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PROPOSAL OF REVISIONS TO

SUBCHAPTER A. GENERAL PROVISIONS

43 TAC §215.1 and §215.2

SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS

43 TAC §§215.101, 215.102, AND 215.120-122

SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.

43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-

215.160, AND 215.162

SUBCHAPTER E. LESSORS AND LEASE FACILITATORS

43 TAC §215.178

REPEAL OF

SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES

§§215.151, 215.153, 215.154 and 215.159

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter A, General Provisions, §215.1 and §215.2; proposes amendments to Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters, 43 TAC §§215.101, 215.102, 215.120, and 215.121, and proposes new §215.122; in Subchapter D. General Distinguishing Numbers and In-Transit Licenses, proposes amendments to §§215.131–215.133; 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150, 215.152, 215.155-215.158, and 215.160, proposes new §§215.151, 215.154, and 215.162, and proposes repeals of §§215.151, 215.153, 215.154 and 215.159; and in Subchapter F. Lessors and Lease Facilitators, proposes amendments to §215.178.

1 These amendments, new sections, and repeals are necessary to implement House Bill (HB) 718 and Senate
2 Bill (SB) 224, enacted during the 88th Legislature, Regular Session (2023). HB 718 amended Transportation
3 Code, Chapter 503 to eliminate the use of temporary tags when purchasing a motor vehicle and replaced
4 these tags with categories of license plates, effective July 1, 2025. HB 718 requires the department to
5 determine new distribution methods, systems, and procedures, and set certain fees. Section 34 of HB 718
6 grants the department authority to adopt rules necessary to implement or administer these changes in
7 law and requires the department to adopt related rules by December 1, 2024. Beginning July 1, 2025, if a
8 motor vehicle is sold to a Texas resident, a Texas dealer will assign a license plate to the vehicle unless the
9 buyer has a specialty or other qualifying license plate, and the assigned license plate will stay with the
10 vehicle if the vehicle is later sold to another Texas buyer. Proposed amendments implementing
11 Occupations Code, Chapters 1956 and 2305, as amended by SB 224, require certain license holders under
12 Occupations Code, Chapter 2301, and an owner of a garage or repair shop to keep records regarding
13 catalytic converters and make those records available for inspection.

14 Two new sections are being proposed, §215.122 and §215.162, to implement the catalytic
15 converter recordkeeping and inspection requirements in SB 224, which became effective on May 29,
16 2023.

17 Repeals of §215.151 and §215.154 are proposed to implement HB 718 and new replacement rules
18 are being proposed for each of these two sections. Repeals of §215.153 and §215.159 are also proposed
19 to implement HB 718 as §215.153 contains the specifications for all temporary tags, and §215.159
20 contains the requirements for temporary tags issued and displayed by a converter. Neither of these rules
21 are necessary effective July 1, 2025, when temporary tags will no longer exist.

22 In 2019, the Sunset Commission recommended the board establish advisory committees and
23 adopt rules regarding standard advisory committee structure and operating criteria. The board adopted

1 rules in 2019 and advisory committees have since provided valuable input on rule proposals considered
2 by the board for proposal or adoption. In February and March 2024, the department provided an early
3 draft of rule changes implementing HB 718 to three department advisory committees, the Vehicle Titles
4 and Registration Advisory Committee (VTRAC), the Motor Vehicle Industry Regulation Advisory
5 Committee (MVIRAC), and the Customer Service and Protection Advisory Committee (CSPAC). Committee
6 members voted on formal motions and provided informal comments on other provisions. The department
7 incorporated input from all three committees and the Tax Assessor-Collector Association (TACA) in
8 proposed §§215.2, 215.138, 215.140, 215.150-215.152, 215.155-215.158, and 215.178. Additionally,
9 stakeholders including the Texas Automobile Dealers Association (TADA), the Texas Independent
10 Automobile Dealers Association (TIADA), the Texas Recreational Vehicle Association (TRVA), and the Texas
11 Motorcycle Dealers Association (TMDA) provided feedback and input on one or more rule proposals.

12 Proposed nonsubstantive amendments are necessary to modify language to be consistent with
13 statutes and other chapters in Title 43 of the Texas Administrative Code; to modify language to be
14 consistent with current practice including use of records or electronic systems; to improve readability
15 through the use of consistent terminology; to clarify or delete unused, archaic, or inaccurate definitions,
16 terms, references or other language; to clarify existing requirements, or to modernize language and
17 improve readability.

18 The effective date for these rules is proposed to be July 1, 2025, unless otherwise designated.

19 **EXPLANATION.**

20 Subchapter A. General Provisions.

21 Proposed amendments to §215.1 would add references to Occupations Code, Chapter 2305, and
22 Transportation Code, Chapters 504 and 520, as the scope of the rules in this chapter changed to include
23 these statutes. Occupations Code, Chapter 2305 implements SB 224, Transportation Code 504, which

1 regulates the transfer and removal of license plates, implements HB 718, and Transportation Code,
2 Chapter 520 contains provisions regarding dealer responsibilities that may be delegated by a county tax
3 assessor-collector to a dealer deputy including the issuance of a license plate upon the sale of a vehicle as
4 authorized by HB 718.

5 Proposed amendments to §215.2(a) add statutory references to definitions in Occupations Code,
6 Chapter 2305, and Transportation Code, Chapter 520 to reflect the change in the scope of the chapter. A
7 proposed amendment in §215.2(b)(4) would add a definition for employee and defines the term as a
8 natural person employed directly by a license holder for wages or a salary and would eliminate contractors
9 from being considered employees under Chapter 215. Proposed amendments would renumber the
10 remaining definitions in this subsection. The effective date for this section is proposed to be 20 days after
11 the adoption is filed with the Texas Secretary of State.

12 Subchapter C. Franchised Dealers, Manufacturers, Distributors, and Converters.

13 Proposed amendments to §215.101 would add references to Occupations Code, Chapter 2305,
14 and Transportation Code, Chapters 504 and 520, as the scope of the rules in this chapter changed to
15 include these statutes. Occupations Code, Chapter 2305 implements SB 224, Transportation Code 504,
16 which regulates the transfer and removal of license plates, implements HB 718, and Transportation Code,
17 Chapter 520 contains provisions regarding dealer responsibilities that may be delegated by a county tax
18 assessor-collector to a dealer deputy including the issuance of a license plate upon the sale of a vehicle as
19 authorized by HB 718. The effective date for this section is proposed to be 20 days after the adoption is
20 filed with the Texas Secretary of State.

21 A proposed amendment to §215.102(e)(1)(K)(iv) requires an applicant for a manufacturer's
22 distributor's, or converter's license to inform the department whether the applicant repairs a motor
23 vehicle with a catalytic converter in Texas and if this type of repair is performed, the physical address at

1 which the applicant performs this repair. This proposed amendment will allow the department to obtain
2 the information necessary to carry out its responsibilities to inspect license holders' records of catalytic
3 converter repair under SB 224. The effective date for this section is proposed to be 20 days after the
4 adoption is filed with the Texas Secretary of State.

5 Proposed amendments to §215.120(d) and (e) would require a manufacturer, distributor, or
6 converter to maintain a record of the license plates assigned for its use in the designated electronic system
7 that the department will use to manage these industry license plates. Certain data for these license plates
8 are currently housed in eLICENSING, the department's electronic licensing system. During the next several
9 months, the department will decide whether license holders will be required to maintain industry license
10 plate data in the current system or in the new license plate system that is being developed and deployed
11 to implement the broader changes required by HB 718. A proposed amendment to §215.120(f)
12 encourages license holders to immediately report all stolen license plates to local law enforcement. This
13 proposed amendment would give local law enforcement earlier notice, which may aid law enforcement
14 in identifying and stopping related criminal activity more quickly than if the stolen license plate was solely
15 reported in the department's electronic database. A proposed amendment to §215.120(g) would repeal
16 the current text as these license holders will no longer be required to keep local records because all
17 records will be held in the department-designated system, and the remaining subsections would be re-
18 lettered accordingly.

19 Proposed amendments to §215.121 would add sanctions for a license holder who fails to report
20 a lost, stolen, or damaged license plate to the department and who fails to keep or maintain records
21 related to catalytic converters. A proposed amendment to §215.121(b)(7) would add the phrase "or fails
22 to report a lost, stolen, or damaged license plate" to inform a license holder that a sanction may apply for
23 failure to report these types of plates within the timeframe required by rule. This sanction is necessary as

1 failure to report such a plate will prevent this information from being promptly transmitted to law
2 enforcement and risks public harm. A proposed amendment to §215.121(b)(18) would add a sanction for
3 a license holder who fails to maintain the catalytic converter records required under Occupations Code,
4 Chapter 2305, Subchapter D. This sanction is important as a license holder's failure to keep catalytic
5 converter records will impede law enforcement from investigating related criminal activity, which harms
6 Texas citizens. The effective date for this section is proposed to be 20 days after the adoption is filed with
7 the Texas Secretary of State.

8 Proposed new §215.122 implements SB 224, which is currently in effect. Proposed new §215.122
9 informs a manufacturer, distributor, or converter that if the license holder repairs a vehicle with a catalytic
10 converter in Texas, the license holder must comply with the recordkeeping and inspection requirements
11 under Occupations Code, Chapter 2305, Subchapter D. These recordkeeping and record inspection
12 requirements are required by statute and allow law enforcement to investigate related criminal activity,
13 which harms Texas citizens. The effective date for this section is proposed to be 20 days after the adoption
14 is filed with the Texas Secretary of State.

15

16 Subchapter D. General Distinguishing Numbers and In-Transit Licenses.

17 Proposed amendments to §215.131 add references to Transportation Code, Chapters 504 and
18 520, and Occupations Code, Chapter 2305, as the scope of the rules in this subchapter changed to include
19 these statutes. SB 224 amended Occupations Code, Chapter 2305 to give the department authority to
20 inspect license holders' catalytic converter records, and Transportation Code, Chapter 520 contains
21 provisions regarding dealer responsibilities that may be delegated by a county tax assessor-collector to a
22 dealer deputy including the issuance of a license plate upon the sale of a vehicle as authorized by HB 718.

1 The effective date for this section is proposed to be 20 days after the adoption is filed with the Texas
2 Secretary of State.

3 Proposed amendments to §215.132 would define certain terms used in the section: buyer’s
4 license plate, buyer’s temporary license plate, and dealer’s temporary license plate. Proposed
5 amendments also delete the definition of temporary tag. A buyer’s license plate is proposed to be defined
6 as a general issue plate or set of license plates issued by a dealer to a vehicle buyer under Transportation
7 Code, §503.063 for a vehicle that will be titled and registered in Texas. This term is also proposed to be
8 defined to include a buyer’s provisional license plate, which is a short-term use license plate that a dealer
9 may issue if the dealer does not have the applicable license plate available for the type of vehicle the
10 buyer is purchasing. A buyer’s temporary license plate is proposed to be defined as a temporary license
11 plate to be issued by a dealer to a non-resident vehicle buyer whose vehicle will be titled and registered
12 out-of-state in accordance with Transportation Code, §503.063(i). A dealer’s temporary license plate is
13 defined as a license plate that a dealer who holds a general distinguishing number (GDN) may purchase
14 and use for the purposes allowed under Transportation Code, §502.062. Proposed amendments to these
15 definitions would implement HB 718, which eliminates temporary paper tags and requires the department
16 to create new categories of license plates that will be affixed to a vehicle upon purchase. Some of the
17 remaining definitions are proposed to be re-lettered to allow for the addition and deletion of definitions.

18 Proposed amendments to §215.133(c)(1)(I) would add a reference to the “license plate system”
19 to implement HB 718, which eliminates temporary paper tags and becomes effective on July 1, 2025.
20 Additionally, a proposed amendment to §215.133 would add §215.133(c)(1)(P) to require GDN applicants
21 to disclose whether the applicant repairs a motor vehicle with a catalytic converter in Texas, and if so, the
22 physical address where the repair is performed. This proposed amendment will allow the department to
23 obtain the information necessary to carry out its responsibilities under SB 224. To allow for the additional

1 requirement, the following subsection is re-lettered accordingly. A proposed amendment to
2 §215.133(c)(2)(J) would add a requirement that applicants complete training in webDEALER, the
3 department’s system through which dealers submit to the county tax assessor-collector title and
4 registration applications for purchasers. This amendment would implement HB 718, which requires all
5 dealer title and registration applications for purchasers to go through webDEALER beginning on July 1,
6 2025. Proposes amendments to §215.133(c)(3)(B) would add “dealer” and “temporary license” before the
7 word “plate” to be consistent with the amended definitions in §215.132, and to implement HB 718 when
8 it becomes effective on July 1, 2025. The effective date for this section is proposed to be the first day of a
9 calendar month following a period of at least 20 days after the adoption is filed with the Texas Secretary
10 of State.

11 Proposed amendments to §215.138 would add certain dealer’s plates to those subject to the
12 requirements of the chapter, clarify certain exceptions to the license plate requirements, and add record
13 keeping and reporting requirements to prevent fraud and theft. Proposed amendments to §215.138 adds
14 personalized prestige and temporary license plates to the types of license plates to which the
15 requirements of the section apply. These types of license plates are proposed to be added in §215.138(a),
16 (b), (c), (f) and (j) to implement HB 718. This section lists the requirements for dealer’s license plates and
17 referencing these additional types of plates in each subsection ensures these requirements are inclusive
18 of all types of dealer’s plates that may be used by a dealer. Proposed amendments to §215.138(c) would
19 add §215.138(c)(3) and (4) to add golf carts and off-highway vehicles, as described by Transportation Code
20 Chapters 551 and 551A, respectively, to ensure that §215.138(c) incorporates all the types of vehicles that
21 dealer’s plates may not be displayed on, including those with the statutory exceptions, for clarity and ease
22 of reference. Proposed amendments to §215.138(h) would add the requirement that a dealer maintain
23 records of each dealer’s plate in the department’s designated electronic license plate system rather than

1 in the dealer’s records. This proposed amendment allows the department to prevent fraud and allows law
2 enforcement access to these records. Additionally, in §215.138(h)(4), which describes information that
3 must be entered into the system, proposed language requires a dealer to enter the name of the person
4 in control of the vehicle or license plate. This proposed change would make it easier for the department
5 and law enforcement to identify and investigate fraud and other illegal activity, while allowing dealers
6 flexibility to assign a license plate to a vehicle or a driver. A proposed amendment to §215.138(j)
7 encourages a dealer to immediately alert law enforcement by reporting a stolen license plate to a local
8 law enforcement agency. This proposed amendment would give local law enforcement earlier notice,
9 which may aid law enforcement in identifying and stopping related criminal activity more quickly than if
10 the stolen license plate was solely reported in the department’s electronic database. A proposed
11 amendment would strike §215.138(k), which previously required a dealer’s license plate record to be
12 available for inspection by the department. This proposed subsection is no longer necessary as dealers
13 will be entering these records into the department’s designated electronic license plate system. A
14 proposed amendment would re-letter (l) to (k) for continuity. A proposed amendment to §215.138(l)
15 would clarify that a wholesale motor vehicle auction GDN holder that also holds a dealer’s GDN may
16 display a dealer’s temporary license plate assigned to their dealer GDN on a vehicle that is being
17 transported to or from the licensed auction location. This proposed addition clarifies that a person who
18 holds both GDNs may use a dealer’s temporary license plate to legally transport vehicles between its
19 businesses.

20 Proposed amendments to §215.140 would add requirements regarding delivery of buyer’s license
21 plates and storage of those license plates. HB 718 eliminated temporary tags and created a need for
22 buyer’s plates to be delivered to dealers so that dealers may issue license plates to buyers upon vehicle
23 purchase. This statutory change requires dealers to properly receive, secure, and store license plates to

1 prevent fraud, plate theft, and related criminal activity. A proposed amendment to §215.140(a)(5)(F) adds
2 buyer’s plates to the types of license plates that will not be mailed to an out-of-state address, but that will
3 only be delivered or mailed to a dealer’s physical location. These proposed amendments are necessary to
4 responsibly implement HB 718, which eliminates temporary tags and creates a need for buyer’s plates to
5 be delivered to dealers so that they may issue them to buyers upon vehicle purchase. Another proposed
6 amendment to §215.140 would add §215.140(a)(6)(E), which requires a dealer to store all license plates
7 in a dealer’s possession in a locked or secured room or closet or in at least one securely locked,
8 substantially constructed safe or steel cabinet bolted or affixed to the floor in such a way that it cannot
9 be readily removed, to deter theft or fraudulent misuse of license plates. A proposed amendment to
10 §215.140(b)(5) would add subparagraph (E), which would create a similar requirement for a wholesale
11 motor vehicle auction GDN holder to securely store license plates removed from vehicles sold at auction,
12 such as license plates from vehicles sold to out-of-state buyers or for export.

13 Proposed amendments to §215.141 would remove references to temporary tags and add
14 sanctions that the department may assess if a license holder fails to comply with new license plate
15 requirements or catalytic converter record requirements. These proposed changes are necessary to
16 enforce the provisions of HB 718 and SB 224. A proposed amendment to §215.141(b)(10) would add
17 references to “buyer’s license plate or set of license plates or temporary license plates” to reflect the new
18 plate types that the department has developed to implement HB 718, which will become effective July 1,
19 2025. Proposed amendments to §215.141(b)(12) and (13) would add an expiration date for temporary
20 tags of July 1, 2025, to implement HB 718. A proposed amendment to §215.141(b)(25) would update the
21 title of a referenced rule to reflect the proposed new title for that rule. Proposed new §215.141(b)(26)
22 would authorize sanctions should a license holder fail to securely store a license plate. Proposed new
23 §215.141(b)(27) would authorize sanctions should a license holder fail to maintain a record of dealer

1 license plates as required under §215.138. Proposed new §215.141(b)(28) would authorize sanctions
2 should a license holder fail to file or enter a vehicle transfer notice. Proposed new §215.141(b)(29) would
3 authorize sanctions should a license holder fail to enter a lost, stolen, or damaged license plate in the
4 electronic system designated by the department within the time prescribed by rule. Proposed new
5 §215.141(b)(34) would authorize sanctions should a license holder fail to remove a license plate or set of
6 license plates from a vehicle sold to an out-of-state buyer or from a vehicle sold for export. The proposed
7 amendments for §215.141(b)(26)-(29) and (34) would make the requirements of HB 718 enforceable by
8 the department when HB 718 becomes effective on July 1, 2025. Proposed new §215.141(b)(35) would
9 authorize sanctions should a license holder fail to keep or maintain records required under Occupations
10 Code, Chapter 2305, Subchapter D or to allow an inspection of these records by the department, to
11 implement the record-keeping and inspection requirements of SB 224. The effective date for this section
12 is proposed to be 20 days after the adoption is filed with the Texas Secretary of State.

13 A proposed amendment to §215.143(c) would streamline license plate recordkeeping for
14 in-transit license plates by requiring a drive-a-way operator to maintain required license plate data in the
15 department-designated system instead of in a local record. Additionally, in §215.143(c)(4), a proposed
16 amendment changes the requirement that the record contain the name of the person in control of the
17 vehicle to the person in control of the license plate. This proposed amendment would allow a drive-a-way
18 operator to designate in the license plate system which employee is currently responsible for an in-transit
19 plate, which would inform the department or law enforcement in case of a complaint. A proposed
20 amendment in §215.143(d)(1) strikes “operator’s plate record” and replaces it with
21 “department--designated system” for consistency. A proposed amendment to §215.143(e) would add
22 language encouraging a drive-a-way operator to immediately alert law enforcement by reporting a stolen
23 license plate to local law enforcement. This proposed amendment would give local law enforcement

1 earlier notice, which may aid law enforcement in identifying and stopping related criminal activity more
2 quickly than if the stolen license plate was solely reported in the department’s electronic database. A
3 proposed amendment would strike §215.143(f), which requires that a drive-a-way operator’s license plate
4 record be available for inspection, as this is no longer necessary because these license holders will be
5 required to enter that information into the department’s designated system. The remaining sections are
6 re-lettered for continuity.

7 Proposed amendments to §215.144 would replace references to the electronic title system in
8 subsection §215.144(e)(8) and (9) with references to webDEALER as defined in §217.71 to clarify the
9 system to be used. A proposed amendment to §215.144(e)(9) would delete an inadvertent use of “new”
10 to describe a motor vehicle as the paragraph covers both new and used motor vehicles and is unnecessary
11 and would add “properly stamped” which was inadvertently deleted in the June 1, 2024, amendment to
12 this rule. Proposed amendments to §215.144(f)(3) would add a reference to title to clarify that the
13 reasonable time periods apply to both filing of a title and registration, simplify language to improve
14 readability, and add a new subparagraph (C) regarding timeliness for filing a title or registration for certain
15 military personnel. A proposed amendment to §215.144(i)(2)(C) would change the requirement to make
16 title application on public motor vehicle auctions from 20 working days of sale to a reasonable time as
17 defined in §215.144 (f) for consistency. Proposed amendments to §215.144(l) would add punctuation and
18 create two new subsections. The first subsection is retitled “webDEALER” and incorporates existing
19 language regarding the department’s web-based title application. The proposed new subsection is titled
20 “License Plate System.” This section requires a license holder to comply with §215.151, which contains
21 general requirements for the issuance of license plates by dealers and is an important reference for
22 dealers.

1 Proposed amendments to §215.147(d) would add a requirement that a dealer remove, void, and
2 destroy or recycle any license plate or registration insignia as required under §215.158 before transferring
3 ownership of a vehicle to be exported, and strike paragraphs (1)-(3) relating to temporary tags. These
4 amendments are necessary to implement HB 718 and to prevent theft and fraud of these plates which
5 are no longer assigned to a vehicle registered in Texas.

6 A proposed amendment to §215.148 would make a non-substantive change to delete a repetitive
7 phrase and parenthetical in §215.148(c). The effective date for this section is proposed to be 20 days after
8 the adoption is filed with the Texas Secretary of State.

9 A proposed amendment to §215.150 would change the name of the section to strike “Temporary
10 Tags” and replace that phrase with “License Plates” to implement HB 718, which eliminated temporary
11 tags. A proposed amendment to §215.150(a) would require a dealer to issue a general issue license plate
12 or set of license plates for a vehicle type the dealer is authorized to sell to (1) a buyer of a new vehicle,
13 unless the buyer has an authorized plate or set of plates which may be assigned to the vehicle, and (2) a
14 buyer of a used vehicle if a license plate or set of plates did not come with the vehicle or if the buyer does
15 not have authorized plates that can be assigned to the vehicle. The proposed amendments to §215.150
16 would recognize that under HB 718, a converter may not issue a temporary tag or license plate effective
17 July 1, 2025, and that the purpose of the department’s database will change from the tracking and
18 issuance of temporary tags to the tracking and issuing of license plates on July 1, 2025. Other proposed
19 amendments throughout this section would implement HB 718 by striking all language referencing
20 temporary tags.

21 New §215.150(b) would add an exception to the requirements in §215.150(a) for vehicles sold to
22 commercial fleet buyers authorized by a county tax assessor-collector as a dealer deputy under §217.166,
23 because these commercial fleet buyers are authorized as dealer deputies to assign license plates to

1 vehicles purchased from a dealer. Proposed new §215.150(c) would require a dealer to issue a buyer's
2 temporary license plate to an out-of-state buyer for a vehicle to be registered in another state.

