ADOPTION OF REVISIONS TO

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §217.63

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code §217.63, concerning Digital License Plate Fees and Payment. The department adopts amendments to §217.63 with changes to the proposed text as published in the December 29, 2023, issue of the *Texas Register* (48 TexReg 8265). The rule will be republished.

REASONED JUSTIFICATION.

Adopted amendments to §217.63(a) reduce the digital license plate administrative fee from \$95 to \$45. The reduction in the fee addresses concerns from stakeholders that the administrative fee associated with the digital license plate is too high and does not incentivize Texans to adopt the new digital license plate technology. This fee reduction would provide an incentive for customers to choose a digital license plate over another type of specialty plate, which would result in the issuance of more digital license plates. Increased sales of digital license plates would allow the department to recoup the costs of administering the digital license plate program more quickly than it will be able to achieve while relying on the current fees from slow sales of very few plates. Adopted amendments to §217.63(a)(1) also streamline the description of how the administrative fee is paid to more accurately reflect current practice.

Adopted amendments to §217.63(a)(2) clarify that the registration period of the digital license plate will be aligned with the vehicle registration period, and that the initial administrative fee will be prorated based on the remaining registration period. The amendments do not change the meaning of the provision but clarify it for the reader.

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At adoption a nonsubstantive change in the text to §217.63(a)(3) corrected a citation to

Transportation Code, §502.195 by deleting an extraneous space.

Adopted amendments to §217.63(b) clarify the purpose of the rule by amending the subsection title and language. Adopted amendments to §217.63(b)(2) correct the description of the payment process for digital license plate fees to clarify that the fees for issuance of digital license plates are paid directly to the state through the digital license plate provider and state systems, in accordance with current practices.

SUMMARY OF COMMENTS.

No comments on the proposed amendments were received.

STATUTORY AUTHORITY. The department adopts amendments to §217.63 under Transportation Code, §§504.151–504.157, which provides the board with rulemaking authority to implement the digital license plate statutory provisions including setting specifications and requirements for digital license plates and establishing a fee in an amount necessary to cover any administrative costs incurred that relate to the issuance of a digital license plate and exceed the administrative costs incurred for the issuance of a physical license plate. The department also adopts amendments under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 504, Subchapter B-1 relating to Digital License Plates.

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the digital license plate provider and state systems.

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SUBCHAPTER B. VEHICLE TITLES AND REGISTRATION 1 2 43 TAC §217.63 3 §217.63. Digital License Plate Fees and Payment. 4 (a) Fees. 5 (1) A person issued a digital license plate must pay an administrative fee of \$45 upon 6 initial application for a digital license plate and on renewal of registration for a vehicle with a digital license 7 plate. 8 (2) The registration period of the digital license plate will be aligned with the registration 9 period for the vehicle and the administrative fee due under subsection (a) will be prorated to yield the 10 appropriate fee based on the remaining registration period. 11 (3) A digital license plate administrative fee will be refunded only when registration fees 12 are overcharged under Transportation Code, §502.195. (b) Payment of fees. 13 14 (1) All state, county, local, and other applicable fees are due at the time of registration of 15 a vehicle with a digital license plate. 16 (2) The fees for issuance of digital license plates will be paid directly to the state through

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