal. Ms. Quintero anticipates that there will be no  
15 costs to comply with these amendments. Specialty license plates, including embossed specialty license  
16 plates, are optional and are not required for any vehicle.

17 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government  
18 Code, §2006.002, the department has determined that the proposed amendments will not have an  
19 adverse economic effect on small businesses, micro-businesses, and rural communities because no person  
20 would be required to purchase an embossed specialty license plate. The proposed amendments do not  
21 require small businesses, micro-businesses, or rural communities to comply. Therefore, the department  
22 is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

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

5 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the  
6 first five years the proposed amendments are in effect, no government program would be created or  
7 eliminated. Implementation of the proposed amendments would not require the creation of new  
8 employee positions or elimination of existing employee positions. Implementation would not require an  
9 increase or decrease in future legislative appropriations to the department, or a decrease of fees paid to  
10 the department. The proposed amendments may create a slight increase in fees paid to the department  
11 if people choose to buy embossed specialty license plates, but the increase is not expected to be  
12 significant. The proposed amendments do not limit or repeal an existing regulation. The proposed  
13 amendments would create new regulations in §217.52(h)(5) to set a new fee for embossed background-  
14 only license plates, in §217.52(h)(8) to create embossed, personalized specialty license plates and related  
15 fees, and in §217.52(n)(2)(B) to set the fee for restyling a license plate from non-embossed to embossed.  
16 The proposed amendments would expand existing regulations in §217.52 to include embossed specialty  
17 license plates among the types of specialty license plates that are available for Texas registrants. Lastly,  
18 the proposed amendments do not affect the number of individuals subject to the rule's applicability and  
19 will not affect this state's economy.

20 **REQUEST FOR PUBLIC COMMENT.**

21 If you want to comment on the proposal, submit your written comments by 5:00 p.m. CDT on October 1,  
22 2023. A request for a public hearing must be sent separately from your written comments. Send written  
23 comments or hearing requests by email to [rules@txdmv.gov](mailto:rules@txdmv.gov) or by mail to Office of General Counsel, Texas

1 Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the  
2 department will consider written comments and public testimony presented at the hearing.

3 **STATUTORY AUTHORITY.** The department proposes amendments to §217.52 under Transportation Code,  
4 §504.0011, which grants the board authority to adopt rules to implement Transportation Code, Chapter  
5 504; Transportation Code, §504.0051, which gives the department authority to issue personalized license  
6 plates and forbids the department from issuing replacement personalized license plates unless the vehicle  
7 owner pays the statutory fee required under Transportation Code, §504.007; Transportation Code,  
8 §504.007, which states that replacement license plates can only be issued if the vehicle owner pays the  
9 statutory fee; Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate  
10 to reestablish its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and for  
11 the board to establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a),  
12 which allows the department to contract with a private vendor to provide specialty and personalized  
13 license plates; Transportation Code, §504.851(b)-(d), which authorize the board to establish fees by rule  
14 for the issuance or renewal of personalized license plates that are marketed and sold by the vendor as  
15 long as the fees are reasonable and not less than the amounts necessary to allow the department to  
16 recover all reasonable costs associated with the procurement, implementation and enforcement of the  
17 vendor's contract; Transportation Code, §504.851(i), as amended by SB 702, 88<sup>th</sup> Legislature, Regular  
18 Session (2023), which requires a contract entered into by the department and a private vendor for the  
19 marketing and sale of specialty license plates to allow the vendor to establish a range of premium  
20 embossed specialty license plates to be sourced, marketed, and sold by the private vendor; and  
21 Transportation Code, §1002.001 which authorizes the board to adopt rules that are necessary and  
22 appropriate to implement the powers and the duties of the department.

23 **CROSS REFERENCE TO STATUTE.** Transportation Code, Chapters 504 and 1002.

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**TEXT.**

**SUBCHAPTER B. MOTOR VEHICLE REGISTRATION**

**43 TAC §217.52**

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

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

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

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

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

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

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

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

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

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

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

5 (1) will not consider incomplete applications; and

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

7 (d) Board decision.

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

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

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

11 (i) whether the design meets the legibility and reflectivity standards  
12 established by the department;

13 (ii) whether the design meets the standards established by the  
14 department for uniqueness to ensure that the proposed plate complies with Transportation Code,  
15 §504.852(c);

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

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

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

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



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

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

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

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

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

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

19                   (3) Issuance of approved specialty plates.

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

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

4 (f) Redesign of vendor specialty license plates.

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

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

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

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

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

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

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

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

8 (5) Background-only [~~Background-only~~] license plates. Background-only [~~Background~~  
9 ~~only~~] license plates include non-personalized license plates with a variety of pre-approved background  
10 and character color combinations, and may be embossed or non-embossed.

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

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

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

19 (7) Auction of alphanumeric patterns. The vendor may auction alphanumeric patterns for  
20 one, three, or five year terms with options to renew indefinitely at the current price established for a one,  
21 three, or five year luxury category license plate. The purchaser of the auction pattern may select from the  
22 vendor background designs, including any embossed license plate designs, at no additional charge at the  
23 time of initial issuance. The auction pattern may be moved from one vendor design plate to another

1 vendor design plate as provided in subsection (n) ~~[(n)(1)]~~ of this section. The auction pattern may be  
2 transferred from owner to owner as provided in subsection (l)(2) of this section.

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

10 (9) [(8)] Personalization and specialty plate fees.

11 (A) The fee for the personalization of license plates applied for prior to November  
12 19, 2009 is \$40 if the plates are renewed annually.

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

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

20 (i) Payment of fees.

21 (1) Payment of specialty license plate fees. The fees for issuance of vendor specialty  
22 license plates will be paid directly to the state through vendor and state systems for the license plate

1 category and period selected by the purchaser. A person who purchases a multi-year vendor specialty  
2 license plate must pay upon purchase the full fee which includes the renewal fees.

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

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

9 (k) Replacement.

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

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

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

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

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

5 (l) Transfer of vendor specialty license plates.

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

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

10 (B) meets the vehicle classification requirements for that particular specialty  
11 license plate.

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

19 (m) Gift plates.

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

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

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

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

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

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

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

10 (A) is within the same price category, except if the pattern is an auction pattern~~{};~~

11 and

12 ~~[(B)]~~ has the same alpha-numeric characters and expiration date as the previously  
13 issued multi-year license plates; or~~[-]~~

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

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

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

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

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

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

23 /s/ Laura Moriaty  
24 Laura Moriaty, General Counsel