3 Proposed amendments to current §215.150(b) would re-letter the subsection as §215.150(d) and
4 would replace "license holder" with "dealer" for consistency in terminology. Another amendment to
5 current §215.150(b) would remove a list of the types of temporary tags and substitute in its place a cite
6 to license plates under Transportation Code, §503.063, which was amended by HB 718 to replace
7 temporary tags with license plates. Additionally, proposed amendments to current §215.150(b) would
8 replace references to the temporary tag database with references to the license plate system and update
9 associated statutory and rule references to implement HB 718.

10 Proposed amendments to §215.150(c) would re-letter it to §215.150(e), delete "federal, state, or
11 local" to describe a governmental agency as this descriptor is unnecessary, clarify that a governmental
12 agency may issue either a general issue license plate or a buyer's temporary license plate unless the buyer
13 has a qualifying license plate to place on the vehicle, remove references to buyer's temporary tags and
14 internet down tags, and update Transportation Code and rule citations.

15 Proposed amendments to current §215.150(d) would re-letter it to §215.150(f), strike the term
16 "converter," and strike references to the temporary tag database, replacing those references with license
17 plate system to implement HB 718. Additionally, a proposed amendment to re-lettered §215.150(f)(4)
18 would delete current language and would replace with a requirement for a dealer to secure all license
19 plates, including license plates assigned to vehicles in inventory, dealer's license plates, and unissued
20 buyer's license plates in a locked and secured room or closet or in one or more securely locked,
21 substantially constructed safes or steel cabinets bolted or affixed to the floor or wall. A proposed
22 amendment also requires dealers to properly mark and destroy, recycle, or return all void license plates

1 as required under §215.158. These amendments are necessary to responsibly implement license plate
2 management required under HB 718 and to deter license plate theft and fraud.

3 Current §215.151 is proposed for repeal as this section describes how to use and affix temporary
4 tags, which HB 718 has eliminated. Proposed new §215.151, titled “License Plate General Use
5 Requirements, would implement HB 718, which requires the department set rules for affixing license
6 plates to vehicles. Proposed new §215.151 would maintain consistency with how plates are currently
7 affixed under §217.27. Proposed new §215.151(a) sets out the requirements for securing a license plate
8 or set of plates to a vehicle for a Texas buyer, in accordance with §217.27. Proposed new §215.151(b)
9 would requires a dealer to issue a buyer’s temporary license plates and secure these license plates to the
10 vehicle for those vehicles purchased by non-resident buyers who intend to title and register the vehicle in
11 another state. Proposed new §215.151(c) would require a dealer to remove and destroy a plate or set of
12 plates on a used vehicle if the buyer has a specialty, personalized or other qualifying plate to put on the
13 vehicle. Proposed new §215.151(d) would require a dealer to secure plates that are assigned to a
14 particular used vehicle and either put those license plates back on the vehicle at the time of sale, or if the
15 vehicle is sold to an out-of-state buyer or for export, to update the license plates system and destroy or
16 recycle those plates in accordance with department rules. These proposed revisions are necessary to
17 implement HB 718.

18 Proposed amendments to §215.152 would replace all references to temporary tags with
19 references to dealer-issued buyer’s license plates to implement HB 718, which eliminated temporary tags
20 and the temporary tag database and requires a dealer to issue or reassign a license plate or set of license
21 plates to most vehicle buyers. Proposed amendments to §215.152(a) would strike the terms “converter”
22 and “temporary tag database” and replace those terms with “webDEALER” and “the license plate system,”
23 and add language requiring a dealer to be responsible for verifying receipt of license plates in the license

1 plate system. These proposed amendments recognize that under HB 718, a converter may not issue a
2 temporary tag or license plate effective July 1, 2025, and that the purpose of the database will change
3 from the tracking and issuance of temporary tags to the tracking and issuing of license plates on July 1,
4 2025.

5 Proposed amendments to §215.152(b) would update the cross-reference with the proposed new
6 title of §215.157, “Issuing License Plates when Internet Not Available,” and would replace current
7 language by substituting requirements for a dealer to enter information in the license plate system,
8 including information about the vehicle, the buyer, and the license plate number assigned.

9 Proposed amendments to §215.152(c) would require the department to inform each dealer of
10 the annual maximum number of buyer’s license plates the dealer is authorized to obtain, substitute
11 “obtain” for “issue,” and add a reference to Transportation Code §503.063. Additional proposed
12 amendments to §215.152(c) would add language to describe the two types of buyer’s license plate
13 allotments that a dealer is eligible to obtain from the department, which are: (1) an allotment of
14 unassigned general issue license plates or set of license plates for vehicles to be titled and registered in
15 Texas, and (2) a separate allotment of buyer’s temporary license plates for non-resident buyers.

16 Proposed amendments to §215.152(d)(1) would provide that a dealer’s allotment will be based
17 on vehicle title transfers, sales, or license plate issuance data as determined from the department’s
18 systems from the previous fiscal year, as well as previously used multipliers based on time in operation or
19 actual in-state and out-of-state sales transactions. Proposed amendments to these previously existing
20 factors in §215.152(d)(A) and (B) would replace the “number of dealer’s temporary tags issued” with the
21 number of transactions processed through the department. Proposed amendments to §215.152(d)(4)
22 would strike temporary tags and add the word “annual” to be clear that the allotment of license plates is
23 on an annual basis.

1 A proposed amendment would strike as unnecessary former §215.152(e), which relates to
2 allocating temporary tags for converters because a converter may not issue a temporary tag or license
3 plate effective July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718. The
4 remaining subsections of §215.152 are proposed to be re-lettered accordingly.

5 Proposed amendments to current §215.152(f), proposed to be re-lettered as §215.152(e) would
6 strike references to “converter,” and replace references to temporary tags with references to general
7 issue and buyer’s temporary license plates. Additionally, proposed amendments to current §215.152(f)(1)
8 would provide that a new franchised dealer may be issued 200 general issue license plates and 100 buyer’s
9 temporary plates annually, and would provide that the franchised dealer may request more license plates
10 based on credible information indicating a higher quantity is warranted. These proposed plate allocations
11 are based on historical data for newly licensed franchised dealers. Proposed amendments would strike
12 current §215.152(f)(1)(A) and (B) because they relate only to temporary tags. Proposed amendments to
13 current §215.152(f)(2) would provide the annual allocation of license plates for new non-franchised
14 dealers as 100 general issue license plates and 48 buyer’s temporary license plates. These proposed plate
15 allocations are based on historical data for newly licensed non-franchised dealers. Another proposed
16 amendment to current §215.152(f) would strike §215.152(e)(3), because it relates only to the converter’s
17 temporary tag allocation.

18 Proposed amendments to current §215.152(g) and (h), which are proposed to be re-lettered as
19 §215.152(f) and (g), would replace references to temporary tags with references to license plates
20 throughout, changes “license” to “GDN” and “dealership” to “dealer” for consistency in terminology, and
21 update subsection designations based on proposed amendments.

22 New proposed §215.152(h) would state that the plates will be distributed on a quarterly basis, so
23 that dealers will have enough inventory on hand to conduct business but will not have to store the entirety

1 of the annual plate allotment at once. New proposed §215.152(i) would explain when a dealer may submit
2 a request for additional plates, to ensure that dealers are able to order more plates well in advance of
3 needing them and paralleling the current requirements for temporary tag requests in current §215.152(i)
4 and would delete prior language that would no longer be applicable under HB 718. New proposed
5 §215.152(j) would require a request to be submitted in the license plate system. New proposed
6 §215.152(k) would explain the process by which a dealer must submit the request for additional plates
7 and the information that is required from the dealer, incorporating language currently in §215.152(i) with
8 the terms and statutory citations changed for consistency with HB 718 implementation. Proposed
9 amendments to the language currently in §215.152(i) that is proposed to be incorporated into new
10 §215.152(k)(3) would change the division within the department where appeals will be reviewed from the
11 Motor Vehicle Division to the Vehicle Titles and Registration Division to be consistent with current agency
12 operations. Other proposed amendments would re-letter current §215.152(j) and (k), delete references
13 to converters and temporary tags because a converter may not issue a temporary tag or license plate
14 effective July 1, 2025, under Transportation Code, Chapter 503, as amended by HB 718, add references to
15 license plate system activity, and update statutory references. A proposed amendment would strike
16 §215.152(l), as this subsection, prohibiting rollover of temporary tag allotments from one calendar year
17 to the next, is no longer necessary. Each of these proposed amendments is necessary to implement HB
18 718.

19 Section 215.153 is proposed for repeal as part of HB 718 implementation because it only sets out
20 the specifications for the design of temporary tags and is therefore no longer necessary. Similarly,
21 §215.154 is proposed for repeal because it only describes how dealer's temporary tags are to be used,
22 and these temporary tags will no longer exist following the implementation of HB 718.

1 Proposed new §215.154 would implement HB 718 by addressing the allocation of a new license
2 plate type created by HB 718, a dealer’s temporary license plate. Proposed new §215.154(a) would base
3 the number of dealer’s temporary license plates a dealer may order on the type of license for which the
4 dealer applied and the number of vehicles the dealer sold during the previous year, to deter theft and
5 fraudulent misuse of temporary plates by limiting supply. Proposed new §215.154(b) would give the
6 maximum number of dealer’s temporary license plates issued to new license applicants during the
7 applicants’ first license term in a graphic table. Proposed new §215.154(c) would provide all dealers
8 licensed on July 1, 2025, with the opportunity to obtain the number of dealer’s temporary plates that a
9 new dealer of the same license type is eligible for on that date as defined in §215.154(b), and an additional
10 number based on dealer sales in the previous year as defined in §215.154(e). This new proposed
11 subsection would help to ensure that existing dealers have access to enough dealer’s temporary plates
12 during the transition from using agent and vehicle temporary tags to using dealer’s temporary plates.
13 Proposed new §215.154(d) would list the exceptions for which a dealer would not be subject to the initial
14 allotment so that certain dealers who previously qualified for more license plates may continue using their
15 current allocation. Proposed new §215.154(e) would allow a dealer to obtain more than the maximum
16 initial allotment limits for dealer’s temporary plates by providing sales numbers from the prior year that
17 justify an increased allocation, to allow for flexibility and business continuity for those dealers who have
18 a documented need for additional plates. Similarly, proposed new §215.154(f) would allow wholesale
19 motor vehicle dealers to obtain more than the maximum initial allotment of dealer’s temporary plates by
20 providing the department with numbers of vehicles purchased over the past 12 months that predict a
21 need for additional license plates, to ensure that a wholesaler has sufficient temporary plates to meet
22 documented demand. Proposed new §215.154(g) would allow the department to waive maximum
23 issuance restrictions if the waiver is essential for the continuity of business if the dealer provides the

1 department with sales data and reason for the waiver request, to allow the department flexibility to meet
2 the demonstrated business needs of its license holders with appropriate allocations on a case-by-case
3 basis. Proposed new §215.154 would thus implement HB 718 with an allocation system for dealer
4 temporary license plates that balances the need to limit allocations to avoid excess inventory creating an
5 increased risk of license plate fraud or theft, with the need to provide license holders with enough dealer
6 temporary license plates to meet business needs.

7 Proposed amendments to §215.155 would replace all references to buyer’s temporary tags with
8 “general issue license plates or set of plates or buyer’s temporary license plate” to implement HB 718,
9 which eliminated temporary tags in favor of license plates. A proposed amendment to §215.155(c) would
10 require that for a wholesale transaction, a dealer may not issue a buyer’s plate; rather, the purchaser
11 must use its own dealer’s plate to display on a purchased vehicle. If a general issue plate or set of plates
12 is already assigned to the vehicle, the selling dealer must provide the general issue plates to the
13 purchasing dealer. This proposed amendment is to ensure that an assigned license plate stays with the
14 vehicle to which the license plate was originally assigned. The proposed amendments to §215.155 include
15 striking §215.155(e) as unnecessary because it only addresses requirements for temporary tags, which HB
16 718 has eliminated. The remaining subsections of §215.155 would be re-lettered accordingly. Proposed
17 amendments to current §215.155(f) would strike the current temporary tag fee and prescribe a new \$10
18 fee for buyer’s plates. Proposed amendments to current §215.155(f) would similarly strike the current
19 temporary tag fee that governmental agencies may charge and prescribe a new \$10 fee that governmental
20 agencies may charge for buyer’s plates. HB 718 amended Transportation Code §503.063(g) to eliminate
21 the temporary tag fee and to require the department to prescribe a fee to be charged by the dealer to the
22 buyer for license plates that are issued or assigned to the buyer upon vehicle purchase. The department
23 has determined that a \$10 fee will be sufficient to cover the expected costs associated with registering

1 and processing the new license plates required by HB 718. Additionally, a proposed amendment to current
2 §215.155(f)(1) would replace “electronic title system” with “designated electronic system” to better
3 reflect current department procedure.

4 Proposed amendments to §215.156 would replace all references to temporary tags with
5 references to buyer’s license plates, to implement HB 718, which eliminated temporary tags in favor of
6 license plates. The purpose of §215.156 is to describe the requirements for a dealer to provide a vehicle
7 buyer with a buyer’s license plate receipt. Proposed amendments requiring a dealer to print a receipt
8 from the department’s designated electronic system reflect that HB 718 will require dealers to print
9 license plate receipts from a different electronic system. The proposed amendments to §215.156 would
10 delete unnecessary language describing the process for printing temporary tag receipts, since HB 718
11 abolished temporary tags. Proposed amendments would also remove references to metal plates in favor
12 of “vehicle registration insignia” to reflect new processes and standardize terminology across chapters.
13 Additionally, proposed new §215.156(7) would require the receipt to include the procedure by which the
14 vehicle registration insignia will be provided to the buyer, as is required under Transportation Code,
15 §503.0631(d-1), as amended by HB 718. The proposed amendments to §215.156 would also delete
16 unnecessary language and punctuation.

17 Proposed amendments to §215.157 would implement HB 718 by describing the process for a
18 dealer to issue a license plate and a license plate receipt when internet access is not available by replacing
19 the prior requirement for a dealer to print out an internet down tag with a requirement for a dealer to
20 document the issuance of a buyer’s general issue license plate and then enter that information in the
21 license plate system not later than the close of the next business day. These proposed amendments are
22 necessary to implement HB 718 and maintain the integrity of the data in the license plate database.

1 Proposed amendments to §215.158 would describe the general requirements for buyer’s license
2 plates necessary to implement HB 718. Proposed amendments to the title of §215.158 would add “for
3 Buyer’s License Plates” and delete an unnecessary reference to “Preprinted Internet-down Temporary
4 Tag Numbers.” Proposed amendments to §215.158 would delete language related to internet-down
5 temporary tags, which are obsolete since HB 718 eliminated temporary tags, and replace it with language
6 about license plates. Proposed amendments to §215.158(a) would also make nonsubstantive wording and
7 punctuation changes and delete an unnecessary descriptive phrase for a governmental agency to improve
8 readability and retain the dealer and governmental agency’s responsibility for safekeeping of license
9 plates and for prompt reporting of license plates that are lost, stolen, or destroyed. A proposed
10 amendment to §215.158(a) would encourage a dealer or governmental agency to immediately report all
11 stolen license plates to local law enforcement. This proposed amendment would give local law
12 enforcement earlier notice, which may aid law enforcement in identifying and stopping related criminal
13 activity more quickly than if the stolen license plate was solely reported in the department’s electronic
14 database. Proposed amendments to §215.158(b) would require a dealer to remove and void any
15 previously assigned plates that cannot stay with the motor vehicle. Under the proposed amendment, the
16 dealer must mark these license plates as void and destroy, recycle the void license plates with a metal
17 recycler registered under Occupations Code, Chapter 1956, or return the void license plates to the
18 department or a county tax assessor-collector. This is to prevent potential theft or fraud relating to plates
19 that have been removed from a vehicle. These amendments are necessary to responsibly implement HB
20 718. Proposed amendments to §215.158(c) would require a dealer to return all buyer’s license plates in
21 their possession to the department within 10 days of closing the associated license or within 10 days of
22 the department revoking, canceling or closing the associated license, to reduce the risk of theft or
23 fraudulent misuse of the plates. The remaining subsections of §215.158 are proposed for deletion as these

1 subsections refer only to internet-down tags and are no longer necessary with the implementation of HB
2 718.

3 Proposed for repeal, §215.159 describes the requirements for converter’s temporary
4 tags, which will not exist when HB 718 is implemented, making §215.159 unnecessary.

5 Proposed amendments to §215.160(a) and §215.160(b) would replace the references to titles
6 under Transportation Code, §501.100 with the words “issued a title” to clarify that if a dealer knows a
7 motor vehicle has formerly been a salvage vehicle, they must disclose this fact, regardless of whether the
8 motor vehicle is currently titled under Transportation Code, §501.100. The effective date for this section
9 is proposed to be 20 days after the adoption is filed with the Texas Secretary of State.

10 Proposed new §215.162 would implement SB 224 by requiring dealers that repair a motor vehicle
11 with a catalytic converter to comply with the statutory recordkeeping requirements in Occupations Code,
12 Chapter 2305, Subchapter D, and to allow the department to inspect those records during business hours.
13 The effective date for this section is proposed to be 20 days after the adoption is filed with the Texas
14 Secretary of State.

15

16 Subchapter F. Lessors and Lease Facilitators

17 A proposed amendment to §215.178(a)(2) would simplify language for improved readability by
18 changing “a request from a representative of the department” to “a department records request.”

19 Proposed amendments to §§215.178(c)(7)(C) and (D) and §215.178(c)(8) would replace references to the
20 electronic title system with references to webDEALER, as defined in 43 TAC §217.71, relating to
21 Automated and Web-Based Vehicle Registration and Title Systems, to provide additional context to the
22 specific part of the electronic title system to which the section applies. A proposed amendment in
23 §215.178(c)(8) would add an “a” before motor vehicle to correct sentence grammar. A proposed

1 amendment to §215.178(g) would add an exception to those records that may be kept electronically for
2 documents listed in subsection (c)(8) of this section, which are records that dealers are required to keep
3 in webDEALER. The effective date for this section is proposed to be 20 days after the adoption is filed with
4 the Texas Secretary of State.

5 **FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Glenna Bowman, Chief Financial Officer,
6 has determined that for each year of the first five years the rule will be in effect, there will be no significant
7 fiscal impact to local governments as a result of the enforcement or administration of the proposal. With
8 regard to state government, Ms. Bowman has determined that for each year of the first five years the rule
9 will be in effect, the program will create costs to the department for implementation and ongoing
10 administration, ranging from \$13.5 million to \$21.5 million per year for each of the first five years.
11 However, Ms. Bowman has determined that for each year of the first five years the rule will be in effect,
12 these costs will be offset by an increase in revenue to the department from the new plate fee of \$10.

13 Monique Johnston, Director of the Motor Vehicle Division (MVD) and Corrie Thompson, Director
14 of the Enforcement Division (ENF), have determined that there will be not be a measurable effect on local
15 employment or the local economy as a result of the proposal because the overall number of motor vehicle
16 sales will not be affected.

17 **PUBLIC BENEFIT AND COST NOTE.** Ms. Johnston and Ms. Thompson have also determined that, for each
18 year of the first five years the new section is in effect, there are multiple public benefits anticipated
19 because of the elimination of temporary tags and increased oversight of catalytic converter repairs and
20 that certain applicants and license holders may incur costs to comply with the proposal. The department
21 prioritized the public benefits associated with reducing fraud and related crime and improving public
22 health and safety, while carefully considering potential costs to license holders consistent with board and
23 department responsibilities.

1 Anticipated Public Benefits. The public benefits anticipated as a result of the proposal
2 include limiting the criminal activity of a small subset of dealers who may fraudulently obtain and sell
3 catalytic converters for profit, or obtain, sell, or issue license plates to persons seeking to engage in violent
4 criminal activity, including armed robbery, human trafficking, and assaults on law enforcement, or to
5 criminally operate uninsured and uninspected vehicles as a hazard to Texas motorists and the
6 environment.

7 Anticipated Costs To Comply With The Proposal. Ms. Johnston and Ms. Thompson anticipate
8 certain license holders may incur costs to comply with these proposed rules.

9 Proposed amendments to §215.102 and §215.133 may require applicants and license holders to
10 provide more information in the application. While some applicants may be required to spend a few
11 minutes more to complete an application, Ms. Johnston and Ms. Thompson have determined these costs
12 will be offset by the reduced risk of applicants and holders incurring financial and criminal penalties due
13 to noncompliance with Occupations Code, Chapter 2305, Subchapter D and may allow the department to
14 educate applicants about areas where the applicants' business operations may not meet the requirements
15 of the Occupations Code, prior to licensure. Importantly, this information allows the department to
16 comply with the requirements of Occupations Code, Chapter 2305 which requires the department to
17 enforce catalytic converter recordkeeping requirements consistent with the department's obligations to
18 detect and deter fraud and prevent consumer harm.

19 In proposed new §215.122 and §215.162, a license holder that repairs a vehicle with a catalytic
20 converter is required to comply with statutory recordkeeping requirements and to allow the department
21 to inspect those records. Ms. Thompson expects that most license holders already maintain the required
22 records in an existing system. However, if a license holder does not currently keep the required records,
23 a license holder will be required to keep additional records and may do so in a paper record or in a

1 spreadsheet using free software available on the internet. The department’s civil penalty guidelines for
2 license holders who violate statutory provisions range from \$500 to \$10,000 per violation. Ms. Thompson
3 has determined that any recordkeeping cost will be offset by the reduced risk to these license holders
4 incurring financial penalties and potential criminal liability under Occupations Code, Chapter 2305 due to
5 noncompliance with laws and regulations and will benefit the public by preventing consumer harm
6 associated with the criminal activity related to catalytic converters.

7 Proposed amendments to §215.138, relating to Dealer’s License Plates, §215.147, relating to
8 Export Sales, and §215.158, relating to General Requirements for Buyer’s License Plates, require a dealer
9 to permanently mark the front of a license plate with the word “void” or a large “X” if a dealer’s temporary
10 plate or a buyer’s license plate is no longer valid for use. Department research suggests that the cost of a
11 permanent marker is \$1.50 per marker. Proposed amendments to these rules also require a dealer to
12 destroy a void buyer’s license plate, recycle a void plate with a registered metal recycler, or return the
13 void plate to the department, or to a county tax assessor-collector if the void license plate is a buyer’s
14 license plate. Aviation tin snips may be used to destroy a void license plate. Department research suggests
15 that the cost of tin snips, which can cut metal, is approximately \$20.00. A dealer or other license holder
16 may choose to recycle void license plates. Department research suggests that the cost of doing so through
17 a metal recycler will vary by locality and the availability of local recycling facilities, with some regions
18 benefitting from free curbside-pickup recycling programs and others requiring license holders to expend
19 transportation costs to take the plates to a recycling facility. Department research also suggests that scrap
20 aluminum, such as voided license plates, is currently worth about \$.50 per pound when sold to a metal
21 recycler. Lastly, a dealer may return a void buyer’s license plate to the department, including one of the
22 regional service centers, or a county tax assessor-collector office, or mail a void plate to the department.
23 Department research suggests that the average cost to mail a plate is \$9.65. The proposed rules provide

1 a license holder with multiple options for responsible disposal of void license plates and a license holder
2 may choose which option is least expensive or most convenient based on the license holder's operation.
3 Ms. Johnston and Ms. Thompson have reviewed the department research regarding the cost of marking
4 and the options for destroying, recycling, or returning void license plates and have determined that these
5 costs are reasonable and necessary to reduce the potential for fraudulent plate use and to protect the
6 public, including law enforcement personnel.

7 Proposed amendments to §215.140, relating to Established and Permanent Place of Business
8 Premises Requirements, and §215.150, relating to Dealer Authorization to Issue License Plates, require a
9 dealer or wholesale motor vehicle auction to store license plates in a locked and secured room or closet,
10 or one or more securely locked, substantially constructed safes or steel cabinets bolted or affixed to the
11 floor or wall of sufficient size to store all license plates in the GDN holder's possession. The department
12 expects that many current license holders already use a secured room, closet, safe, or steel cabinet to
13 store valuable equipment or supplies, and therefore will incur no costs as a result of the proposed
14 amendments. However, certain license holders may have to purchase secure lock for an existing room,
15 closet, or steel cabinet. Department research suggests that the cost of a secure door lock is approximately
16 \$25.00 with approximately \$30 in labor for installation, and the cost of a lock for steel cabinet is
17 approximately \$12.00. A license holder may also have to secure an existing safe or steel cabinet to a floor
18 or wall; department research suggests that the cost of an anchoring kit for a safe is approximately \$11.00
19 and the cost of hardware necessary to secure a steel cabinet to a wall or floor is approximately \$30.00,
20 while necessary labor costs for either installation would be approximately \$50.00. If a license holder would
21 like to construct a closet, department research suggests that the cost to build a closet would be
22 approximately \$3,000 including a locking door. Department license plate storage estimates suggest that
23 an average license holder would be required to store approximately 75 to 250 plates including all dealer's

1 and buyer’s license plate types. If a license holder wishes to buy a substantially constructed safe that bolts
2 to the floor or wall to hold that quantity of plates, department research suggests the cost is approximately
3 \$200, and that the cost of a substantially constructed steel cabinet is approximately \$130.00 - \$300.00,
4 depending on the quantity of plates that the dealer needed to store securely. Ms. Johnston and Ms.
5 Thompson have determined that these costs are necessary to protect license plates from being stolen and
6 used to commit fraud and other crimes and to ensure that license plates are available for use by a license
7 holder when a vehicle is sold.

8 **ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** As required by Government
9 Code §2006.002, the department has determined that this proposal may have an adverse economic effect
10 or disproportionate economic impact on small or micro businesses. The department has determined that
11 the proposed amendments will not have an adverse economic effect on rural communities because rural
12 communities are exempt from the requirement to hold a GDN under Transportation Code §503.024.

13 The cost analysis in the Public Benefit and Cost Note section of this proposal determined that
14 proposed amendments may result in additional costs for certain license holders. Based on data from the
15 Comptroller and the Texas Workforce Commission, the department estimates that most license holders
16 are small or micro-businesses. The department has tried to minimize costs to license holders. The new
17 proposed requirements are designed to set minimum standards that will prevent license plate fraud and
18 protect public health and safety and provide options that will allow a license holder to do so at a
19 reasonable cost. These requirements do not include requirements that will cause a license holder to incur
20 unnecessary or burdensome costs, such as employing additional persons.

21 Under Government Code §2006.002, the department must perform a regulatory flexibility
22 analysis. The department considered the alternatives of not adopting amendments, exempting small and
23 micro-business license holders from these amendments, and adopting a limited version of these

1 amendments for small and micro-business applicants and license holders. The department rejects all three
2 options. The department reviewed licensing records, including records for license holders who have been
3 denied access to the temporary tag system, and determined that small and micro-business license holders
4 are largely the bad actors perpetrating fraud. The department, after considering the purpose of the
5 authorizing statutes, does not believe it is feasible to waive or limit the requirements of the proposed
6 amendments for small or micro-business GDN dealers. Also, Government Code §2006.002(c-1) does not
7 require the department to consider alternatives that might minimize possible adverse impacts on small
8 businesses and micro-businesses if the alternatives would not be protective of the health and safety of
9 the state.

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

14 **GOVERNMENT GROWTH IMPACT STATEMENT.** The department has determined that each year of the
15 first five years the proposed new sections, amendments, and repeals are in effect, a government program
16 would be created or eliminated. Implementation of the proposed new sections, amendments, and repeals
17 will require the creation of new employee positions and will not eliminate existing employee positions.
18 Implementation will not require an increase in future legislative appropriations to the department but will
19 result in an increase in fees paid to the department. The proposed new sections, amendments, and repeals
20 create new regulations that govern the processes involved in the issuance of license plates in lieu of
21 temporary tags; expand regulations that cover recordkeeping requirements for licensees and sanctions
22 for failure to keep records or report lost, missing or stolen license plates; and repeal existing regulations
23 that covered the procedures involved in the issuance of temporary tags, in addition to repealed provisions

1 §§215.151, 215.153, 215.154 and 215.159. The proposed rules do not limit any existing regulations. Lastly,
2 the proposed new sections, amendments, and repeals do not affect the number of individuals subject to
3 the rule's applicability and will not affect this state's economy.

4 **REQUEST FOR PUBLIC COMMENT.**

5 If you want to comment on the proposal, submit your written comments by 5:00 p.m. Central Time (CST
6 or CDT as applicable) on August 12, 2024. A request for a public hearing must be sent separately from
7 your written comments. Send written comments or hearing requests by email to *rules@txdmv.gov* or by
8 mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin,
9 Texas 78731. If a hearing is held, the department will consider written comments and public testimony
10 presented at the hearing.

11

12

SUBCHAPTER A. GENERAL PROVISIONS

13

43 TAC §215.1 and §215.2

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STATUTORY AUTHORITY. In addition to the rulemaking authority provided in Section 34 of HB 718, the
department proposes amendments to Chapter 215 under Occupations Code, §2301.151, which gives the
board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take
any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which
authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,
and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair
practices, discrimination, impositions, and other abuses in connection with the distribution and sale of
motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,
Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or
convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before

1 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a
2 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license
3 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,
4 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement
5 with a retail purchaser of a motor vehicle; Transportation Code, §503.061, which allows the board to
6 adopt rules regulating the issuance and use of dealer's license plates; Transportation Code, §503.0631
7 which requires the department to adopt rules to implement and manage the department's database of
8 dealer-issued buyer's license plates; §503.0633 which allows the department to establish the maximum
9 number of license plates or sets of license plates a dealer may obtain annually under Transportation Code,
10 §503.063 and §503.065; Transportation Code, §520.0071 which requires the board to adopt rules
11 classifying deputies performing titling and registration duties, the duties and obligations of these deputies,
12 the type and amount of bonds that may be required by a county tax assessor-collector for a deputy
13 performing titling and registration duties, and the fees that may be charged or retained by deputies;
14 Transportation Code, §520.021 which allows the department to adopt rules and policies for the
15 maintenance and use of the department's automated registration and titling system; and Transportation
16 Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to
17 implement the powers and the duties of the department, as well as the statutes referenced throughout
18 this preamble.

19 The department also adopts amendments under the authority of Transportation Code,
20 §§501.0041, 502.0021, 503.002, and 520.003; and Government Code, §2001.004 and §2001.054, in
21 addition to the statutory authority referenced throughout this preamble.

22 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
23 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt

1 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
2 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,
3 §520.003 authorizes the department to adopt rules to administer Chapter 520.

4 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
5 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
6 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
7 of a license.

8 **CROSS REFERENCE TO STATUTE.** These proposed amendments implement Government Code, Chapter
9 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and
10 1001–1005.

11
12 Text.

13 §215.1. Purpose and Scope.

14 Occupations Code, Chapters [Chapter] 2301 and 2305, and Transportation Code, Chapters 503,
15 504, 520, and 1001 -1005 require the Texas Department of Motor Vehicles to license and regulate the
16 vehicle industry to ensure a sound system of distributing and selling vehicles; provide for compliance
17 with manufacturers' warranties; and to prevent fraud, unfair practices, discrimination, impositions, and
18 other abuses of the people of this state in connection with the distribution and sale of vehicles. This
19 chapter describes licensing requirements and the rules governing the vehicle industry.

20
21 §215.2. Definitions; Conformity with Statutory Requirements.

1 (a) The definitions contained in Occupations Code, Chapters [Chapter] 2301 and 2305, and
2 Transportation Code, Chapters 503, 520, and 1001-1005 govern this chapter. In the event of a conflict,
3 the definition or procedure referenced in Occupations Code, Chapter 2301 controls.

4 (b) The following words and terms, when used in this chapter, shall have the following
5 meanings, unless the context clearly indicates otherwise.

6 (1) Board--The Board of the Texas Department of Motor Vehicles, including department
7 staff to whom the board delegates a duty.

8 (2) Day--The word "day" refers to a calendar day.

9 (3) Director--The director of the division that regulates the distribution and sale of
10 motor vehicles, including any department staff to whom the director delegates a duty assigned under
11 this chapter.

12 (4) Employee--A natural person employed directly by the license holder for wages or a
13 salary.

14 (5) [(4)] GDN--General distinguishing number, a license issued under Transportation
15 Code, Chapter 503.

16 (6) [(5)] Governmental agency--A state agency other than the department, all local
17 governmental agencies, and all agencies of the United States government, whether executive,
18 legislative, or judicial.

19 (7) [(6)] Standard license plate--A motor vehicle license plate issued by the department
20 to a license holder for use by the license holder that is not a personalized prestige dealer's license plate
21 issued under Transportation Code §503.0615.

22

23 **SUBCHAPTER C. FRANCHISED DEALERS, MANUFACTURERS, DISTRIBUTORS, AND CONVERTERS**

1 duties and obligations of these deputies, the type and amount of bonds that may be required by a county
2 tax assessor-collector for a deputy performing titling and registration duties, and the fees that may be
3 charged or retained by deputies; Transportation Code, §520.021 which allows the department to adopt
4 rules and policies for the maintenance and use of the department’s automated registration and titling
5 system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are
6 necessary and appropriate to implement the powers and the duties of the department, as well as the
7 statutes referenced throughout this preamble.

8 The department also adopts amendments under the authority of Transportation Code,
9 §§501.0041, 502.0021, and 503.002; and Government Code, §2001.004 and 2001.054, in addition to the
10 statutory authority referenced throughout this preamble.

11 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
12 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
13 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
14 board to adopt rules for the administration of Transportation Code, Chapter 503.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
16 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
17 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
18 of a license.

19 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
20 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-
21 503, 520, and 1001–1005.

22

23 Text.

1 §215.101. Purpose and Scope.

2 This subchapter implements Occupations Code, Chapters [Chapter] 2301 and 2305, and
3 Transportation Code, Chapters 503, 504, 520, and 1001 - 1005, and applies to franchised dealers,
4 manufacturers, distributors, and converters.

5

6 §215.102. Application Requirements.

7 (a) No person may engage in business, serve in the capacity of, or act as a manufacturer,
8 distributor, converter, or franchised dealer in Texas unless that person holds a license.

9 (b) A license application must be on a form prescribed by the department and properly
10 completed by the applicant. A license application must include all required information, supporting
11 documents, and fees and must be submitted to the department electronically in the licensing
12 system designated by the department.

13 (c) A license holder renewing or amending its license must verify current license
14 information, provide related information and documents for any new license requirements or
15 changes to the license, and pay required fees including any outstanding civil penalties owed the
16 department under a final order.

17 (d) An applicant for a new license must register for an account in the department-designated
18 licensing system by selecting the licensing system icon on the dealer page of the department website. An
19 applicant must designate the account administrator and provide the name and email address for that
20 person, and provide the business telephone number, name, business type, and social security number or
21 employer identification number, as applicable. The applicant's licensing account administrator must be
22 an owner, officer, manager, or bona fide employee.

1 (e) Once registered, an applicant may apply for a new license and must provide the
2 following:

3 (1) Required information:

4 (A) type of license requested;

5 (B) business information, including the name, physical and mailing
6 addresses, telephone number, Secretary of State file number (as applicable), and website address
7 as applicable;

8 (C) contact name, email address, and telephone number of the person
9 submitting the application;

10 (D) contact name, email address, and telephone number of a person who
11 can provide information about business operations and the motor vehicle products or services
12 offered;

13 (E) the name, social security number, date of birth, identity document
14 information, and ownership percentage for each owner, partner, member, beneficiary, or principal
15 if the applicant is not a publicly traded company;

16 (F) the name, social security number, date of birth, and identity document
17 information for each officer, director, manager, trustee, or other representative authorized to act
18 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

19 (G) the name, employer identification number, ownership percentage, and
20 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

21 (H) criminal history record information under the laws of Texas, another
22 state in the United States, the United States, and any foreign jurisdiction for each person listed in
23 the application, including offense description, date, and location;

- 1 (I) military service status;
- 2 (J) licensing history required to evaluate fitness for licensure under §215.89
3 of this title (relating to Fitness);
- 4 (K) if applying for a manufacturer's, distributor's, or converter's license:
- 5 (i) financial resources, business integrity and experience, facilities
6 and personnel for serving franchised dealers;
- 7 (ii) a description of the business model or business process and
8 product and services used or offered sufficient to allow the department to determine if the license
9 type applied for is appropriate under Texas law; ~~and~~
- 10 (iii) number of standard license plates requested; and[-]
- 11 (iv) whether the applicant repairs a motor vehicle with a catalytic
12 converter in Texas, and if so, the physical address where the repair is performed.
- 13 (L) if applying for a manufacturer's or distributor's license:
- 14 (i) if the applicant or any entity controlled by the applicant owns an
15 interest in a Texas motor vehicle dealer or dealership, controls a Texas dealer or dealership, or acts
16 in the capacity of a Texas dealer;
- 17 (ii) a statement regarding the manufacturer's compliance with
18 Occupations Code Chapter 2301, Subchapter I and §§2301.451-2301.476; and
- 19 (iii) if a franchise agreement for each line-make being applied for
20 exists which states the obligations of a Texas franchised dealer to the applicant and the obligations
21 of the applicant to the Texas franchised dealer.

1 (M) if applying for a manufacturer's license, the line-make information
2 including the world manufacturer identifier assigned by the National Highway Traffic Safety
3 Administration, line-make name, and vehicle type;

4 (N) if applying for a distributor's license:

5 (i) the manufacturer for whom the distributor will act;

6 (ii) whether the manufacturer is licensed in Texas;

7 (iii) the person in this state who is responsible for compliance with
8 the warranty covering the motor vehicles to be sold; and

9 (iv) the terms of the contract under which the distributor will act for
10 the manufacturer.

11 (O) if applying for a converter's license:

12 (i) a name and description for each conversion package; and

13 (ii) the manufacturer or distributor and line-make of the underlying
14 new motor vehicle chassis to be converted.

15 (P) if applying for a franchised dealer's license:

16 (i) reason for the new application;

17 (ii) dealership location on a system-generated map;

18 (iii) whether the dealership is under construction and expected
19 completion date;

20 (iv) information about the performance of sales or warranty services
21 at the location; and

1 (v) information necessary to obtain a franchised dealer GDN under
2 §215.133 of this title (relating to GDN Application Requirements for a Dealer or a Wholesale Motor
3 Vehicle Auction).

4 (Q) signed Certificate of Responsibility, which is a form provided by the
5 department; and

6 (R) any other information required by the department to evaluate the
7 application under current law and board rules.

8 (2) A legible and accurate electronic image of each applicable required document:

9 (A) the certificate of filing, certificate of incorporation, or certificate of
10 registration on file with the Secretary of State, as applicable;

11 (B) each assumed name certificate on file with the Secretary of State or
12 county clerk;

13 (C) one of the following unexpired identity documents for each natural
14 person listed in the application:

15 (i) driver license;

16 (ii) Texas Identification Card issued by the Texas Department of
17 Public Safety under Transportation Code, Chapter 521, Subchapter E;

18 (iii) license to carry a handgun issued by the Texas Department of
19 Public Safety under Government Code, Chapter 411, Subchapter H;

20 (iv) passport; or

21 (v) United States armed forces identification.

22 (D) if applying for a manufacturer's, distributor's, or converter's license, a
23 written description of the business model or business process and brochures, photos, or other

1 documents describing products and services sufficient to allow the department to identify a motor
2 vehicle product type and the appropriate license required under Texas law;

3 (E) if applying for a manufacturer's or distributor's license:

4 (i) a list of each franchised dealer in Texas including the dealer's
5 name and physical address, or if motor vehicle sales or offers to sell to Texas residents will solely
6 be over the internet, a list of each out-of-state dealer or person authorized by the manufacturer or
7 distributor to sell a new motor vehicle online to a Texas resident including the dealer's or person's
8 name, physical address, and license number issued by the state in which the dealer or person is
9 located; and

10 (ii) a list of motor vehicle product line-makes manufactured or
11 distributed for sale.

12 (F) if applying for a manufacturer's license:

13 (i) a list of authorized distributors or representatives; and

14 (ii) a franchised dealer's preparation and delivery obligations before
15 delivery of a new vehicle to a retail purchaser and the schedule of compensation to be paid to the
16 franchised dealer;

17 (G) if applying for a distributor's license, either:

18 (i) pages of the executed distributor agreement containing at
19 minimum the following:

20 (I) the legal business name of each party;

21 (II) authorized signature of each party;

22 (III) distribution territory;

23 (IV) distribution agreement effective date and end date,

1 or written confirmation from the distributor and manufacturer that the distribution agreement is
2 expected to be in effect for the entire license period;

3 (V) physical location, mailing address, and email address of
4 each party;

5 (VI) distributor responsibilities under the agreement related
6 to warranty matters under Occupations Code, Chapter 2301, and franchised dealer matters under
7 Occupations Code, Chapter 2301, Subchapter H, Dealers, Subchapter I, Warranties:

8 Reimbursement of Dealer, Subchapter J, Manufacturers, Distributors, and Representative, and
9 Subchapter K, Mediation Between Dealer and Manufacturer or Distributor;

10 (VII) party or person responsible for providing warranty
11 services; and

12 (VIII) motor vehicle line-makes and vehicle types included in
13 the agreement; or

14 (ii) a completed department-provided questionnaire containing the
15 information required in clause (i) signed by the applicant and the manufacturer as true and
16 complete. An authorized representative for the manufacturer may sign the questionnaire,
17 however, the applicant or applicant's representative may not sign the questionnaire on behalf of a
18 manufacturer.

19 (H) if applying for a franchised dealer's license, pages of the executed
20 franchise agreement containing at minimum the following:

21 (i) the legal business name of each party;

22 (ii) authorized signature of each party;

23 (iii) authorized dealership location;

1 (iv) list of motor vehicle line-makes and vehicle types to be sold or
2 serviced; and

3 (v) a department Evidence of Relocation form signed by the
4 manufacturer or distributor, if applicable; and

5 (l) any other documents required by the department to evaluate the
6 application under current law and board rules.

7 (3) Required fees:

8 (A) the license fee as prescribed by law; and

9 (B) the fee as prescribed by law for each plate requested by the applicant.

10 (f) An applicant operating under a name other than the applicant shall use the name under
11 which the applicant is authorized to do business, as filed with the Secretary of State or county
12 clerk, and the assumed name of such legal entity shall be recorded by the applicant on the
13 application using the letters "DBA." The applicant may not use a name or assumed name that may
14 be confused with or is similar to that of a governmental entity or that is otherwise deceptive or
15 misleading to the public.

16 (g) A manufacturer or distributor may add a new line-make to an existing license during the
17 license period by submitting a license amendment application and providing brochures, photos, or
18 other documents describing the new line-make sufficient to allow the department to identify the
19 line-make and vehicle product type. A license amendment to add a line-make to a manufacturer's
20 or distributor's license must be approved by the department before the new line-make may be
21 added to a franchised dealer's license.

22

1 §215.120. Standard License Plates.

2 (a) A manufacturer, distributor, or converter may apply for a manufacturer or converter standard
3 license plate for use on a new unregistered vehicle of the same vehicle type assembled or modified in
4 accordance with Transportation Code §503.064 or §503.0618, as applicable:

5 (1) when applying for a new or renewal license, or

6 (2) by submitting a standard license plate request application electronically in the system
7 designated by the department.

8 (b) A manufacturer may use a manufacturer's standard license plate to test a prototype motor
9 vehicle on a public street or highway including a commercial motor vehicle prototype designed to carry a
10 load. A manufacturer's standard license plate may not be used on a commercial motor vehicle prototype
11 or new commercial motor vehicle to carry a load for which the manufacturer or other person receives
12 compensation.

13 (c) A manufacturer, distributor, or converter shall attach a standard license plate to the rear of a
14 vehicle in accordance with §217.27 of this title (relating to Vehicle Registration Insignia).

15 (d) A manufacturer, distributor, or converter shall maintain a record of each standard license
16 plate issued to the manufacturer, distributor, or converter by the department in the department-
17 designated system. The license plate record must contain:

18 (1) the license plate number;

19 (2) the year and make of the vehicle to which the license plate is affixed;

20 (3) the VIN of the vehicle, if one has been assigned; and

1 (4) the name of the person in control of the license plate.

2 (e) If a manufacturer, distributor, or converter cannot account for a standard license plate or a
3 standard license plate is damaged, the manufacturer, distributor, or converter shall:

4 (1) document the license plate as "void" in the department-designated system [~~license~~
5 ~~plate record in subsection (d)~~]; and

6 (2) within three days of discovering that the license plate is missing or damaged, report
7 the license plate as lost, stolen, or damaged electronically in the system designated by the department;
8 and

9 (3) if found after reported missing, cease use of the license plate.

10 (f) A standard license plate is no longer valid for use after the manufacturer, distributor, or
11 converter reports to the department that the license plate is lost, stolen, or damaged. A manufacturer,
12 distributor, or converter must render a void license plate unusable by permanently marking the front of
13 the plate with the word "VOID" or a large "X" and once marked, shall destroy or recycle the license plate,
14 or return the license plate to the department within 10 days. A license holder is also encouraged to
15 immediately alert law enforcement by reporting a stolen license plate to a local law enforcement agency.

16 [~~(g) The license holder's license plate record must be available for inspection and copying by the~~
17 ~~department during normal business hours or be available to submit electronically to the department~~
18 ~~upon request.~~]

19 ~~(g)~~[(h)] In evaluating requests for additional standard license plates, the department shall
20 consider the business justification provided by a license holder including the following:

- 1 (1) the number of vehicles assembled or modified;
- 2 (2) the highest number of motor vehicles in inventory in the prior 12 months;
- 3 (3) the size and type of business;
- 4 (4) how the license holder typically uses standard license plates;
- 5 (5) the license holder's record of tracking and reporting missing or damaged license
6 plates to the department; and
- 7 (6) any other factor the Department in its discretion deems necessary to support the
8 number of license plates requested.

9 (h)(4) a license holder shall return a department-issued license plate to the department within
10 10 days of the license holder closing the associated license or the associated license being revoked,
11 canceled, or closed by the department.

12
13 §215.121. Sanctions.

14 (a) The board or department may take the following actions against a license applicant, a license
15 holder, or a person engaged in business for which a license is required:

- 16 (1) deny an application;
- 17 (2) revoke a license;
- 18 (3) suspend a license;
- 19 (4) assess a civil penalty;

1 (5) issue a cease and desist order; or

2 (6) take other authorized action.

3 (b) The board or department may take action described in subsection (a) of this section if a
4 license applicant, a license holder, or a person engaged in business for which a license is required:

5 (1) fails to maintain records required under this chapter;

6 (2) refuses or fails within 15 days to comply with a request for records made by a
7 representative of the department;

8 (3) sells or offers to sell a motor vehicle to a retail purchaser other than through a
9 licensed or authorized dealer;

10 (4) fails to submit a license amendment application in the electronic licensing system
11 designated by the department to notify the department of a change of the license holder's physical
12 address, mailing address, telephone number, or email address within 10 days of the change;

13 (5) fails to timely submit a license amendment application in the electronic licensing
14 system designated by the department to notify the department of a license holder's business or
15 assumed name change, deletion of a line-make, or management or ownership change;

16 (6) fails to notify the department or pay or reimburse a franchised dealer as required by
17 law;

18 (7) misuses or fails to display a license plate as required by law, or fails to report a lost,
19 stolen, or damaged license plate within the time designated by rule;

1 (8) is a manufacturer or distributor and fails to provide a manufacturer's certificate for a
2 new vehicle;

3 (9) fails to remain regularly and actively engaged in the business of manufacturing,
4 assembling, or modifying a new motor vehicle of the type and line make for which a license has been
5 issued by the department;

6 (10) violates a provision of Occupations Code, Chapter 2301; Transportation Code
7 Chapters 501–503 or 1001–1005; a board order or rule; or a regulation of the department relating to the
8 manufacture, assembly, sale, lease, distribution, financing, or insuring of vehicles, including advertising
9 rules under Subchapter F of this chapter (relating to Advertising);

10 (11) is convicted of an offense that directly relates to the duties or responsibilities of the
11 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

12 (12) is determined by the board or department, in accordance with §215.89 of this title
13 (relating to Fitness), to be unfit to hold a license;

14 (13) omits information or makes a material misrepresentation in any application or other
15 documentation filed with the department including providing a false or forged identity document or a
16 false or forged photograph, electronic image, or other document;

17 (14) fails to remit payment as ordered for a civil penalty assessed by the board or
18 department;

19 (15) violates any state or federal law or regulation relating to the manufacture,
20 distribution, modification, or sale of a motor vehicle;

- 1 (16) fails to issue a refund as ordered by the board or department; [~~or~~]
- 2 (17) fails to participate in statutorily required mediation without good cause; or[-]
- 3 (18) fails to keep or maintain records required under Occupations Code, Chapter 2305,
- 4 Subchapter D.

5

6 §215.122. Catalytic Converter Record Requirements.

7 A manufacturer, distributor, or converter that repairs a motor vehicle with a catalytic converter

8 shall:

- 9 (1) comply with the recordkeeping requirements in Occupations Code, Chapter 2305, Subchapter
- 10 D; and
- 11 (2) allow the department to inspect these records during business hours.

12

13 **SUBCHAPTER D. GENERAL DISTINGUISHING NUMBERS AND IN-TRANSIT LICENSES.**

14 **43 TAC §§215.131-133, 215.138, 215.140, 215.141, 215.143, 215.144, 215.147, 215.148, 215.150-**

15 **215.160, AND 215.162**

16

17 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the

18 department proposes amendments and new sections to Chapter 215 under Occupations Code,

19 §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles

20 and the authority to take any action that is necessary or convenient to exercise that authority;

1 Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license
2 holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute
3 and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in
4 connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations
5 Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which
6 authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter
7 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives
8 the board authority to deny an application for a license, revoke or suspend a license, place on probation,
9 or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation,
10 violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds
11 a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation
12 Code; Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and
13 use of dealer's license plates; Transportation Code, §503.0631 which requires the department to adopt
14 rules to implement and manage the department's database of dealer-issued buyer's license plates;
15 §503.0633 which allows the department to establish the maximum number of license plates or sets of
16 license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065;
17 Transportation Code, §504.0011 which allows the board to adopt rules to implement and administer
18 Chapter 504; Transportation Code, §520.0071 which requires the board to adopt rules classifying deputies
19 performing titling and registration duties, the duties and obligations of these deputies, the type and
20 amount of bonds that may be required by a county tax assessor-collector for a deputy performing titling
21 and registration duties, and the fees that may be charged or retained by deputies; Transportation Code,
22 §520.021 which allows the department to adopt rules and policies for the maintenance and use of the
23 department's automated registration and titling system; and Transportation Code, §1002.001, which

1 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the
2 duties of the department, as well as the statutes referenced throughout this preamble.

3 The department also adopts amendments under the authority of Transportation Code,
4 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
5 §2001.054, in addition to the statutory authority referenced throughout this preamble.

6 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
7 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
8 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
9 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,
10 §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation
11 Code, §520.003 authorizes the department to adopt rules to administer Chapter 520.

12 Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature
13 and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies
14 the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal
15 of a license.

16 **CROSS REFERENCE TO STATUTE.** These proposed new sections and amendments implement Government
17 Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501
18 - 504, 520, and 1001–1005.

19
20 Text.

21 §215.131. Purpose and Scope.

1 This subchapter implements Transportation Code, Chapters 503, 504, 520, and 1001–1005,
2 and Occupations Code, Chapters [~~Chapter~~] 2301 and 2305, and applies to general distinguishing
3 numbers and drive-a-way operator in-transit licenses issued by the department.

4

5 §215.132. Definitions.

6 The following words and terms, when used in this subchapter, shall have the following
7 meanings, unless the context clearly indicates otherwise.

8 (1) Barrier--A material object or set of objects that separates or demarcates.

9 (2) Buyer's license plate--A general issue license plate or set of license plates issued
10 by a dealer to a vehicle buyer under Transportation Code, §503.063 for a vehicle that will be titled
11 and registered in Texas. This term also includes a buyer's provisional license plate that a dealer
12 issues when the general issue license plate or set of license plates for that vehicle or motor vehicle
13 type is not in a dealer's license plate inventory at the time of retail sale.

14 (3) Buyer's temporary license plate--A temporary license plate issued by a dealer to
15 a non-resident vehicle buyer for a vehicle that will be titled and registered out-of-state in
16 accordance with Transportation Code, §503.063(i).

17 (4) [~~(2)~~] Consignment sale--The owner-authorized sale of a motor vehicle by a
18 person other than the owner.

19 (5) Dealer's temporary license plate--A license plate that a dealer may purchase and
20 use for the purposes allowed under Transportation Code, §503.062.

21 (6) [~~(3)~~] House trailer--A nonmotorized vehicle designed for human habitation and
22 for carrying persons and property on its own structure and for being drawn by a motor vehicle. A

1 house trailer does not include manufactured housing. A towable recreational vehicle, as defined by
2 Occupations Code, §2301.002, is included in the terms "house trailer" or "travel trailer."

3 (7) ~~[(4)]~~ Municipality--As defined according to the Local Government Code, Chapter
4 1.

5 (8) ~~[(5)]~~ Person--Has the meaning assigned by Occupations Code, §2301.002.

6 (9) ~~[(6)]~~ Sale--With regard to a specific vehicle, the transfer of possession of that
7 vehicle to a purchaser for consideration.

8 ~~[(7) Temporary tag--A buyer's temporary tag, converter's temporary tag, or dealer's
9 temporary tag as described under Transportation Code, Chapter 503.]~~

10 (10) ~~[(8)]~~ Towable recreational vehicle--Has the same meaning as "house trailer"
11 defined by this section.

12 (11) ~~[(9)]~~ Travel Trailer--Has the same meaning as "house trailer" defined by this
13 section.

14 (12) ~~[(10)]~~ Vehicle--Has the meaning assigned by Transportation Code, §503.001.

15 (13) ~~[(11)]~~ VIN--Vehicle identification number.

16

17 §215.133. GDN Application Requirements for a Dealer or a Wholesale Motor Vehicle Auction.

18 (a) No person may engage in business as a dealer or as a wholesale motor vehicle auction
19 unless that person has a valid GDN assigned by the department for each location from which the
20 person engages in business. A dealer must also hold a GDN for a consignment location, unless the
21 consignment location is a wholesale motor vehicle auction.

22 (b) Subsection (a) of this section does not apply to a person exempt from the requirement
23 to obtain a GDN under Transportation Code §503.024.

1 (c) A GDN dealer or wholesale motor vehicle auction application must be on a form
2 prescribed by the department and properly completed by the applicant as required under §215.83
3 of this title (relating to License Applications, Amendments, or Renewals). A GDN dealer or
4 wholesale motor vehicle auction application must include all required information, required
5 supporting documents, and required fees and must be submitted to the department electronically
6 in the licensing system designated by the department. A GDN dealer or wholesale motor vehicle
7 auction GDN holder renewing or amending its GDN must verify current license information,
8 provide related information and documents for any new requirements or changes to the GDN, and
9 pay required fees including any outstanding civil penalties owed the department under a final
10 order. An applicant for a new dealer or wholesale motor vehicle auction GDN must provide the
11 following:

12 (1) Required information:

13 (A) type of GDN requested;

14 (B) business information, including the name, physical and mailing
15 addresses, telephone number, Secretary of State file number (as applicable), and website address,
16 as applicable;

17 (C) contact name, email address, and telephone number of the person
18 submitting the application;

19 (D) contact name, email address, and telephone number of a person who
20 can provide information about business operations and the motor vehicle products or services
21 offered;

1 (E) the name, social security number, date of birth, identity document
2 information, and ownership percentage for each owner, partner, member, or principal if the
3 applicant is not a publicly traded company;

4 (F) the name, social security number, date of birth, and identity document
5 information for each officer, director, manager, trustee, or other representative authorized to act
6 on behalf of the applicant if the applicant is owned in full or in part by a legal entity;

7 (G) the name, employer identification number, ownership percentage, and
8 non-profit or publicly traded status for each legal entity that owns the applicant in full or in part;

9 (H) the name, social security number, date of birth, and identity document
10 information of at least one manager or other bona fide employee who will be present at the
11 established and permanent place of business if the owner is out of state or will not be present
12 during business hours at the established and permanent place of business in Texas;

13 (I) if a dealer, the name, telephone number, and business email address of
14 the ~~[temporary tag database]~~ account administrator for the temporary tag database prior to July 1,
15 2025, or for the license plate system on or after July 1, 2025, designated by the applicant who
16 must be an owner or representative listed in the application;

17 (J) criminal history record information under the laws of Texas, another
18 state in the United States, the United States, and any foreign jurisdiction for each person listed in
19 the application, including offense description, date, and location;

20 (K) military service status;

21 (L) licensing history required to evaluate fitness for licensure under §215.89
22 of this title (relating to Fitness);

1 (M) information about the business location and business premises,
2 including whether the applicant will operate as a salvage vehicle dealer at the location;

3 (N) history of insolvency, including outstanding or unpaid debts, judgments,
4 or liens, unless the debt was discharged under 11 U.S.C. §§101 et seq. (Bankruptcy Act) or is
5 pending resolution under a case filed under the Bankruptcy Act;

6 (O) signed Certification of Responsibility, which is a form provided by the
7 department; and

8 (P) if a dealer, whether the applicant repairs a motor vehicle with a catalytic
9 converter in Texas, and if so, the physical address where the repair is performed; and

10 (Q)[(P)] any other information required by the department to evaluate the
11 application under current law and board rules.

12 (2) A legible and accurate electronic image of each applicable required document:

13 (A) proof of a surety bond if required under §215.137 of this title (relating
14 to Surety Bond);

15 (B) the certificate of filing, certificate of incorporation, or certificate of
16 registration on file with the Secretary of State, as applicable;

17 (C) each assumed name certificate on file with the Secretary of State or
18 county clerk;

19 (D) at least one of the following unexpired identity documents for each
20 natural person listed in the application:

21 (i) driver license;

22 (ii) Texas Identification Card issued by the Texas Department of
23 Public Safety under Transportation Code, Chapter 521, Subchapter E;

1 (iii) license to carry a handgun issued by the Texas Department of
2 Public Safety under Government Code, Chapter 411, Subchapter H;

3 (iv) passport; or

4 (v) United States military identification card.

5 (E) a certificate of occupancy, certificate of compliance, or other official
6 documentation confirming the business location complies with municipal ordinances, including
7 zoning, occupancy, or other requirements for a vehicle business;

8 (F) documents proving business premises ownership, or lease or sublease
9 agreement for the license period;

10 (G) business premises photos and a notarized affidavit certifying that all
11 premises requirements in §215.140 of this title (relating to Established and Permanent Place of
12 Business Premises Requirements) are met and will be maintained during the license period;

13 (H) evidence of franchise if applying for a franchised motor vehicle dealer
14 GDN;

15 (I) proof of completion of the dealer education and training required under
16 Transportation Code §503.0296, if applicable; ~~and~~

17 (J) proof of completion of webDEALER training conducted by the
18 department under §217.174(g) of this title (relating to webDEALER Access, Use, and Training); and

19 (K)~~(J)~~ any other documents required by the department to evaluate the
20 application under current law and board rules.

21 (3) Required fees:

22 (A) the fee for each type of license requested as prescribed by law; and

1 (B) the fee, including applicable taxes, for each dealer's standard [~~dealer~~
2 plate, and dealer's temporary license plate on or after July 1, 2025, requested by the applicant as
3 prescribed by law.

4 (d) An applicant for a dealer or wholesale auction GDN must also comply with fingerprint
5 requirements in §211.6 of this title (relating to Fingerprint Requirements for Designated License
6 Types), as applicable.

7 (e) An applicant for a GDN operating under a name other than the applicant's business
8 name shall use the assumed name under which the applicant is authorized to do business, as filed
9 with the Secretary of State or county clerk, and the assumed name of such legal entity shall be
10 recorded by the applicant on the application using the letters "DBA." The applicant may not use a
11 name or assumed name that may be confused with or is similar to that of a governmental entity or
12 that is otherwise deceptive or misleading to the public.

13 (f) A wholesale motor vehicle dealer GDN holder may sell or exchange vehicles with
14 licensed or authorized dealers only. A wholesale motor vehicle dealer GDN holder may not sell or
15 exchange vehicles at retail.

16 (g) An independent mobility motor vehicle dealer shall retain and produce for inspection all
17 records relating to the license requirements under Occupations Code, §2301.002(17-b) and all
18 information and records required under Transportation Code §503.0295.

19 (h) In evaluating a new or renewal GDN application or an application for a new GDN
20 location, the department may require a site visit to determine if the business location meets the
21 requirements in §215.140. The department will require the applicant or GDN holder to provide a
22 notarized affidavit confirming that all premises requirements are met and will be maintained
23 during the license period.

1 (i) A person holding an independent motor vehicle GDN does not have to hold a salvage
2 vehicle dealer's license to:

3 (1) act as a salvage vehicle dealer or rebuilder; or

4 (2) store or display a motor vehicle as an agent or escrow agent of an insurance
5 company.

6 (j) A person holding an independent motor vehicle GDN and performing salvage activities
7 under subsection (i) must apply for a National Motor Vehicle Title Information System (NMVTIS)
8 identification number and provide the number to the department in the GDN application.

9 (k) To be eligible for an independent motor vehicle GDN, a person must complete dealer
10 education and training specified by the department, except as provided in this subsection:

11 (1) once a person has completed the required dealer education and training, the
12 person will not have to retake the dealer education and training for subsequent GDN renewals, but
13 may be required to provide proof of dealer education and training completion as part of the GDN
14 renewal process;

15 (2) a person holding an independent motor vehicle GDN for at least 10 years as of
16 September 1, 2019, is exempt from the dealer education and training requirement; and.

17 (3) a military service member, military spouse, or military veteran will receive
18 appropriate credit for prior training, education, and professional experience and may be exempted
19 from the dealer education and training requirement.

20

21 §215.138. Use of Dealer's License Plates.

1 (a) A dealer's standard, personalized prestige, or temporary [~~or personalized prestige~~] license
2 plate must be attached to the rear of a vehicle in accordance with §217.27 of this title (relating to Vehicle
3 Registration Insignia).

4 (b) A copy of the receipt for a dealer's standard, personalized prestige, or temporary [~~or~~
5 ~~personalized prestige~~] license plate issued by the department should be carried in the vehicle to present
6 to law enforcement personnel upon request.

7 (c) A dealer's standard, personalized prestige, or temporary [~~or personalized prestige~~] license
8 plate may not be displayed on:

9 (1) a laden commercial vehicle being operated or moved on the public streets or
10 highways; [~~or~~]

11 (2) the dealer's service or work vehicle, except as provided by Transportation Code,
12 §503.068(b-1); [~~or~~]

13 (3) a golf cart as defined under Transportation Code Chapter 551; or

14 (4) an off-highway vehicle as defined under Transportation Code Chapter 551A.

15 (d) For purposes of this section, a dealer's service or work vehicle includes:

16 (1) a vehicle used for towing or transporting another vehicle;

17 (2) a vehicle, including a light truck, used in connection with the operation of the
18 dealer's shops or parts department;

19 (3) a courtesy car on which a courtesy car sign is displayed;

20 (4) a rental or lease vehicle; and

1 (5) a boat trailer owned by a dealer or manufacturer that is used to transport more than
2 one boat.

3 (e) For purposes of this section, a light truck as defined by Transportation Code, §541.201, is not
4 considered a laden commercial vehicle when it is:

5 (1) mounted with a camper unit; or

6 (2) towing a trailer for recreational purposes.

7 (f) A dealer's standard, personalized prestige, or temporary [~~or personalized prestige~~] license
8 plate may be displayed only on the type of vehicle for which the GDN is issued and for which a dealer is
9 licensed to sell. A nonfranchised dealer may not display a dealer's standard or personalized prestige
10 license plate on a new motor vehicle.

11 (g) A dealer's standard or personalized prestige license plate may be displayed only on a vehicle
12 that has a valid inspection in accordance with Transportation Code, Chapter 548.

13 (h) A dealer shall maintain in an electronic license plate system designated by the department a
14 record of each dealer's standard, [~~or~~] personalized prestige, or temporary license plate issued by the
15 department to that dealer. The license plate record must contain:

16 (1) the license plate number;

17 (2) the year and make of the vehicle to which the dealer's license plate is affixed;

18 (3) the VIN of the vehicle; and

19 (4) the name of the person in control of the vehicle or license plate.

1 (i) If a dealer cannot account for a dealer's standard or personalized prestige license plate that
2 the department issued to that dealer, the dealer shall:

3 (1) document the dealer's license plate as "void" in the dealer's license plate record;

4 (2) within three days of discovering that the dealer's license plate is missing or damaged,
5 report the dealer's license plate as lost, stolen, or damaged in the electronic system designated by the
6 department; and

7 (3) if found, cease use of the dealer's license plate.

8 (j) A dealer's standard, personalized prestige, or temporary [~~personalized prestige~~] license
9 plate is no longer valid for use after the dealer reports to the department that the dealer's license plate
10 is lost, stolen, or damaged. A dealer is also encouraged to immediately alert law enforcement by
11 reporting a stolen license plate to a local law enforcement agency. A dealer shall:

12 (1) render a void plate unusable by permanently marking the front of the plate with the
13 word "VOID" or a large "X"; and

14 (2) destroy or recycle the license plate or return the license plate to the department
15 within 10 days.

16 [~~(k) A dealer's license plate record must be available for inspection and copying by the~~
17 ~~department during normal business hours or be available to submit electronically to the department~~
18 ~~upon request.~~]

1 ~~(k)(4)~~ A dealer shall return a department-issued license plate, sticker, or receipt to the
2 department within 10 days of the dealer closing the associated license or the department revoking or
3 canceling the license.

4 (l) A wholesale motor vehicle auction GDN holder that also holds a dealer GDN may display a
5 dealer's temporary license plate assigned to that dealer GDN on a vehicle that is being transported to or
6 from the licensed auction location.

7

8 §215.140. Established and Permanent Place of Business Premises Requirements.

9 (a) A dealer must meet the following requirements at each licensed location and maintain the
10 requirements during the term of the license. If multiple dealers are licensed at a location, each dealer
11 must maintain the following requirements during the entire term of the license.

12 (1) Business hours for retail dealers.

13 (A) A retail dealer's office must be open at least four days per week for at least
14 four consecutive hours per day and may not be open solely by appointment.

15 (B) The retail dealer's business hours for each day of the week must be posted at
16 the main entrance of the retail dealer's office in a manner and location that is accessible to the public.
17 The owner or a bona fide employee of the retail dealer shall be at the retail dealer's licensed location
18 during the posted business hours for the purposes of buying, selling, exchanging, or leasing vehicles. If
19 the owner or a bona fide employee is not available to conduct business during the retail dealer's posted
20 business hours due to special circumstances or emergencies, a separate sign must be posted indicating
21 the date and time the retail dealer will resume operations. Regardless of the retail dealer's business

1 hours, the retail dealer's telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a bona
2 fide employee, owner, answering service, voicemail service, or answering machine. A caller must be able
3 to speak to a natural person or leave a message during these hours.

4 (2) Business hours for wholesale motor vehicle dealers. A dealer that holds only a
5 wholesale motor vehicle dealer's GDN must post its business hours at the main entrance of the
6 wholesale motor vehicle dealer's office in a manner and location that is accessible to the public. A
7 wholesale motor vehicle dealer or bona fide employee shall be at the wholesale motor vehicle dealer's
8 licensed location at least two weekdays per week for at least two consecutive hours per day. A wholesale
9 motor vehicle dealer may not be open solely by appointment. Regardless of the wholesale motor vehicle
10 dealer's business hours, the wholesale motor vehicle dealer's telephone must be answered from 8:00
11 a.m. to 5:00 p.m. weekdays by a bona fide employee, owner, answering service, voicemail service, or
12 answering machine. A caller must be able to speak to a natural person or leave a message during these
13 hours.

14 (3) Business sign requirements for retail dealers.

15 (A) A retail dealer must display a conspicuous, permanent sign with letters at
16 least six inches in height showing the retail dealer's business name or assumed name substantially
17 similar to the name reflected on the retail dealer's GDN under which the retail dealer conducts business.
18 A business sign is considered conspicuous if it is easily visible to the public within 100 feet of the main
19 entrance of the business office. A business sign is considered permanent only if it is made of durable,
20 weather-resistant material.

21 (B) The sign must be permanently mounted at the physical address listed on the
22 application for the retail dealer's GDN. A business sign is considered permanently mounted if bolted to

1 an exterior building wall or bolted or welded to a dedicated sign pole or sign support permanently
2 installed in the ground.

3 (C) A retail dealer may use a temporary sign or banner if that retail dealer can
4 show proof that a sign that meets the requirements of this paragraph has been ordered and provides a
5 written statement that the sign will be promptly and permanently mounted upon delivery.

6 (D) A retail dealer is responsible for ensuring that the business sign complies
7 with municipal ordinances, and that any lease signage requirements are consistent with the signage
8 requirements in this paragraph.

9 (4) Business sign requirements for wholesale motor vehicle dealers.

10 (A) Exterior Sign

11 (i) A wholesale motor vehicle dealer must display a conspicuous,
12 permanent sign with letters at least six inches in height showing the wholesale motor vehicle dealer's
13 business name or assumed name substantially similar to the name reflected on the wholesale motor
14 vehicle dealer's GDN under which the wholesale motor vehicle dealer conducts business. Effective
15 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
16 in letters at least three inches in height. A business sign is considered conspicuous if it is easily visible to
17 the public within 100 feet of the main entrance of the business office. A business sign is considered
18 permanent only if it is made of durable, weather-resistant material.

19 (ii) The sign must be permanently mounted on the business property at
20 the physical address listed on the application. A business sign is considered permanently mounted if
21 bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign support

1 permanently installed in the ground. A wholesale motor vehicle dealer may use a temporary exterior
2 sign or banner if the wholesale motor vehicle dealer can show proof that a sign that meets the
3 requirements of this paragraph has been ordered and provides a written statement that the sign will be
4 promptly and permanently mounted upon delivery.

5 (B) Interior Sign

6 (i) If the wholesale motor vehicle dealer's office is located in an office
7 building with one or more other businesses and an outside sign is not permitted by the property owner,
8 a conspicuous permanent business sign permanently mounted on or beside the main door to the
9 wholesale motor vehicle dealer's office with letters at least two inches in height is acceptable. Effective
10 September 1, 2023, the sign must also include the statement that "Purchasers must be Licensed Dealers"
11 in letters at least one inch in height.

12 (ii) An interior business sign is considered conspicuous if it is easily
13 visible to the public within 10 feet of the main entrance of the wholesale motor vehicle dealer's office.
14 An interior sign is considered permanent if made from durable material and has lettering that cannot be
15 changed. An interior sign is considered permanently mounted if bolted or otherwise permanently affixed
16 to the main door or nearby wall. A wholesale motor vehicle dealer may use a temporary interior sign or
17 banner if the wholesale motor vehicle dealer can show proof that a sign that meets the requirements of
18 this paragraph has been ordered and provides a written statement that the sign will be promptly and
19 permanently mounted upon delivery.

20 (C) A wholesale motor vehicle dealer is responsible for ensuring that the
21 business sign complies with municipal ordinances and that any lease signage requirements are
22 consistent with the signage requirements in this paragraph.

1 (5) Office requirements for a retail dealer and a wholesale motor vehicle dealer.

2 (A) A dealer's office must be located in a building with a permanent roof and
3 connecting exterior walls on all sides.

4 (B) A dealer's office must comply with all applicable municipal ordinances,
5 including municipal zoning ordinances. The dealer is responsible for obtaining a certificate of occupancy,
6 certificate of compliance, or other required document issued by a municipal government to show
7 compliance, including a new certificate or document when the building is altered or remodeled, or when
8 the building use changes.

9 (C) A dealer's office may not be located in a residence, apartment, hotel, motel,
10 rooming house, or any room or building not open to the public.

11 (D) A dealer's office may not be located in a restaurant, gas station, or
12 convenience store, unless the office has a separate entrance door that does not require a dealer's
13 customer to pass through the other business.

14 (E) A dealer's office may not be virtual or provided by a subscription for office
15 space or office services. Access to an office space or office services is not considered an established and
16 permanent location.

17 (F) The physical address of the dealer's office must be in Texas and recognized by
18 the U.S. Postal Service, be capable of receiving U.S. mail, and have an assigned emergency services
19 property address. The department will not mail a dealer's or buyer's license plate to an out-of-state
20 address and will only mail or deliver a license plate to a dealer's physical location.

1 (G) A portable-type office building may qualify as an office only if the building
2 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

3 (H) The dealer's office space must:

4 (i) include at least 100 square feet of interior floor space, exclusive of
5 hallways, closets, or restrooms;

6 (ii) have a minimum seven-foot-high ceiling;

7 (iii) accommodate required office equipment; and

8 (iv) allow a dealer and customer to safely access the office and conduct
9 business in private while seated.

10 (6) Required office equipment for a retail dealer and a wholesale motor vehicle dealer.

11 At a minimum, a dealer's office must be equipped with:

12 (A) a desk;

13 (B) two chairs;

14 (C) internet access; ~~and~~

15 (D) a working telephone number listed in the business name or assumed name
16 under which the dealer conducts business; and [-]

17 (E) a locked and secured room or closet or at least one securely locked,
18 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
19 safe or steel cabinet cannot be readily removed and of sufficient size to store all dealer's and buyer's

1 license plates in a dealer’s possession including both assigned plates for vehicles in inventory and
2 unissued buyer’s license plates.

3 (7) Number of retail dealers in one building. Not more than four retail dealers may be
4 located in the same building. Each retail dealer located in the same building must meet the requirements
5 of this section.

6 (8) Number of wholesale motor vehicle dealers in one office building. Not more than
7 eight wholesale motor vehicle dealers may be located in the same office building. Each wholesale motor
8 vehicle dealer located in the same office building must meet the requirements of this section.

9 (9) Office sharing prohibition for retail dealers and wholesale motor vehicle dealers.
10 Unless otherwise authorized by the Transportation Code, a retail dealer and a wholesale motor vehicle
11 dealer licensed after September 1, 1999, may not be located in the same building.

12 (10) Dealer housed with other business.

13 (A) If a person conducts business as a dealer in conjunction with another
14 business owned by the same person and under the same name as the other business, the same
15 telephone number may be used for both businesses. If the name of the dealer differs from the name of
16 the other business, a separate telephone listing and a separate sign for each business are required.

17 (B) A person may conduct business as a dealer in conjunction with another
18 business not owned by that person only if the dealer owns the property on which business is conducted
19 or has a separate lease agreement from the owner of that property that meets the requirements of this
20 section. The same telephone number may not be used by both businesses. The dealer must have
21 separate business signs, telephone listings, and office equipment required under this section.

1 (C) A dealer's office must have permanent interior walls on all sides and be
2 separate from any public area used by another business.

3 (11) Display area and storage lot requirements.

4 (A) A wholesale motor vehicle dealer is not required to have display space at the
5 wholesale motor vehicle dealer's business premises.

6 (B) A retail dealer must have an area designated as display space for the retail
7 dealer's inventory. A retail dealer's designated display area must comply with the following
8 requirements.

9 (i) The display area must be located at the retail dealer's physical
10 business address or contiguous to the retail dealer's physical address. The display area may not be in a
11 storage lot.

12 (ii) The display area must be of sufficient size to display at least five
13 vehicles of the type for which the GDN is issued. The display area must be reserved exclusively for the
14 retail dealer's inventory and may not be used for customer parking, employee parking, general storage,
15 or shared or intermingled with another business or a public parking area, a driveway to the office, or
16 another dealer's display area.

17 (iii) The display area may not be on a public easement, right-of-way, or
18 driveway unless the governing body having jurisdiction of the easement, right-of-way, or driveway
19 expressly consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part
20 of the state highway system, use as a display area may only be authorized by a lease agreement.

1 (iv) If a retail dealer shares a display or parking area with another
2 business, including another dealer, the dealer's vehicle inventory must be separated from the other
3 business's display or parking area by a material object or barrier that cannot be readily removed. A
4 barrier that cannot be readily removed is one that cannot be easily moved by one person and typically
5 weighs more than 50 pounds. A material object or barrier must be in place on all sides except for the
6 space necessary to allow for entry and exit of vehicle inventory.

7 (v) If a dealer's business location includes gasoline pumps or a charging
8 station or includes another business that sells gasoline or has a charging station, the dealer's display area
9 may not be part of the parking area for fuel or charging station customers and may not interfere with
10 access to or from the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

11 (vi) The display area must be adequately illuminated if the retail dealer
12 is open at night so that a vehicle for sale can be properly inspected by a potential buyer.

13 (vii) The display area may be located inside a building; however, if
14 multiple dealers are displaying vehicles inside a building, each dealer's display area must be separated by
15 a material object or barrier that cannot be readily removed. A barrier that cannot be readily removed is
16 one that cannot be easily moved by one person and typically weighs more than 50 pounds. A material
17 object or barrier must be in place on all sides except for the space necessary to allow for entry and exit
18 of vehicle inventory.

19 (C) A GDN holder may maintain a storage lot only if the storage lot is not accessible to
20 the public and no sales activity occurs at the storage lot. A sign stating the license holder's name, contact
21 information, and the fact the property is a storage lot is permissible. A storage lot must be fenced or in
22 an access-controlled location to be considered not accessible to the public. A GDN holder or applicant

1 must disclose the address of a storage lot or the location of a vehicle in inventory upon request by the
2 department.

3 (12) Dealers authorized to sell salvage motor vehicles. If an independent motor vehicle
4 dealer offers a salvage motor vehicle for sale on the dealer's premises, the vehicle must be clearly and
5 conspicuously marked with a sign informing a potential buyer that the vehicle is a salvage motor vehicle.

6 (13) Lease requirements. If the premises from which a dealer conducts business,
7 including any display area, is not owned by the dealer, the dealer must maintain a lease that is
8 continuous during the period of time for which the dealer's license will be issued. The lease agreement
9 must be on a properly executed form containing at a minimum:

10 (A) the name of the property owner as the lessor of the premises and the name
11 of the dealer as the tenant or lessee of the premises;

12 (B) the period of time for which the lease is valid;

13 (C) the street address or legal description of the property, provided that if only a
14 legal description of the property is included, a dealer must attach a statement verifying that the property
15 description in the lease agreement is the physical street address identified on the application as the
16 physical address for the established and permanent place of business;

17 (D) the signature of the property owner as the lessor and the signature of the
18 dealer as the tenant or lessee; and

19 (E) if the lease agreement is a sublease in which the property owner is not the
20 lessor, the dealer must also obtain a signed and notarized statement from the property owner including
21 the following information:

1 (i) property owner's full name, email address, mailing address, and
2 phone number; and

3 (ii) property owner's statement confirming that the dealer is authorized
4 to sublease the location and may operate a vehicle sales business from the location.

5 (14) Dealer must display GDN and bond notice. A dealer must display the dealer's GDN
6 issued by the department at all times in a manner that makes the GDN easily readable by the public and
7 in a conspicuous place at each place of business for which the dealer's GDN is issued. A dealer required
8 to obtain a surety bond must post a bond notice adjacent to and in the same manner as the dealer's
9 GDN is displayed. The notice must include the bond company name, bond identification number, and
10 procedure by which a claimant can recover under the bond. The notice must also include the
11 department's website address and notify a consumer that a dealer's surety bond information may be
12 obtained by submitting a request to the department. If the dealer's GDN applies to more than one
13 location, a copy of the GDN and bond notice must be displayed in each supplemental location.

14 (b) Wholesale motor vehicle auction premises requirements. A wholesale motor vehicle auction
15 must comply with the following premises requirements:

16 (1) a wholesale motor vehicle auction GDN holder must hold a motor vehicle auction on
17 a regular periodic basis at the licensed location, and an owner or bona fide employee must be available
18 at the business location during each auction and during posted business hours. If the owner or a bona
19 fide employee is not available to conduct business during the posted business hours due to special
20 circumstances or emergencies, a separate sign must be posted indicating the date and time operations
21 will resume.

1 (2) the business telephone must be answered from 8:00 a.m. to 5:00 p.m. weekdays by a
2 bona fide employee, owner, answering service, voicemail service, or answering machine. A caller must
3 be able to speak to a natural person or leave a message during these hours.

4 (3) a wholesale motor vehicle auction GDN holder must display a business sign that
5 meets the following requirements:

6 (A) The sign must be a conspicuous, permanent sign with letters at least six
7 inches in height showing the business name or assumed name substantially similar to the name reflected
8 on the GDN under which the GDN holder conducts business. A business sign is considered conspicuous
9 if it is easily visible to the public within 100 feet of the main entrance of the business office. A business
10 sign is considered permanent only if it is made of durable, weather-resistant material.

11 (B) The sign must be permanently mounted at the physical address listed on the
12 application for the wholesale motor vehicle auction GDN. A business sign is considered permanently
13 mounted if bolted to an exterior building wall or bolted or welded to a dedicated sign pole or sign
14 support permanently installed in the ground.

15 (C) An applicant may use a temporary sign or banner if the applicant can show
16 proof that a sign that meets the requirements of this paragraph has been ordered and provides a written
17 statement that the sign will be promptly and permanently mounted upon delivery.

18 (D) An applicant or holder is responsible for ensuring that the business sign
19 complies with municipal ordinances, and that any lease signage requirements are consistent with the
20 signage requirements in this paragraph.

1 (4) The business office of a wholesale motor vehicle auction GDN applicant and holder
2 must meet the following requirements:

3 (A) The office must be located in a building with a permanent roof and
4 connecting exterior walls on all sides.

5 (B) The office must comply with all applicable municipal ordinances, including
6 municipal zoning ordinances. The wholesale motor vehicle auction is responsible for obtaining a
7 certificate of occupancy, certificate of compliance, or other required document issued by a municipal
8 government to show compliance, including a new certificate or document when the building is altered or
9 remodeled, or when the building use changes.

10 (C) The office may not be located in a residence, apartment, hotel, motel,
11 rooming house, or any room or building not open to the public.

12 (D) The office may not be located in a restaurant, gas station, or convenience
13 store, unless the office has a separate entrance door that does not require a customer to pass through
14 the other business.

15 (E) The office may not be virtual or provided by a subscription for office space or
16 office services. Access to office space or office services is not considered an established and permanent
17 location.

18 (F) The physical address of the office must be in Texas and recognized by the U.S.
19 Postal Service, capable of receiving U.S. mail, and have an assigned emergency services property
20 address.

1 (G) A portable-type office building may qualify as an office only if the building
2 meets the requirements of this section and is not a readily moveable trailer or other vehicle.

3 (5) A wholesale motor vehicle auction GDN applicant and holder must have the following
4 office equipment:

5 (A) a desk;

6 (B) a chair;

7 (C) internet access; ~~and~~

8 (D) a working telephone number listed in the business name or assumed name
9 under which business is conducted; and [-]

10 (E) a locked and secured room or closet or at least one securely locked,
11 substantially constructed safe or steel cabinet bolted or affixed to the floor or wall in such a way that the
12 safe or steel cabinet cannot be readily removed and of sufficient size to store all license plates necessary
13 to remove from a vehicle upon sale at auction such as a license plate or set of license plates removed
14 from a vehicle sold to an out-of-state buyer or sold for export.

15 (6) A wholesale motor vehicle auction must meet the following display area and storage
16 lot requirements:

17 (A) The area designated as display space for inventory must be located at the
18 physical business address or contiguous to the physical address. The display area may not be in a storage
19 lot.

1 (B) The display area must be of sufficient size to display at least five vehicles.

2 Those spaces must be reserved exclusively for inventory and may not be used for customer parking,
3 employee parking, general storage, or shared or intermingled with another business or a public parking
4 area, or a driveway to the office.

5 (C) The display area may not be on a public easement, right-of-way, or driveway
6 unless the governing body having jurisdiction of the easement, right-of-way, or driveway expressly
7 consents in writing to use as a display area. If the easement, right-of-way, or driveway is a part of the
8 state highway system, use as a display area may only be authorized by a lease agreement.

9 (D) If the business location includes gasoline pumps or a charging station or
10 includes another business that sells gasoline or has a charging station, the display area may not be part
11 of the parking area for fuel or charging station customers and may not interfere with access to or from
12 the gasoline pumps, fuel tanks, charging station, or fire prevention equipment.

13 (E) The display area must be adequately illuminated if open at night so that a
14 vehicle for sale can be properly inspected by a potential buyer.

15 (F) The display area may be located inside a building.

16 (G) A wholesale motor vehicle auction may maintain a storage lot only if the
17 storage lot is not accessible to the public and no sales activity occurs at the storage lot. A sign stating the
18 business name, contact information, and the fact the property is a storage lot is permissible. A storage
19 lot must be fenced or in an access-controlled location to be considered not accessible to the public. A
20 GDN holder or applicant must disclose the address of a storage lot or the location of a vehicle in
21 inventory upon request by the department.

1 (7) A wholesale motor vehicle auction must meet the following lease requirements if the
2 business premises, including any display area, is not owned by the wholesale motor vehicle auction:

3 (A) the applicant or holder must maintain a lease that is continuous during the
4 period of time for which the GDN will be issued;

5 (B) The lease agreement must be on a properly executed form containing at a
6 minimum:

7 (i) the name of the property owner as the lessor of the premises and the
8 name of the GDN applicant or holder as the tenant or lessee of the premises;

9 (ii) the period of time for which the lease is valid;

10 (iii) the street address or legal description of the property, provided that
11 if only a legal description of the property is included, a wholesale motor vehicle auction must attach a
12 statement verifying that the property description in the lease agreement is the physical street address
13 identified on the application as the physical address for the established and permanent place of
14 business;

15 (iv) the signature of the property owner as the lessor and the signature
16 of the applicant or holder as the tenant or lessee; and

17 (C) if the lease agreement is a sublease in which the property owner is not the
18 lessor, the wholesale motor vehicle auction must also obtain a signed and notarized statement from the
19 property owner including the following information:

1 (i) property owner's full name, email address, mailing address, and
2 phone number; and

3 (ii) property owner's statement confirming that the wholesale motor
4 vehicle auction is authorized to sublease the location and may operate a wholesale motor vehicle
5 auction business from the location.

6

7 §215.141. Sanctions.

8 (a) The board or department may take the following actions against a license applicant, a license
9 holder, or a person engaged in business for which a license is required:

10 (1) deny an application;

11 (2) revoke a license;

12 (3) suspend a license;

13 (4) assess a civil penalty;

14 (5) issue a cease and desist order; or

15 (6) or take other authorized action.

16 (b) The board or department may take action described in subsection (a) of this section if a
17 license applicant, a license holder, or a person engaged in business for which a license is required:

18 (1) fails to maintain a good and sufficient bond or post the required bond notice if
19 required under Transportation Code §503.033 (relating to Security Requirement);

1 (2) fails to meet or maintain the requirements of §215.140 (relating to Established and
2 Permanent Place of Business Premises Requirements);

3 (3) fails to maintain records required under this chapter;

4 (4) refuses or fails to comply with a request by the department for electronic records or
5 to examine and copy electronic or physical records during the license holder's business hours at the
6 licensed business location:

7 (A) sales records required to be maintained by §215.144 of this title (relating to
8 Vehicle Records);

9 (B) ownership papers for a vehicle owned by that dealer or under that dealer's
10 control;

11 (C) evidence of ownership or a current lease agreement for the property on
12 which the business is located; or

13 (D) the Certificate of Occupancy, Certificate of Compliance, business license or
14 permit, or other official documentation confirming compliance with county and municipal laws or
15 ordinances for a vehicle business at the licensed physical location.

16 (5) refuses or fails to timely comply with a request for records made by a representative
17 of the department;

18 (6) holds a wholesale motor vehicle dealer's license and

19 sells or offers to sell a motor vehicle to a person other than a licensed or authorized dealer;

20 (7) sells or offers to sell a type of vehicle that the person is not licensed to sell;

1 (8) fails to submit a license amendment application in the electronic licensing system
2 designated by the department to notify the department of a change of the license holder's physical
3 address, mailing address, telephone number, or email address within 10 days of the change;

4 (9) fails to submit a license amendment application in the electronic licensing system
5 designated by the department to notify the department of a license holder's name change, or
6 management or ownership change within 10 days of the change;

7 (10) [~~except as provided by law,~~] issues more than one buyer's license plate or set of
8 plates or buyer's temporary license plate for a vehicle sold on or after July 1, 2025, or more than one
9 temporary tag for a vehicle sold before July 1, 2025, for the purpose of extending the purchaser's
10 operating privileges for more than 60 days;

11 (11) fails to remove a license plate or registration insignia from a vehicle that is displayed
12 for sale;

13 (12) misuses a dealer's license plate, or a temporary tag before July 1, 2025;

14 (13) fails to display a dealer's license plate, or temporary tag before July 1, 2025, as
15 required by law;

16 (14) holds open a title or fails to take assignment of a certificate of title, manufacturer's
17 certificate, or other basic evidence of ownership for a vehicle acquired by the dealer, or fails to assign
18 the certificate of title, manufacturer's certificate, or other basic evidence of ownership for a vehicle sold;

19 (15) fails to remain regularly and actively engaged in the business of buying, selling, or
20 exchanging vehicles of the type for which the GDN is issued by the department;

1 (16) violates a provision of Occupations Code, Chapter 2301; Transportation Code
2 Chapters 503 and 1001–1005; a board order or rule; or a regulation of the department relating to the
3 sale, lease, distribution, financing, or insuring of vehicles, including advertising rules under Subchapter F
4 of this chapter (relating to Advertising);

5 (17) is convicted of an offense that directly relates to the duties or responsibilities of the
6 occupation in accordance with §211.3 of this title (relating to Criminal Offense Guidelines);

7 (18) is determined by the board or department, in accordance with §215.89 of this title
8 (relating to Fitness), to be unfit to hold a license;

9 (19) has not assigned at least five vehicles in the prior 12 months, provided the dealer
10 has been licensed more than 12 months;

11 (20) files or provides a false or forged:

12 (A) title document, including an affidavit making application for a certified copy
13 of a title; or

14 (B) tax document, including a sales tax statement or affidavit;

15 (21) uses or allows use of that dealer's license or location for the purpose of avoiding a
16 provision of Occupations Code, Chapter 2301; Transportation Code, Chapters 503 and 1001 - 1005; or
17 other laws;

18 (22) omits information or makes a material misrepresentation in any application or other
19 documentation filed with the department including providing a false or forged identity document or a
20 false or forged photograph, electronic image, or other document;

1 (23) fails to remit payment as ordered for a civil penalty assessed by the board or
2 department;

3 (24) sells a new motor vehicle without a franchised dealer's license issued by the
4 department;

5 (25) fails to comply with a dealer responsibility under §215.150 of this title (relating to
6 Dealer Authorization to Issue License Plates [~~Authorization to Issue Temporary Tags~~]);

7 (26) on or after July 1, 2025, fails to securely store a license plate; [~~utilizes a temporary~~
8 ~~tag that fails to meet the requirements of §215.153 of this title (relating to Specifications for All~~
9 ~~Temporary Tags);]~~

10 (27) fails to maintain a record of dealer license plates as required under §215.138 of this
11 title (relating to Use of Dealer's License Plates);

12 (28) on or after July 1, 2025, fails to file or enter a vehicle transfer notice;

13 (29) fails to enter a lost, stolen, or damaged license plate in the electronic system
14 designated by the department within the time limit prescribed by rule;

15 (30) [~~(27)~~] violates any state or federal law or regulation relating to the sale of a motor
16 vehicle;

17 (31) [~~(28)~~] knowingly fails to disclose that a motor vehicle has been repaired, rebuilt, or
18 reconstructed and issued a title under Transportation Code, §501.100 (relating to Application for Regular
19 Certificate of Title for Salvage Vehicle);

20 (32) [~~(29)~~] fails to issue a refund as ordered by the board or department; or

1 (33) ~~(30)~~ fails to acquire or maintain a required certificate of occupancy, certificate of
2 compliance, business license or permit, or other official documentation for the licensed location
3 confirming compliance with county or municipal laws or ordinances or other local requirements for a
4 vehicle business;[-]

5 (34) on or after July 1, 2025, fails to remove a license plate or set of license plates from a
6 vehicle sold to an out-of-state buyer or from a vehicle sold for export; or

7 (35) fails to keep or maintain records required under Occupations Code, Chapter 2305,
8 Subchapter D or to allow an inspection of these records by the department.

9
10 §215.143. Drive-a-way Operator In-Transit License Plates.

11 (a) A drive-a-way operator may apply for a drive-a-way in-transit standard license plate:

12 (1) when applying for a new or renewal in-transit license, or

13 (2) by submitting a plate request application electronically in the system designated by
14 the department.

15 (b) A drive-a-way operator must display an in-transit license plate in the rear of each transported
16 motor vehicle from the vehicle's point of origin to its point of destination in Texas in accordance with
17 §217.27 of this title (relating to Vehicle Registration Insignia).

18 (c) A drive-a-way operator shall maintain a record of each license plate issued to the operator by
19 the department in the department-designated system. The record of each license plate issued must
20 contain:

1 (1) the license plate number;

2 (2) the year and make of the vehicle to which the license plate is affixed;

3 (3) the VIN of the vehicle; and

4 (4) the name of the person in control of the license plate ~~[vehicle]~~.

5 (d) If a drive-a-way operator cannot account for a license plate or a license plate is damaged, the
6 operator must:

7 (1) document the license plate as "void" in the department-designated system
8 ~~[operator's plate record]~~;

9 (2) within three days of discovering that the license plate is missing or damaged, report
10 the license plate as lost, stolen, or damaged in the electronic system designated by the department; and

11 (3) if found once reported, cease use of the license plate.

12 (e) A license plate is no longer valid for use after the drive-a-way operator reports to the
13 department that the plate is lost, stolen, or damaged. A drive-a-way operator must render a void plate
14 unusable by permanently marking the front of the plate with the word "VOID" or a large "X" and once
15 marked, may destroy or recycle the license plate, or return the license plate to the department for
16 recycling within 10 days. A drive-a-way operator is also encouraged to immediately alert law
17 enforcement by reporting a stolen license plate to a local law enforcement agency.

18 ~~[(f) The drive-a-way operator's license plate record must be available for inspection and copying~~
19 ~~by the department during normal business hours or be available to submit electronically to the~~
20 ~~department upon request.]~~

1 ~~(f)~~~~(g)~~ In evaluating requests for additional license plates, the department will consider the
2 business justification provided by a drive-a-way operator including the following:

- 3 (1) the number of vehicles currently being transported to a location in Texas;
- 4 (2) the highest number of motor vehicles transported in the prior 12 months;
- 5 (3) the size and type of business; and
- 6 (4) the operator’s record of tracking and reporting missing or damaged plates to the
7 department.

8 ~~(g)~~~~(h)~~ If a drive-a-way operator closes the associated license or the associated license is
9 revoked or canceled by the department, the operator must return a license plate to the department
10 within 10 days.

11

12 §215.144. Vehicle Records.

13 (a) Purchases and sales records. A dealer and wholesale motor vehicle auction shall maintain a
14 complete record of all vehicle purchases and sales for a minimum period of 48 months and make the
15 record available for inspection and copying by the department during business hours.

16 (b) Independent mobility motor vehicle dealers. An independent mobility motor vehicle dealer
17 shall keep a complete written record of each vehicle purchase, vehicle sale, and any adaptive work
18 performed on each vehicle for a minimum period of 36 months after the date the adaptive work is
19 performed on the vehicle. An independent mobility motor vehicle dealer shall also retain and produce

1 for inspection all records relating to license requirements under Occupations Code, §2301.002(17-b) and
2 all information and records required under Transportation Code §503.0295.

3 (c) Location of records. A dealer's record reflecting purchases and sales for the preceding 13
4 months must be maintained at the dealer's licensed location. Original titles are not required to be kept
5 at the licensed location but must be made available to the agency upon reasonable request. A dealer's
6 record for prior time periods may be kept off-site.

7 (d) Request for records. Within 15 days of receiving a request from a representative of the
8 department, a dealer shall deliver a copy of the specified records to the address listed in the request. If a
9 dealer has a concern about the origin of a records request, the dealer may verify that request with the
10 department prior to submitting its records.

11 (e) Content of records. A dealer's complete record for each vehicle purchase or vehicle sale must
12 contain:

13 (1) the date of the purchase;

14 (2) the date of the sale;

15 (3) the VIN;

16 (4) the name and address of the person selling the vehicle to the dealer;

17 (5) the name and address of the person purchasing the vehicle from the dealer;

18 (6) the name and address of the consignor if the vehicle is offered for sale by

19 consignment;

1 (7) except for a purchase or sale where the Tax Code does not require payment of motor
2 vehicle sales tax, a county tax assessor-collector receipt marked paid;

3 (8) a copy of all documents, forms, and agreements applicable to a particular sale,
4 including a copy of:

5 (A) the title application;

6 (B) the work-up sheet;

7 (C) the front and back of the manufacturer's certificate of origin or
8 manufacturer's statement of origin, unless the dealer obtains the title through webDEALER as defined in
9 §217.71 of this title (relating to Automated and Web-Based Vehicle Registration and Title Systems) [the
10 electronic title system];

11 (D) the front and back of the title for the purchase and the sale, unless the
12 dealer enters or obtains the title through webDEALER as defined in §217.71 of this title [the electronic
13 title system];

14 (E) the factory invoice, if applicable;

15 (F) the sales contract;

16 (G) the retail installment agreement;

17 (H) the buyer's order;

18 (I) the bill of sale;

19 (J) any waiver;

1 (K) any other agreement between the seller and purchaser;

2 (L) the purchaser's photo identification;

3 (M) the odometer disclosure statement signed by the buyer, unless the vehicle is
4 exempt; and

5 (N) the rebuilt salvage disclosure, if applicable.

6 (9) the original manufacturer's certificate of origin, original manufacturer's statement of
7 origin, or original title for a ~~new~~ motor vehicle offered for sale by a dealer which must be properly
8 stamped if the title transaction is entered into webDEALER as defined in §217.71 of this title ~~the~~
9 ~~electronic titling system~~] by the dealer;

10 (10) the dealer's monthly Motor Vehicle Seller Financed Sales Returns, if any; and

11 (11) if the vehicle sold is a motor home or a towable recreational vehicle subject to
12 inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at
13 the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

14 (f) Title assignments.

15 (1) For each vehicle a dealer acquires or offers for sale, the dealer must properly take
16 assignment in the dealer's name of any:

17 (A) title;

18 (B) manufacturer's statement of origin;

19 (C) manufacturer's certificate of origin; or

1 (D) other evidence of ownership.

2 (2) Unless not required by Transportation Code, §501.0234(b), a dealer must apply in the
3 name of the purchaser of a vehicle for the title and registration, as applicable, of the vehicle with a
4 county tax assessor-collector.

5 (3) To comply with Transportation Code, §501.0234(f), a title or registration is considered
6 filed within a reasonable time if ~~[the registration is]~~ filed within:

7 (A) 30 days of the vehicle sale date ~~[date of sale of the vehicle for a vehicle titled~~
8 ~~or registered in Texas]; or~~

9 (B) 45 days of the vehicle sale date ~~[date of sale of the vehicle]~~ for a dealer-
10 financed transaction ; or ~~[involving a vehicle that is titled or registered in Texas.]~~

11 (C) 60 days of the vehicle sale date for a vehicle purchased by a member or
12 reserve member of the United States armed forces, Texas National Guard, or National Guard of another
13 state serving on active duty.

14 (4) The dealer is required to provide to the purchaser the receipt for the title and
15 registration application.

16 (5) The dealer is required to maintain a copy of the receipt for the title and registration
17 application in the dealer's sales file.

18 (g) Out-of-state sales. For a sale involving a vehicle to be transferred out of state, the dealer
19 must:

1 (1) within 30 days of the date of sale, either file the application for certificate of title on
2 behalf of the purchaser or deliver the properly assigned evidence of ownership to the purchaser; and

3 (2) maintain in the dealer's record at the dealer's licensed location a photocopy of the
4 completed sales tax exemption form for out of state sales approved by the Texas Comptroller of Public
5 Accounts.

6 (h) Consignment sales. A dealer offering a vehicle for sale by consignment must have a written
7 consignment agreement or a power of attorney for the vehicle, and shall, after the sale of the vehicle,
8 take assignment of the vehicle in the dealer's name and, pursuant to subsection (f), apply in the name of
9 the purchaser for transfer of title and registration, if the vehicle is to be registered, with a county tax
10 assessor-collector. The dealer must, for a minimum of 48 months, maintain a record of each vehicle
11 offered for sale by consignment, including the VIN and the name of the owner of the vehicle offered for
12 sale by consignment.

13 (i) Public motor vehicle auctions.

14 (1) A GDN holder that acts as a public motor vehicle auction must comply with
15 subsection (h) of this section.

16 (2) A public motor vehicle auction:

17 (A) is not required to take assignment of title of a vehicle it offers for sale;

18 (B) must take assignment of title of a vehicle from a consignor prior to making
19 application for title on behalf of the buyer; and

1 (C) must make application for title on behalf of the purchaser and remit motor
2 vehicle sales tax within a reasonable time as defined in subsection (f) of this section. [~~20 working days of~~
3 ~~the sale of the vehicle.~~]

4 (3) A GDN holder may not sell another GDN holder's vehicle at a public motor vehicle
5 auction.

6 (j) Wholesale motor vehicle auction records. A wholesale motor vehicle auction license holder
7 shall maintain, for a minimum of 48 months, a complete record of each vehicle purchase and sale
8 occurring through the wholesale motor vehicle auction. The wholesale motor vehicle auction license
9 holder shall make the record available for inspection and copying by the department during business
10 hours.

11 (1) A wholesale motor vehicle auction license holder shall maintain at the licensed
12 location a record reflecting each purchase and sale for at least the preceding 24 months. Records for
13 prior time periods may be kept off-site.

14 (2) Within 15 days of receiving a department request, a wholesale motor vehicle auction
15 license holder shall deliver a copy of the specified records to the address listed in the request.

16 (3) A wholesale motor vehicle auction license holder's complete record of each vehicle
17 purchase and sale must, at a minimum, contain:

18 (A) the date of sale;

19 (B) the VIN;

20 (C) the name and address of the person selling the vehicle;

1 (D) the name and address of the person purchasing the vehicle;

2 (E) the dealer's license number of both the selling dealer and the purchasing
3 dealer, unless either is exempt from holding a license;

4 (F) all information necessary to comply with the federal odometer disclosure
5 requirements in 49 CFR Part 580;

6 (G) auction access documents, including the written authorization and
7 revocation of authorization for an agent or employee, in accordance with §215.148 of this title (relating
8 to Dealer Agents);

9 (H) invoices, bills of sale, checks, drafts, or other documents that identify the
10 vehicle, the parties, or the purchase price;

11 (I) any information regarding the prior status of the vehicle such as the
12 Reacquired Vehicle Disclosure Statement or other lemon law disclosures; and

13 (J) a copy of any written authorization allowing an agent of a dealer to enter the
14 auction.

15 (k) Electronic records. A license holder may maintain a record in an electronic format if the
16 license holder can print the record at the licensed location upon request by the department, except as
17 provided by subsection (l) of this section.

18 (l) Use of department electronic titling and registration systems: [-]

19 (1) webDEALER. A license holder utilizing the department's web-based title application
20 known as webDEALER, as defined in §217.71 of this title (relating to Automated and Web-Based Vehicle

1 Registration and Title Systems), shall comply with §217.74 of this title (relating to Access to and Use of
2 webDEALER). Original hard copy titles are not required to be kept at the licensed location but must be
3 made available to the department upon request.

4 (2) License Plate System. A license holder must comply with §215.151 of this title
5 (relating to Buyer’s License Plates General Use Requirements) regarding requirements to enter
6 information into the department-designated electronic system for license plates.

7

8 §215.147. Export Sales.

9 (a) Before selling a motor vehicle for export from the United States to another country, a dealer
10 must obtain a legible photocopy of the buyer's government-issued photo identification document. The
11 photo identification document must be issued by the jurisdiction where the buyer resides and be:

12 (1) a passport;

13 (2) a driver license;

14 (3) a license to carry a handgun issued by the Texas Department of Public Safety under
15 Government Code, Chapter 411, Subchapter H;

16 (4) a national identification certificate or identity document; or

17 (5) other identification document containing the:

18 (A) name of the issuing jurisdiction;

19 (B) buyer's full name;

1 (C) buyer's foreign address;

2 (D) buyer's date of birth;

3 (E) buyer's photograph; and

4 (F) buyer's signature.

5 (b) A dealer that sells a vehicle for export from the United States shall place a stamp on the title
6 that includes the words "For Export Only" and includes the dealer's GDN. The stamp must be legible, in
7 black ink, at least two inches wide, and placed on the:

8 (1) back of the title in all unused dealer reassignment spaces; and

9 (2) front of the title in a manner that does not obscure any names, dates, mileage
10 statements, or other information printed on the title.

11 (c) In addition to the records required to be maintained by §215.144 of this title (relating to
12 Vehicle Records), a dealer shall maintain, for each motor vehicle sold for export, a sales file record. The
13 sales file record shall be made available for inspection and copying upon request by the department. The
14 sales file record of each vehicle sold for export must contain:

15 (1) a completed copy of the Texas Motor Vehicle Sales Tax Exemption Certificate for
16 Vehicles Taken Out of State, indicating that the vehicle has been purchased for export to a foreign
17 country;

18 (2) a copy of the front and back of the title of the vehicle, showing the "For Export Only"
19 stamp and the GDN of the dealer; and

1 (3) if applicable, an Export-only Sales Record Form, listing each motor vehicle sold for
2 export only.

3 (d) A dealer, at the time of sale of a vehicle for export, shall remove, void, and destroy or recycle
4 any license plate or registration insignia as required under §215.158 (relating to General Requirements
5 for Buyer's License Plates) before transferring the vehicle. [;]

6 [~~(1) enter the information required by Transportation Code, §503.061 in the temporary~~
7 ~~tag database;]~~

8 [~~(2) designate the sale as "For Export Only"; and]~~

9 [~~(3) issue a buyer's temporary tag, in accordance with Transportation Code, §503.063.]~~

10

11 §215.148. Dealer Agents.

12 (a) A dealer shall provide written authorization to each person with whom the dealer's agent or
13 employee will conduct business on behalf of the dealer, including to a person that:

14 (1) buys and sells motor vehicles for resale; or

15 (2) operates a licensed auction.

16 (b) If a dealer's agent or employee that conducts business on behalf of the dealer commits an
17 act or omission that would be cause for denial, revocation, or suspension of a license in accordance with
18 Occupations Code, Chapter 2301 or Transportation Code, Chapter 503, the board may:

19 (1) deny an application for a license; or

1 (2) revoke or suspend a license.

2 (c) The board may take action described in subsection (b) of this section after notice and an
3 opportunity for hearing, in accordance with Occupations Code, Chapter 2301 and Chapter 224 of this
4 title [~~(relating to)~~(relating to Adjudicative Practice and Procedure)].

5 (d) A dealer's authorization to an agent or employee must:

6 (1) be in writing;

7 (2) be signed by the dealer principal or person in charge of daily activities of the
8 dealership;

9 (3) include the agent's or employee's name, current mailing address, and telephone
10 number;

11 (4) include the dealer's business name, address, and dealer license number or numbers;

12 (5) expressly authorize buying or selling by the specified agent or employee;

13 (6) state that the dealer is liable for any act or omission regarding a duty or obligation of
14 the dealer that is caused by that agent or employee, including any financial considerations to be paid for
15 the vehicle;

16 (7) state that the dealer's authorization remains in effect until the recipient of the
17 written authorization is notified in writing of the revocation of the authority; and

18 (8) be maintained as a required dealer's record and made available upon request by a
19 representative of the department, in accordance with the requirements of §215.144 of this title (relating
20 to Vehicle Records).

1 (e) A license holder, including a wholesale motor vehicle auction that buys and sells vehicles on a
2 wholesale basis, including by sealed bid, is required to verify the authority of any person claiming to be
3 an agent or employee of a licensed dealer who purports to be buying or selling a motor vehicle:

4 (1) on behalf of a licensed dealer; or

5 (2) under the written authority of a licensed dealer.

6 (f) A title to a vehicle bought by an agent or employee of a dealer shall be:

7 (1) reassigned to the dealer by the seller or by the auction; and

8 (2) shall not be delivered to the agent or employee but delivered only to the dealer or
9 the dealer's financial institution.

10 (g) Notwithstanding the prohibitions in this section, an authorized agent or employee may sign a
11 required odometer statement.

12 (h) In a wholesale transaction for the purchase of a motor vehicle, the seller may accept as
13 consideration only:

14 (1) a check or a draft drawn on the purchasing dealer's account;

15 (2) a cashier's check in the name of the purchasing dealer; or

16 (3) a wire transfer from the purchasing dealer's bank account.

17

18 §215.150. Dealer Authorization to Issue License Plates [~~Temporary Tags~~].

1 (a) A dealer that holds a GDN ~~must~~ may issue a general issue license plate or set of license
2 plates for a vehicle type the dealer is authorized to sell to: [a dealer's temporary tag, buyer's temporary
3 tag, or a preprinted Internet-down temporary tag for authorized purposes only for each type of vehicle
4 the dealer is licensed to sell or lease. A converter that holds a converter's license under Occupations
5 Code, Chapter 2301 may issue a converter's temporary tag for authorized purposes only.]

6 (1) a buyer of a new vehicle to be titled and registered in Texas, unless the buyer has a
7 specialty, personalized, or other qualifying license plate eligible to be assigned to the vehicle with
8 approval of the department; or

9 (2) a buyer of a used vehicle to be titled and registered in Texas if a general issue license
10 plate or set of license plates did not come with the vehicle and the buyer does not have a specialty,
11 personalized, or other qualifying license plate eligible to be assigned to the vehicle with approval of the
12 department.

13 (b) Notwithstanding subsection (a), a dealer that holds a GDN is not required to issue a general
14 issue license plate or set of plates to a vehicle sold to a commercial fleet buyer authorized as a Dealer
15 Deputy under §217.166 of the title (relating to Dealer Deputies).

16 (c) A dealer that holds a GDN must issue a buyer's temporary license plate to an out-of-state
17 buyer for a vehicle that is to be registered in another state.

18 (d) ~~((b))~~ A dealer [license holder] may issue a license plate under Transportation Code §503.063
19 [an applicable dealer's temporary tag, buyer's temporary tag, or converter's temporary tag] until:

1 (1) the department denies access to the license plate system [~~temporary tag database~~]
2 under Transportation Code §503.0633(f) [~~§503.0632(f)~~] and §224.58 of this title (relating to Denial of
3 Dealer [~~or Converter~~] Access to License Plate System [~~Temporary Tag System~~]);

4 (2) the dealer [~~license holder~~] issues the maximum number of license plates [~~temporary~~
5 ~~tags~~] authorized under Transportation Code, §503.0633(a) - (d) [~~§503.0632(a)-(d)~~]; or

6 (3) the GDN [~~license~~] is canceled, revoked, or suspended.

7 (e) [(e)] A [~~federal, state, or local~~] governmental agency that is exempt under Transportation
8 Code, § [~~Section~~]503.024 from the requirement to obtain a dealer general distinguishing number may
9 issue a general issue license plate or set of license plates or a buyer's temporary license plate to the
10 buyer of a vehicle owned by the governmental agency unless the buyer has a specialty, personalized, or
11 other qualifying license plate that is eligible to be assigned to the vehicle with approval of the
12 department. [~~one buyer's temporary tag, or one preprinted Internet-down temporary tag, in accordance~~
13 ~~with Transportation Code §503.063.~~] A governmental agency that issues a general issue or buyer's
14 temporary license plate [~~buyer's temporary tag, or preprinted Internet-down temporary tag,~~] under this
15 subsection:

16 (1) is subject to the provisions of Transportation Code §503.0631 and §503.0671
17 [~~§503.067~~] applicable to a dealer; and

18 (2) is not required to charge the registration fee authorized under Transportation Code
19 §503.063(g) and specified in §215.155(g) of this title (relating to Buyer's License Plates).

20 (f) [(f)] A dealer [~~or converter~~] is responsible for all use of and access to all license plates in the
21 dealer's possession and the license plate system [~~the applicable temporary tag database~~] under the

1 dealer's ~~or converter's~~ account, including access by any user or unauthorized person. Dealer ~~and~~
2 ~~converter~~ duties include monitoring license plate storage and issuance ~~[temporary tag usage]~~, managing
3 account access, and taking timely and appropriate actions to maintain license plate and system security,
4 including:

5 (1) establishing and following reasonable password policies, including preventing the
6 sharing of passwords;

7 (2) limiting authorized users to owners and bona fide employees with a business need to
8 access license plates and the license plate system ~~[database]~~;

9 (3) removing users who no longer have a legitimate business need to access the system;

10 (4) securing all license plates, including license plates assigned to vehicles in inventory,
11 dealer's license plates, and unissued buyer's license plates, by storing license plates in a locked and
12 secured room or closet or one or more securely locked, substantially constructed safes or steel cabinets
13 bolted or affixed to the floor or wall of sufficient size to store all dealer and buyer's license plates in a
14 dealer's possession, and by promptly marking and destroying, recycling, or returning void license plates
15 as required under §215.158 of this title (relating to General Requirements for Buyer's License Plates; and

16 ~~[securing printed tags and destroying expired tags, by means such as storing printed tags~~
17 ~~in locked areas and shredding or defacing expired tags; and]~~

18 (5) securing equipment used to access the license plate system. ~~[temporary tag database~~
19 ~~and print temporary tags.]~~

20

1 §215.151. License Plate General Use Requirements.

2 (a) If a buyer purchases a vehicle to be registered in Texas, a dealer must secure, or a
3 government agency may secure, a license plate or set of license plates to the vehicle in accordance with
4 §217.27 of this title (relating to Vehicle Registration Insignia) and update the license plate system
5 accordingly.

6 (1) A dealer must secure, or a governmental agency may secure, a buyer-provided
7 license plate on the purchased vehicle if a buyer provides a specialty, personalized, or other qualifying
8 license plate that is eligible to be assigned to the vehicle with approval of the department and update
9 the license plate system accordingly.

10 (2) A dealer must issue a general issue license plate or set of license plates to the buyer
11 if a buyer purchases a new vehicle from a dealer and the buyer does not have a specialty, personalized,
12 or other qualifying license plate to transfer to the vehicle.

13 (3) A dealer must issue, or a governmental agency may issue, a general issue license
14 plate or set of license plates to a buyer purchasing a used vehicle if the vehicle does not have an
15 assigned license plate in the license plate system or the assigned license plate is missing or damaged and
16 the buyer does not have a specialty, personalized, or other qualifying license plate to transfer to the
17 vehicle.

18 (b) If a non-resident buyer purchases a vehicle to be titled and registered in another state, a
19 dealer must issue, or a governmental agency may issue, a buyer's temporary license plate and secure the
20 temporary license plate to the rear of a vehicle in accordance with §217.27 of this title and update the
21 license plate system accordingly.

1 (c) If a vehicle has an assigned license plate or set of license plates and the buyer provides a
2 specialty, personalized, or other qualifying license plate to transfer to the vehicle, a dealer must update
3 the license plate status in the license plate system, mark the license plate as void and destroy, recycle, or
4 return the license plate as required in §215.158 of the title (relating to General Requirements for Buyer’s
5 License Plates).

6 (d) A dealer, including a wholesale dealer, must remove a general issue license plate or set of
7 license plates from a purchased vehicle, store the license plate or set of license plates in a secure
8 location in accordance with §215.150(d) of this title (relating to Dealer Authorization to Issue License
9 Plates), and:

10 (1) provide the assigned license plate or set of license plates to a Texas buyer that
11 purchases the vehicle; or

12 (2) if the vehicle is sold to an out-of-state buyer or for export, update the license plate
13 status in the license plate system, mark the license plate as void and destroy, recycle, or return the
14 license plate as required in §215.158 of the title.

15
16 §215.152. Obtaining Dealer-Issued Buyer’s License Plates. [~~Numbers for Issuance of Temporary Tags.~~]

17 (a) A dealer or, a governmental agency [~~, or a converter~~] is required to have internet access to
18 connect to webDEALER and the license plate system [~~the temporary tag databases~~] maintained by the
19 department and is responsible for verifying receipt of license plates in the license plate system.

1 **(b) Except as provided by §215.157 of this title (relating to Issuing License Plates When Internet**
2 **Not Available), before a license plate may be issued or secured on a vehicle, a dealer or governmental**
3 **agency must enter in the license plate system true and accurate information about:**

4 **(1) the vehicle;**

5 **(2) the buyer; and**

6 **(3) the license plate number issued or assigned to the vehicle.**

7 ~~[(b) Except as provided by §215.157 of this title (relating to Advance Numbers, Preprinted~~
8 ~~Internet-down Temporary Tags), before a temporary tag may be issued and displayed on a vehicle, a~~
9 ~~dealer, a governmental agency, or converter must:]~~

10 ~~[(1) enter in the temporary tag database true and accurate information about the~~
11 ~~vehicle, dealer, converter, or buyer, as appropriate; and]~~

12 ~~[(2) obtain a specific number for the temporary tag.]~~

13 (c) The department will inform each dealer annually of the maximum number of buyer's license
14 plates ~~[temporary tags]~~ the dealer is authorized to obtain ~~[issue]~~ during the calendar year under
15 Transportation Code, §503.063, including: [§503.0632. The number of buyer's temporary tags allocated
16 to each dealer by the department will be determined based on the following formula:]

17 **(1) an allotment of unassigned general issue license plates or sets of license plates to be**
18 **issued to a buyer of a vehicle that is to be titled and registered in Texas, and**

19 **(2) a separate allotment of buyer's temporary license plates to be issued to a non-**
20 **resident buyer for a vehicle that will be registered and titled in another state.**

1 ~~[(1) Sales data determined from the department's systems from the previous three fiscal~~
2 ~~years. A dealer's base number will contain the sum of:]~~

3 ~~[(A) the greater number of:]~~

4 ~~[(i) in-state buyer's temporary tags issued in one fiscal year during the~~
5 ~~previous three fiscal years; or]~~

6 ~~[(ii) title transactions processed through the Registration and Title~~
7 ~~System in one fiscal year during the previous three fiscal years; but]~~

8 ~~[(iii) the amount will be limited to an amount that is not more than two~~
9 ~~times the number of title transactions identified in subparagraph (ii) of this paragraph; and]~~

10 ~~[(B) the addition of the greatest number of out-of-state buyer's temporary tags~~
11 ~~issued in one fiscal year during the previous three fiscal years;]~~

12 ~~[(2) the total value of paragraph (1) of this subsection will be increased by a multiplier~~
13 ~~based on the dealer's time in operation giving a 10 percent increase in tags for each year the dealer has~~
14 ~~been in operation up to 10 years;]~~

15 ~~[(3) the total value of paragraph (2) of this subsection will be increased by a multiplier~~
16 ~~that is the greater of:]~~

17 ~~[(A) the dealer's actual growth rate percentage identified from the preceding~~
18 ~~two fiscal years, calculated by the growth of the number of title transactions processed through the~~
19 ~~Registration and Title System plus the growth of the number of out-of-state buyer's temporary tags~~
20 ~~issued, except that it may not exceed 200 percent; or]~~

1 ~~[(B) the statewide actual growth rate percentage identified from the preceding~~
2 ~~two fiscal years, calculated by the growth of the number of title transactions processed through the~~
3 ~~Registration and Title System plus the growth of the number of out-of-state buyer's temporary tags~~
4 ~~issued, not less than zero, to determine the buyer's temporary tag allotment; and]~~

5 ~~[(4) the department may increase the determined allotment of buyer's temporary tags~~
6 ~~for dealers in the state, in a geographic or population area, or in a county, based on:]~~

7 ~~[(A) changes in the market;]~~

8 ~~[(B) temporary conditions that may affect sales; and]~~

9 ~~[(C) any other information the department considers relevant.]~~

10 (d) The department will calculate a dealer's maximum annual allotment of unassigned general
11 issue license plates and buyer's temporary license plates based on the following formula:

12 ~~[inform each dealer annually of the maximum number of agent temporary tags and vehicle~~
13 ~~specific temporary tags the dealer is authorized to issue during the calendar year under Transportation~~
14 ~~Code §503.0632. The number of agent temporary tags and vehicle specific temporary tags allocated to~~
15 ~~each dealer by the department, for each tag type, will be determined based on the following formula:]~~

16 (1) Vehicle title transfers, sales, or license plate issuance data determined from the
17 department's systems from the previous fiscal year;

18 ~~[dealer temporary tag data for agent temporary tags and vehicle specific temporary tags~~
19 ~~determined from the department's systems from the previous three fiscal years. A dealer's base number~~

1 ~~will contain the maximum number of dealer temporary tags issued during the previous three fiscal~~
2 ~~years;]~~

3 (2) the total value of paragraph (1) of this subsection will be increased by a multiplier
4 based on the dealer's time in operation giving a 10 percent increase ~~[in tags]~~ for each year the dealer has
5 been in operation up to 10 years; and

6 (3) the total value of paragraph (2) of this subsection will be increased by a multiplier
7 that is the greater of:

8 (A) the dealer's actual growth rate percentage identified from the preceding two
9 fiscal years, calculated by the growth of the number of in-state or out-of-state sales transactions
10 processed through the department-designated registration and title system or license plate system
11 ~~[dealer's temporary tags issued]~~, except that it may not exceed 200 percent; or

12 (B) the statewide actual growth rate percentage identified from the preceding
13 two fiscal years, calculated by the growth of the number of relevant transactions processed through the
14 department-designated registration and title system or license plate system ~~[dealer's temporary tags~~
15 ~~issued]~~, not less than zero, to determine the dealer's annual ~~[temporary tag]~~ allotment; and

16 (4) the department may increase the annual ~~[a dealer's]~~ allotment ~~[of agent temporary~~
17 ~~tags and vehicle-specific temporary tags]~~ for dealers in the state, in a geographic or population area, or in
18 a county, based on:

19 (A) changes in the market;

20 (B) temporary conditions that may affect sales; and

1 (C) any other information the department considers relevant.

2 ~~[(e) The department will inform each converter annually of the maximum number of temporary~~
3 ~~tags the converter is authorized to issue during the calendar year under Transportation Code §503.0632.~~
4 ~~The number of temporary tags allocated to each converter by the department will be determined based~~
5 ~~on the following formula:]~~

6 ~~[(1) converter temporary tag data determined from the department's systems from the~~
7 ~~previous three fiscal years. A converter's base number will contain the maximum number of converter~~
8 ~~temporary tags issued during the previous three fiscal years;]~~

9 ~~[(2) the total value of paragraph (1) of this subsection will be increased by a multiplier~~
10 ~~based on the converter's time in operation giving a 10 percent increase in tags for each year the dealer~~
11 ~~has been in operation up to 10 years; and]~~

12 ~~[(3) the total value of paragraph (2) of this subsection will be increased by a multiplier~~
13 ~~that is the greater of:]~~

14 ~~[(A) the converter's actual growth rate percentage identified from the preceding~~
15 ~~two fiscal years, calculated by the growth of the number of converter's temporary tags issued, except~~
16 ~~that it may not exceed 200 percent; or]~~

17 ~~[(B) the statewide actual growth rate percentage identified from the preceding~~
18 ~~two fiscal years, calculated by the growth of the number of converter's temporary tags issued, not less~~
19 ~~than zero, to determine the converter's temporary tag allotment;]~~

20 ~~[(4) the department may increase a converter's allotment of converter temporary tags~~
21 ~~for converters in the state, in a geographic or population area, or in a county, based on:]~~

1 ~~[(A) changes in the market;]~~

2 ~~[(B) temporary conditions that may affect sales; and]~~

3 ~~[(C) any other information the department considers relevant.]~~

4 (e) ~~[(f)]~~ A dealer~~[or converter that is]~~ licensed after the commencement of a calendar year shall
5 be allocated ~~[authorized to issue]~~ the number of general issue license plates or sets of plates and buyer's
6 temporary plates allocated ~~[temporary tags allotted]~~ in this subsection prorated on all or part of the
7 remaining months until the commencement of the calendar year after the dealer's ~~[or converter's]~~ initial
8 license expires. The initial allocations shall be as determined by the department in granting the license,
9 but not more than:

10 (1) 200 general issue license plates or sets of plates and 100 buyer's temporary license
11 plates ~~[1,000 temporary tags]~~ for a franchised dealer ~~[per each tag type, buyer's temporary tags, agent~~
12 ~~temporary tags, and vehicle specific tags,]~~ unless the dealer provides credible information indicating that
13 a greater number of buyer's license plates or sets of license plates is warranted based on anticipated
14 sales, and growth, to include new and used vehicle sales, including information from the manufacturer
15 or distributor, or as otherwise provided in this section. [∴]

16 ~~[(A) the dealer provides credible information indicating that a greater number of~~
17 ~~tags is warranted based on anticipated sales, and growth, to include new and used vehicle sales,~~
18 ~~including information from the manufacturer or distributor, or as otherwise provided in this section; and]~~

19 ~~[(B) if more than 1,000 temporary tags are determined to be needed based on~~
20 ~~anticipated sales and growth, the total number of temporary tags needed, including the 1,000, will be~~
21 ~~doubled;]~~

1 (2) 100 general issue license plates or sets of plates and 48 buyer's temporary license
2 plates [~~300 temporary tags~~] for a nonfranchised dealer [~~per each tag type, buyer's temporary tags, agent~~
3 ~~temporary tags, and vehicle specific tags,~~] unless the dealer provides credible information indicating that
4 a greater number of license plates or sets of license plates [~~tags~~] is warranted based on anticipated sales
5 as otherwise provided in this section. [~~and~~]

6 [~~(3) A converter will be allocated 600 temporary tags, unless the converter provides~~
7 ~~credible information indicating that a greater number of tags is warranted based on anticipated sales,~~
8 ~~including information from the manufacturer or distributor, or as otherwise provided in this section.~~]

9 (f) [~~(g)~~] An existing dealer [~~or converter~~] that is:

10 (1) moving its operations from one location to a different location will continue with its
11 allotment of general issue license plates or sets of plates and buyer's temporary license plates
12 [~~temporary tags~~] and not be allocated license plates [~~temporary tags~~] under subsection (e) [~~(f)~~] of this
13 section;

14 (2) opening an additional location will receive a maximum allotment of buyer's general
15 issue license plates or sets of plates and buyer's temporary license plates [~~temporary tags~~] based on the
16 greater of the allotment provided to existing locations, including franchised dealers opening additional
17 locations for different line makes, or the amount under subsection (e) [~~(f)~~] of this section;

18 (3) purchased as a buy-sell ownership agreement will receive the maximum allotment of
19 general issue license plates or sets of plates and buyer's temporary license plates [~~temporary tags~~]
20 provided to the location being purchased and not be allocated license plates [~~temporary tags~~] under
21 subsection (e) [~~(f)~~] of this section; and

1 (4) inherited by will or laws of descent will receive the maximum allotment of general
2 issue license plates or sets of plates and buyer's temporary license plates [~~temporary tags~~] provided to
3 the location being inherited and not be allocated license plates [~~temporary tags~~] under subsection (e)
4 [(f)] of this section.

5 (g) [(h)] A new dealer [~~or converter~~] may also provide credible information supporting a request
6 for additional general issue license plates or sets of plates and buyer's temporary license plates
7 [~~temporary tags~~] to the amount allocated under subsection (e) [(f)] of this section based on:

8 (1) franchised dealer, manufacturer, or distributor sales expectations;

9 (2) a change in GDN [~~license~~] required by death or retirement, except as provided in
10 subsection (f) [(g)] of this section;

11 (3) prior year's sales by a dealer [~~dealership~~] moving into the state; or

12 (4) other similar change of location or ownership that indicates some continuity in
13 existing operations.

14 (h) The annual allotment of general issue license plates or sets of plates and buyer's temporary
15 license plates will each be divided by four and allocated to a dealer on a quarterly basis. A dealer's
16 remaining unissued license plates at the end of a calendar quarter will count towards the dealer's next
17 quarterly allotment.

18 (i) A dealer may request more general issue license plates or sets of plates or buyer's
19 temporary license plates: [After using 50 percent of the allotted maximum number of temporary tags, a
20 dealer or converter may request an increase in the number of temporary tags by submitting a request in
21 the department's eLICENSING system.]

1 (1) after using 50 percent of the quarterly allocation of general issue plates or sets of
2 plates or buyer temporary plates, a dealer may request an advance on the next quarter's allotment; or

3 (2) after using 50 percent of the allotted annual maximum number of general issue
4 plates or sets of plates or buyer temporary plates a dealer may request an increase in the annual allotted
5 number of license plates.

6 (j) To receive more general issue license plates or sets of plates or buyer's temporary license
7 plates under subsection (i), a dealer must submit a request in the department's designated license plate
8 system.

9 (k) A dealer requesting an increase in the maximum annual allotment of general issue license
10 plates or sets of plates or buyer's temporary license plates

11 ~~[(1) The dealer or converter]~~ must provide information demonstrating the need for
12 additional license plates ~~[temporary tags]~~ results from business operations, including anticipated needs,
13 as required by Transportation Code, §503.0633(c). ~~[\$503.0632(e).]~~ Information may include
14 documentation of sales and tax reports filed as required by law, information of anticipated need, or
15 other information of the factors listed in Transportation Code, §503.0633(b). ~~[\$503.0632(b).]~~

16 (1) ~~[(2)]~~ The department shall consider the information presented and may consider
17 information not presented that may weigh for or against granting the request that the department in its
18 sole discretion determines to be relevant in making its determination. Other relevant information may
19 include information of the factors listed in Transportation Code, §503.0633(b) ~~[\$503.0632(b).]~~, the timing
20 of the request, and the requestor's ~~[applicant's]~~ license plate ~~[temporary tag]~~ activity.

1 (2) [(3)] The department may allocate a lesser or greater number of additional license
2 plates [~~temporary tags~~] than the amount requested. Allocation of a lesser or greater number of
3 additional license plates [~~temporary tags~~] is not a denial of the request. Allocation of additional license
4 plates [~~temporary tags~~] under this paragraph does not limit the dealer's [~~or converter's~~] ability to submit
5 additional requests for more license plates [~~temporary tags~~].

6 (3) [(4)] If a request is denied, the denial will be sent to the dealer [~~or converter~~] by
7 email to the requestor's email address.

8 (A) A dealer [~~or converter~~] may appeal the denial to the designated director in
9 the Vehicle Titles and Registration Division. [~~Motor Vehicle Division Director.~~]

10 (B) The appeal must be requested through the designated license plate system
11 [~~eLICENSING system~~] within 15 days of the date the department emailed the denial to the dealer [~~or~~
12 ~~converter~~].

13 (C) The appeal may discuss information provided in the request but may not
14 include additional information.

15 (D) The designated director in the Vehicle Titles and Registration Division [~~Motor~~
16 ~~Vehicle Division Director~~] will review the appeal [~~submission~~] and any additional statements concerning
17 the information submitted in the original request and render an opinion within 15 days of receiving the
18 appeal. The designated director in the Vehicle Titles and Registration Division [~~Motor Vehicle Division~~
19 ~~Director~~] may decide to deny the appeal [~~request~~] and issue no additional license plates [~~tags~~] or award
20 an amount of additional license plates [~~temporary tags~~] that is lesser, equal to, or greater than the
21 request.

1 (E) The requesting dealer [~~or converter~~] will be notified as follows:

2 (i) If the designated director in the Vehicle Titles and Registration
3 Division [~~Motor Vehicle Division Director~~] decides to deny the appeal, the department will contact the
4 requesting dealer [~~license holder~~] by email regarding the decision and options to submit a new request
5 with additional relevant credible supporting documentation or to pursue a claim in district court; or

6 (ii) If the designated director in the Vehicle Titles and Registration
7 Division [~~Motor Vehicle Division Director~~] awards an amount of additional license plates [~~temporary~~
8 ~~tags~~] that is lesser, equal to, or greater than the request, the additional license plates [~~temporary tags~~]
9 will be added to the dealer's allocation [~~or converter's account~~] and the dealer [~~license holder~~] will be
10 contacted by email regarding the decision, informed that the request has not been denied, and options
11 to submit a new request.

12 (5) The designated director in the Vehicle Titles and Registration Division's [~~Motor~~
13 ~~Vehicle Division Director's~~] decision on appeal is final.

14 (6) Once a denial is final, a dealer [~~or converter~~] may only submit a subsequent request
15 for additional license plates [~~temporary tags~~] during that calendar year if the dealer [~~or converter~~] is able
16 to provide additional information not considered in a prior request.

17 (l) [(j)] A change in the allotment under subsection (i) of this section does not create a dealer [~~or~~
18 ~~converter~~] base for subsequent year calculations.

19 (m) [(k)] The department may at any time initiate an enforcement action against a dealer [~~or~~
20 ~~converter~~] if license plate system activity [~~temporary tag usage~~] suggests that misuse or fraud has

1 occurred as described in Transportation Code §503.0633(f) or §503.0671. [~~§§503.038, 503.0632(f), or~~
2 ~~503.067.~~]

3 ~~[(f) Unused temporary tag allotments from a calendar year do not roll over to subsequent years.]~~

4

5 §215.154. Dealer's Temporary License Plate Allocation.

6 (a) The number of dealer's temporary license plates a dealer may order for business use is based
7 on the type of license for which the dealer applied and the number of vehicles the dealer sold during the
8 previous year.

9 (b) Unless otherwise qualified under this section, the maximum number of dealer's temporary
10 license plates the department will issue to a new license applicant during the applicant's first license
11 term is indicated in the following table.

12 Attached Graphic

13 (c) A person holding a dealer license on July 1, 2025, is eligible to receive the following maximum
14 number of dealer's temporary plates:

15 (1) the number designated for that license type in subsection (b) of this section; and

16 (2) the number designated in subsection (e) of this section based on vehicle sales in the
17 last 12-month period.

18 (d) A dealer that applies for a license is not subject to the initial allotment limits described in this
19 section and may rely on that dealer's existing allocation of dealer's temporary license plates if that
20 dealer is:

1 (1) a franchised dealership subject to a buy-sell agreement, regardless of a change in the
2 entity of ownership;

3 (2) any type of dealer that is relocating and has been licensed by the department for a
4 period of one year or longer; or

5 (3) any type of dealer that is changing its business entity type and has been licensed by
6 the department for a period of one year or longer.

7 (e) A dealer may obtain more than the maximum number of dealer’s temporary license plates
8 provided by this section by submitting to the department proof of sales for the previous 12-month
9 period that justifies additional license plates.

10 (1) The number of additional dealer’s temporary license plates the department will issue
11 to a dealer that demonstrates need through proof of sales is indicated in the following table.

12 Attached Graphic

13 (2) For purposes of this section, proof of sales for the previous 12-month period may
14 consist of a copy of the most recent vehicle inventory tax declaration or monthly statements filed with
15 the taxing authority in the county of the dealer’s licensed location. Each copy must be stamped as
16 received by the taxing authority.

17 (f) A wholesale motor vehicle dealer may obtain more than the maximum number of dealer’s
18 temporary license plates provided by this section by submitting to the department proof of the number
19 of vehicles the dealer has purchased in the previous 12-month period that justifies additional license
20 plates.

1 (1) Evidence of the wholesale motor vehicle dealer’s vehicle purchases for the previous
2 12-month period must include the date of purchase, VIN of the vehicle purchased, and the selling
3 dealer’s name, and any other information the department in its discretion deems necessary to
4 determine the need for additional dealer’s temporary license plates for the wholesale motor vehicle
5 dealer.

6 (2) Upon review and approval of a wholesale motor vehicle dealer’s proof of vehicle
7 purchases documentation, the department shall issue up to 5 additional dealer’s temporary license
8 plates to the dealer.

9 (g) The Director of the Motor Vehicle Division may waive the dealer’s temporary license plate
10 issuance restrictions if the waiver is essential for the continuation of the business. The director will
11 determine the number of dealer’s temporary license plates the department will issue based on the
12 dealer’s past sales, dealer’s inventory, and any other factor the Director determines pertinent.

13 (1) A request for a waiver must be submitted to the director in writing and specifically
14 state why the additional dealer’s temporary license plates are necessary for the continuation of the
15 dealer’s business.

16 (2) A request for a waiver must be accompanied by proof of the dealer's sales for the
17 previous 12-month period, if applicable.

18
19 §215.155. Buyer’s License Plates [~~Temporary Tags~~].

20 (a) A dealer may issue and secure a buyer's general issue license plate or set of plates or a
21 buyer’s temporary license plate [~~temporary tag may be displayed~~] only on a vehicle:

- 1 (1) from the selling dealer's inventory; and
- 2 (2) that can be legally operated on the public streets and highways; and
- 3 (3) for which a sale or lease has been consummated; and
- 4 (4) that has a valid inspection in accordance with Transportation Code Chapter 548,
- 5 unless:
- 6 (A) an inspection is not required under Transportation Code §503.063(i) or (j); or
- 7 (B) the vehicle is exempt from inspection under Chapter 548.
- 8 (b) A dealer may not issue a buyer's general issue or temporary license plate ~~[temporary tag~~
9 ~~must be issued and provided]~~ to the buyer of a vehicle that is to be titled but not registered ~~[but the~~
10 ~~temporary tag must not be displayed on the vehicle]~~.
- 11 (c) For a wholesale transaction: ~~[r]~~
- 12 (1) a dealer may not issue a buyer's license plate; rather the purchasing dealer places on
13 the motor vehicle its own:
- 14 (A) ~~[(1)]~~ dealer's temporary license plate ~~[tag]; or~~
- 15 (B) ~~[(2)]~~ dealer's standard or personalized prestige license plate.
- 16 (2) if a general issue plate or set of plates is assigned to a vehicle, the selling dealer must
17 provide the license plate or set of plates to the purchasing dealer for placement on the vehicle at time of
18 retail sale.
- 19 (d) A buyer's temporary license plate ~~[tag]~~ is valid until the earlier of:

1 (1) the date on which the vehicle is registered; or

2 (2) the 60th day after the date of purchase.

3 ~~[(e) The dealer or governmental agency, must ensure that the following information is placed on~~
4 ~~a buyer's temporary tag:]~~

5 ~~[(1) the vehicle-specific number obtained from the temporary tag database;]~~

6 ~~[(2) the year and make of the vehicle;]~~

7 ~~[(3) the VIN of the vehicle;]~~

8 ~~[(4) the month, day, and year of the expiration of the buyer's temporary tag; and]~~

9 ~~[(5) the name of the dealer or governmental agency.]~~

10 ~~(e) [(f)] A dealer shall charge a buyer a fee of \$10 [~~\$5 for the buyer's temporary tag or Internet~~~~
11 ~~down buyer's temporary tag issued], unless the vehicle is exempt from payment of registration fees~~
12 ~~under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the county with the~~
13 ~~title transfer application for deposit to the credit of the Texas Department of Motor Vehicles fund. If the~~
14 ~~vehicle is sold by a dealer to an out-of-state resident:~~

15 (1) the dealer shall remit the entire fee to the department for deposit to the credit of the
16 Texas Department of Motor Vehicles fund if payment is made through the department's designated
17 electronic system [~~electronic title system~~]; or

18 (2) the dealer shall remit the fee to the county for deposit to the credit of the Texas
19 Department of Motor Vehicles fund.

1 ~~(f) [(g)]~~ A governmental agency may charge a buyer a fee of \$10 ~~[\$5 for the buyer's temporary~~
2 ~~tag or Internet down buyer's temporary tag issued,]~~ unless the vehicle is exempt from payment of
3 registration fees under Transportation Code, §502.453 or §502.456. If collected by a governmental
4 agency, the fee must be sent to the county for deposit to the credit of the Texas Department of Motor
5 Vehicles fund.

6
7 §215.156. Buyer's License Plate ~~[Temporary Tag]~~ Receipt.

8 A dealer[,;] or ~~[federal, state, or local]~~ governmental agency[,;] must print a buyer's license plate
9 receipt from the department's designated electronic system and provide the~~[a buyer's temporary tag]~~
10 receipt to the buyer of each vehicle for which a buyer's license plate or set of license plates is issued.
11 ~~[temporary tag is issued, regardless of whether the buyer's temporary tag is issued using the temporary~~
12 ~~tag database or if the tag is a preprinted Internet down temporary tag. The dealer, or federal, state, or~~
13 ~~local governmental agency, may print the image of the buyer's temporary tag receipt issued from the~~
14 ~~temporary tag database or create the form using the same information.]~~ The dealer[,;] or ~~[federal, state,~~
15 ~~or local]~~ governmental agency, shall instruct the buyer to keep a copy of the buyer's license
16 plate~~[temporary tag]~~ receipt in the vehicle until the vehicle is registered in the buyer's name and the
17 vehicle registration insignia is affixed to the motor vehicle windshield or plate, as applicable ~~[and until~~
18 ~~metal plates are affixed to the vehicle]~~. The buyer's license plate ~~[temporary tag]~~ receipt must include
19 the following information:

20 (1) the issue date of the buyer's license plate or set of plates ~~[temporary tag]~~;

21 (2) the year, make, model, body style, color, and VIN of the vehicle sold;

- 1 (3) the license plate [~~vehicle-specific temporary tag~~] number;
- 2 (4) [~~the expiration date of the temporary tag;~~]
- 3 [~~(5)~~] the date of the sale;
- 4 (5) [(6)] the name of the issuing dealer and the dealer's license number or the name of
5 the issuing federal, state, or local governmental agency; [~~and~~]
- 6 (6) [(7)] the buyer's name and mailing address; [~~and~~]
- 7 (7) the procedure by which the vehicle's registration insignia will be provided to the
8 buyer as required under Transportation Code, §503.0631.

9

10 §215.157. Issuing Buyer's License Plates and License Plate Receipts When Internet Not Available.
11 [~~Advance Numbers, Preprinted Internet-down Temporary Tags~~].

12 [(a)] In accordance with Transportation Code, §503.0631(d), [~~a dealer, or a federal, state, or local~~
13 ~~governmental agency, may obtain an advance supply of preprinted Internet-down temporary tags with~~
14 ~~specific numbers and buyer's temporary tag receipts to issue in lieu of buyer's temporary tags if the~~
15 ~~dealer is unable to access the internet.~~]

16 [(b)] if [(f)] a dealer[,] or [~~a federal, state, or local~~] governmental agency[,] is unable to access the
17 internet at the time of a sale, the dealer[,] or [~~a federal, state, or local~~] governmental agency [~~, must~~
18 ~~complete the preprinted Internet-down temporary buyer's tag and buyer's temporary tag receipt by~~
19 ~~providing details of the sale, signing the buyer's temporary tag receipt, and retaining a copy. The dealer,~~
20 ~~or a federal, state, or local governmental agency,] must document the issuance of a buyer's general issue~~

1 license plate or set of plates or a buyer's temporary license plate on a receipt form prescribed by the
2 department and enter the required information regarding the sale in the license plate system [~~temporary~~
3 ~~tag database~~] not later than the close of the next business day [~~that the dealer has access to the~~
4 internet]. The buyer's license plate [~~temporary tag~~] receipt must include a statement that the dealer [~~, or~~
5 ~~a federal, state, or local~~] or governmental agency, has internet access but, at the time of the sale, the
6 dealer or [~~, or a federal, state, or local~~] governmental agency, was unable to access the internet or the
7 license plate system and meet the requirements in §215.156 of this title (relating to Buyer's License Plate
8 Receipt) [~~temporary tag database~~].

9
10 §215.158. General Requirements for Buyer's License Plates [~~and Allocation of Preprinted Internet-down~~
11 ~~Temporary Tag Numbers~~].

12 (a) A [~~The~~] dealer[,] or [~~a federal, state, or local~~] governmental agency[,] is responsible for the
13 safekeeping of all license plates in the dealer's or governmental agency's possession consistent with the
14 requirements in §215.150 (relating to Dealer Authorization to Issue License Plates). [~~preprinted Internet-~~
15 ~~down temporary tags and shall store them in a secure place, and promptly destroy any expired tags.~~] A
16 [~~The~~] dealer[,] or [~~a federal, state, or local~~] governmental agency shall report any loss, theft, or
17 destruction of a buyer's license plate [~~preprinted Internet-down temporary tags~~] to the department in
18 the system designated by the department within 24 hours of discovering the loss, theft, or destruction. A
19 dealer or governmental agency is also encouraged to immediately alert law enforcement by reporting a
20 stolen license plate to a local law enforcement agency.

21 (b) When a dealer is required to remove and void a previously assigned general issue plate or set
22 of plates or other type of license plate from a vehicle sold to an out-of-state buyer or for another reason

1 allowed by rule, the dealer shall render a void plate unusable by permanently marking the front of the
2 plate with the word “VOID” or a large “X”; and within 10 days:

3 (1) destroy the license plate or set of plates; or

4 (2) recycle the license plate or set of license plates using a metal recycler registered
5 under Occupations Code, Chapter 1956; or

6 (3) return the license plate or set of plates to the department or county tax assessor-
7 collector.

8 (c) A dealer or governmental agency must return all buyer’s license plates in the dealer’s
9 possession to the department within 10 days of closing the associated license or within 10 days of the
10 associated license being revoked, canceled, or closed by the department.

11 ~~[(b) A dealer, or a federal, state, or local governmental agency, may use a preprinted Internet-~~
12 ~~down temporary tag up to 12 months after the date the preprinted Internet-down temporary tag is~~
13 ~~created. A dealer, or a federal, state, or local governmental agency, may create replacement preprinted~~
14 ~~Internet-down temporary tags up to the maximum allowed, when:]~~

15 ~~[(1) a dealer, or a federal, state, or local governmental agency, uses one or more~~
16 ~~preprinted Internet-down temporary tags and then enters the required information in the temporary tag~~
17 ~~database after access to the temporary tag database is again available; or]~~

18 ~~[(2) a preprinted Internet-down temporary tag expires.]~~

19 ~~[(c) The number of preprinted Internet-down temporary tags that a dealer, or federal, state, or~~
20 ~~local governmental agency, may create is equal to the greater of:]~~

1 ~~[(1) the number of preprinted Internet-down temporary tags previously allotted by the~~
2 ~~department to the dealer or a federal, state, or local governmental agency;]~~

3 ~~[(2) 30; or]~~

4 ~~[(3) 1/52 of the dealer's, or federal, state, or local governmental agency's, total annual~~
5 ~~sales.]~~

6 ~~[(d) For good cause shown, a dealer, or a federal, state, or local governmental agency, may~~
7 ~~obtain more than the number of preprinted Internet-down temporary tags described in subsection (c) of~~
8 ~~this section. The director of the Motor Vehicle Division of the department or that director's delegate may~~
9 ~~approve, in accordance with this subsection, an additional allotment of preprinted Internet-down~~
10 ~~temporary tags for a dealer, or a federal, state, or local governmental agency, if the additional allotment~~
11 ~~is essential for the continuation of the dealer's, or a federal, state, or local governmental agency's,~~
12 ~~business. The director of the Motor Vehicle Division of the department, or a federal, state, or local~~
13 ~~governmental agency, or that director's delegate will base the determination of the additional allotment~~
14 ~~of preprinted Internet-down temporary tags on the dealer's, or a federal, state, or local governmental~~
15 ~~agency's, past sales, inventory, and any other factors that the director of the Motor Vehicle Division of~~
16 ~~the department or that director's delegate determines pertinent, such as an emergency. A request for~~
17 ~~additional preprinted Internet-down temporary tags must specifically state why the additional~~
18 ~~preprinted Internet-down temporary tags are necessary for the continuation of the applicant's~~
19 ~~business.]~~

20 ~~[(e) Preprinted Internet-down temporary tags created under subsection (c) of this section apply~~
21 ~~to the maximum tag limit established in §215.152 of this title (relating to Obtaining Numbers for~~

1 ~~Issuance of Temporary Tags) when the preprinted tag is entered into the temporary tag database as a~~
2 ~~sale.]~~

3

4 §215.160. Duty to Identify Motor Vehicles Offered for Sale as Rebuilt.

5 (a) For each motor vehicle a dealer displays or offers for retail sale and which the dealer knows
6 has been a salvage motor vehicle as defined by Transportation Code, §501.091(15) and has subsequently
7 been issued a title ~~[titled under Transportation Code, §501.100]~~, a dealer shall disclose in writing that
8 the motor vehicle has been repaired, rebuilt, or reconstructed. The written disclosure must:

9 (1) be visible from outside of the motor vehicle; and

10 (2) contain lettering that is reasonable in size, stating as follows: *"This motor vehicle has*
11 *been repaired, rebuilt or, reconstructed after formerly being titled as a salvage motor vehicle."*

12 (b) Upon the sale of a motor vehicle which has been a salvage motor vehicle as defined by
13 Transportation Code, §501.091(15) and subsequently issued a title ~~[titled under Transportation Code,~~
14 ~~§501.100]~~, a dealer shall obtain the purchaser's signature on the vehicle disclosure form or on an
15 acknowledgement written in fourteen point or larger font that states as follows: *"I, (name of purchaser),*
16 *acknowledge that at the time of purchase, I am aware that this vehicle has been repaired, rebuilt, or*
17 *reconstructed and was formerly titled as a salvage motor vehicle."*

18 (c) The purchaser's acknowledgement as required in subsection (b) of this section may be
19 incorporated in a Buyer's Order, a Purchase Order, or other disclosure document. This
20 disclosure requires a separate signature.

1 (d) An original signed acknowledgement or vehicle disclosure form required by subsection (b) of
2 this section must be given to the purchaser and a copy of the signed acknowledgement or vehicle
3 disclosure form shall be retained by the dealer in the records of motor vehicles sales required by
4 §215.144 of this title (relating to Vehicle Records). If the acknowledgement is incorporated in a Buyer's
5 Order, a Purchase Order, or other disclosure document, a copy of that document must be given to the
6 purchaser and a copy retained in the dealer's records in accordance with §215.144.

7 (e) This section does not apply to a wholesale motor vehicle auction.

8
9 §215.162. Catalytic Converter Record Requirements.

10 A dealer that repairs a motor vehicle with a catalytic converter shall:

11 (1) comply with the recordkeeping requirements in Occupations Code, Chapter 2305,
12 Subchapter D; and

13 (2) allow the department to inspect these records during business hours.

14
15 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
16 department proposes repeals to Chapter 215 under Occupations Code, §2301.151, which gives the board
17 authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any
18 action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which
19 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,
20 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair
21 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of
22 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,

1 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or
2 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before
3 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a
4 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license
5 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,
6 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement
7 with a retail purchaser of a motor vehicle; Transportation Code, §503.061, which allows the board to
8 adopt rules regulating the issuance and use of dealer's license plates; Transportation Code, §503.0631
9 which requires the department to adopt rules to implement and manage the department's database of
10 dealer-issued buyer's license plates; §503.0633 which allows the department to establish the maximum
11 number of license plates or sets of license plates a dealer may obtain annually under Transportation Code,
12 §503.063 and §503.065; Transportation Code, §520.0071 which requires the board to adopt rules
13 classifying deputies performing titling and registration duties, the duties and obligations of these deputies,
14 the type and amount of bonds that may be required by a county tax assessor-collector for a deputy
15 performing titling and registration duties, and the fees that may be charged or retained by deputies;
16 Transportation Code, §520.021 which allows the department to adopt rules and policies for the
17 maintenance and use of the department's automated registration and titling system; and Transportation
18 Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to
19 implement the powers and the duties of the department, as well as the statutes referenced throughout
20 this preamble.

21 The department also adopts repeals under the authority of Transportation Code,
22 §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and
23 §2001.054, in addition to the statutory authority referenced throughout this preamble.

1 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
2 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
3 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
4 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,
5 §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation
6 Code, §520.003 authorizes the department to adopt rules to administer Chapter 520.

7 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
8 the nature and requirements of all available formal and informal procedures. Government Code,
9 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
10 annulment, or withdrawal of a license.

11 **CROSS REFERENCE TO STATUTE.** These proposed repeals implement Government Code, Chapter 2001;
12 Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-504, 520, and 1001–
13 1005.

14
15 Text.

16 [~~§215.151. Temporary Tags, General Use Requirements, and Prohibitions.~~]

17 ~~[(a) A dealer, governmental agency, or converter shall secure a temporary tag to a vehicle in the~~
18 ~~license plate display area located at the rear of the vehicle, so that the entire temporary tag is visible and~~
19 ~~legible at all times, including when the vehicle is being operated.]~~

20 ~~[(b) All printed information on a temporary tag must be visible and may not be covered or~~
21 ~~obstructed by any plate holder or other device or material.]~~

1 ~~[(c) A motor vehicle that is being transported in accordance with Transportation Code,~~
2 ~~§503.068(d) or §503.0625, must have a dealer's temporary tag, a converter's temporary tag, or a buyer's~~
3 ~~temporary tag, whichever is applicable, affixed to the motor vehicle being transported.]~~

4

5 ~~[\$215.153. Specifications for All Temporary Tags]~~

6 ~~[(a) Information printed or completed on a temporary tag must be in black ink on a white~~
7 ~~background. Other than for a motorcycle, a completed buyer's, dealer's, converter's, or preprinted~~
8 ~~Internet-down temporary tag shall be six inches high and at least eleven inches wide. For a motorcycle,~~
9 ~~the completed buyer's, dealer's, converter's, or preprinted Internet-down temporary tag shall be four~~
10 ~~inches high and at least seven inches wide.]~~

11 ~~[(b) A temporary tag must be:]~~

12 ~~[(1) composed of plastic or other durable, weather-resistant material; or]~~

13 ~~[(2) sealed in a two mil clear poly bag that encloses the entire temporary tag.]~~

14 ~~[(c) A temporary tag may only be issued and printed from the department's temporary tag~~
15 ~~database as described in §215.152 of this title (relating to Obtaining Numbers for Issuance of Temporary~~
16 ~~Tags) and §215.157 of this title (relating to Advance Numbers, Preprinted Internet-down Temporary~~
17 ~~Tags).]~~

18

19 ~~[\$215.154. Dealer's Temporary Tags.]~~

1 ~~[(a) A dealer's temporary tag may be displayed only on the type of vehicle for which the GDN is~~
2 ~~issued and for which the dealer is licensed by the department to sell or lease.]~~

3 ~~[(b) A wholesale motor vehicle auction license holder that also holds a dealer GDN may display a~~
4 ~~dealer's temporary tag on a vehicle that is being transported to or from the licensed auction location.]~~

5 ~~[(c) When an unregistered vehicle is sold to another dealer, the selling dealer shall remove the~~
6 ~~selling dealer's temporary tag. The purchasing dealer may display its dealer's temporary tag or its~~
7 ~~dealer's standard or personalized prestige license plate on the vehicle.]~~

8 ~~[(d) A dealer's temporary tag:]~~

9 ~~[(1) may be displayed on a vehicle only as authorized in Transportation Code, §503.062;~~
10 ~~and]~~

11 ~~[(2) may not be displayed on:]~~

12 ~~[(A) a laden commercial vehicle being operated or moved on the public streets~~
13 ~~or highways;]~~

14 ~~[(B) on the dealer's service or work vehicles as described in §215.138(d) of this~~
15 ~~chapter (relating to Use of Dealer's License Plates);]~~

16 ~~[(C) a golf cart as defined under Transportation Code, Chapter 551; or]~~

17 ~~[(D) an off-highway vehicle as defined under Transportation Code, Chapter~~
18 ~~551A;]~~

19 ~~[(e) For purposes of subsection (d) of this section, a vehicle bearing a dealer's temporary tag is~~
20 ~~not considered a laden commercial vehicle when the vehicle is:]~~

1 ~~[(1) towing another vehicle bearing the same dealer's temporary tags; and]~~

2 ~~[(2) both vehicles are being conveyed from the dealer's place of business to a licensed~~
3 ~~wholesale motor vehicle auction or from a licensed wholesale motor vehicle auction to the dealer's~~
4 ~~place of business.]~~

5 ~~[(f) A dealer's temporary tag may not be used to operate a vehicle for the personal use of a~~
6 ~~dealer or a dealer's employee.]~~

7 ~~[(g) A dealer's temporary tag must show its expiration date, which must not exceed 60 days after~~
8 ~~the date the temporary tag was issued.]~~

9 ~~[(h) A dealer's temporary tag may be issued by a dealer to a specific motor vehicle in the dealer's~~
10 ~~inventory or to a dealer's agent who is authorized to operate a motor vehicle owned by the dealer.]~~

11 ~~[(i) A dealer that issues a dealer's temporary tag to a specific vehicle must ensure that the~~
12 ~~following information is placed on the temporary tag:]~~

13 ~~[(1) the vehicle-specific number from the temporary tag database;]~~

14 ~~[(2) the year and make of the vehicle;]~~

15 ~~[(3) the VIN of the vehicle;]~~

16 ~~[(4) the month, day, and year of the temporary tag's expiration; and]~~

17 ~~[(5) the name of the dealer.]~~

18 ~~[(j) A dealer that issues a dealer's temporary tag to an agent must ensure that the following~~
19 ~~information is placed on the temporary tag:]~~

1 ~~[(1) the specific number from the temporary tag database;]~~

2 ~~[(2) the month, day, and year of the temporary tag's expiration; and]~~

3 ~~[(3) the name of the dealer.]~~

4

5 ~~[215.159. Converter's Temporary Tags.]~~

6 ~~[(a) A converter's temporary tag may be displayed only on the type of vehicle that the converter~~
7 ~~is engaged in the business of assembling or modifying.]~~

8 ~~[(b) A converter's temporary tag must show its expiration date, which may not be more than 60~~
9 ~~days after the date of its issuance.]~~

10 ~~[(c) A converter that issues a converter's temporary tag to a specific vehicle shall ensure that the~~
11 ~~following information is placed on the converter's temporary tag:]~~

12 ~~[(1) the vehicle-specific number from the temporary tag database;]~~

13 ~~[(2) the year and make of the vehicle;]~~

14 ~~[(3) the VIN of the vehicle;]~~

15 ~~[(4) the month, day, and year of expiration of the converter's temporary tag; and]~~

16 ~~[(5) the name of the converter.]~~

17

18 **SUBCHAPTER E. LESSORS AND LEASE FACILITATORS**

19 **43 TAC §215.178**

1
2 **STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the
3 department proposes amendments to Chapter 215 under Occupations Code, §2301.151, which gives the
4 board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take
5 any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which
6 authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale,
7 and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair
8 practices, discrimination, impositions, and other abuses in connection with the distribution and sale of
9 motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code,
10 Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or
11 convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before
12 the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a
13 license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license
14 holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution,
15 financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement
16 with a retail purchaser of a motor vehicle; Transportation Code, §503.061, which allows the board to
17 adopt rules regulating the issuance and use of dealer's license plates; Transportation Code, §503.0631
18 which requires the department to adopt rules to implement and manage the department's database of
19 dealer-issued buyer's license plates; §503.0633 which allows the department to establish the maximum
20 number of license plates or sets of license plates a dealer may obtain annually under Transportation Code,
21 §503.063 and §503.065; Transportation Code, §520.0071 which requires the board to adopt rules
22 classifying deputies performing titling and registration duties, the duties and obligations of these deputies,
23 the type and amount of bonds that may be required by a county tax assessor-collector for a deputy

1 performing titling and registration duties, and the fees that may be charged or retained by deputies;
2 Transportation Code, §520.021 which allows the department to adopt rules and policies for the
3 maintenance and use of the department’s automated registration and titling system; and Transportation
4 Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to
5 implement the powers and the duties of the department, as well as the statutes referenced throughout
6 this preamble.

7 The department also adopts amendments under the authority of Transportation Code,
8 §§501.0041, 502.0021, 503.002, and 520.003; and Government Code, §2001.004 and §2001.054, in
9 addition to the statutory authority referenced throughout this preamble.

10 Transportation Code, §501.0041 authorizes the department to adopt rules to administer
11 Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt
12 rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the
13 board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code,
14 §520.003 authorizes the department to adopt rules to administer Chapter 520.

15 Government Code, §2001.004 requires state agencies to adopt rules of practice stating
16 the nature and requirements of all available formal and informal procedures. Government Code,
17 §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension,
18 annulment, or withdrawal of a license.

19 **CROSS REFERENCE TO STATUTE.** These proposed amendments implement Government Code, Chapter
20 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501-503, 520, and
21 1001–1005.

22

23 Text.

1 §215.178. Records Required for Vehicle Lessors and Vehicle Lease Facilitators.

2 (a) Vehicle purchase, leasing, and sales records. A vehicle lessor or vehicle lease facilitator
3 shall maintain a complete record of all vehicle purchases, leases, and sales of leased vehicles for at
4 least one year after the expiration of the vehicle lease.

5 (1) Complete records reflecting vehicle lease transactions that occurred within the
6 preceding 24 months must be maintained at the licensed location. Records for prior time periods
7 may be kept off-site.

8 (2) Within 15 days of receipt of a department records request [~~from a~~
9 ~~representative of the department~~], a vehicle lessor or vehicle lease facilitator shall deliver a copy
10 of the specified records to the address listed in the request.

11 (b) Content of records for lease transaction. A complete record for a vehicle lease
12 transaction must contain:

13 (1) the name, address, and telephone number of the vehicle lessor;

14 (2) the name, mailing address, physical address, and telephone number of each
15 vehicle lessee;

16 (3) the name, address, telephone number, and license number of the lease
17 facilitator;

18 (4) the name, work address, and telephone number of each employee of the vehicle
19 lease facilitator that handled the transaction;

20 (5) a complete description of the vehicle involved in the transaction, including the
21 VIN;

22 (6) the name, address, telephone number, and GDN of the dealer selling the
23 vehicle, as well as the franchised dealer's license number if the vehicle is a new motor vehicle;

1 (7) the amount of fee paid to the vehicle lease facilitator or a statement that no fee
2 was paid;

3 (8) a copy of the buyer's order and sales contract for the vehicle;

4 (9) a copy of the vehicle lease contract;

5 (10) a copy of all other contracts, agreements, or disclosures between the vehicle
6 lease facilitator and the consumer lessee; and

7 (11) a copy of the front and back of the manufacturer's statement of origin,
8 manufacturer's certificate of origin, or the title of the vehicle, as applicable.

9 (c) Content of records for sale of leased vehicle. A vehicle lessor's complete record for each
10 vehicle sold at the end of a lease to a lessee, a dealer, or at a wholesale motor vehicle auction must
11 contain:

12 (1) the date of the purchase;

13 (2) the date of the sale;

14 (3) the VIN;

15 (4) the name and address of the person selling the vehicle to the vehicle lessor;

16 (5) the name and address of the person purchasing the vehicle from the vehicle lessor;

17 (6) except for a purchase or sale where the Tax Code does not require payment of motor
18 vehicle sales tax, a tax assessor-collector receipt marked paid;

19 (7) a copy of all documents, forms, and agreements applicable to a particular sale,
20 including a copy of:

- 1 (A) the title application;
- 2 (B) the work-up sheet;
- 3 (C) the front and back of manufacturer's certificate of origin or manufacturer's
4 statement of origin, unless the title is obtained through webDEALER as defined in §217.71 of this title
5 (relating to Automated and Web-Based Vehicle Registration and Title Systems) [~~the electronic title~~
6 ~~system~~];
- 7 (D) the front and back of the title, unless the title is obtained through
8 webDEALER as defined in §217.71 of this title [~~the electronic title system~~];
- 9 (E) the factory invoice;
- 10 (F) the sales contract;
- 11 (G) the retail installment agreement;
- 12 (H) the buyer's order;
- 13 (I) the bill of sale;
- 14 (J) any waiver;
- 15 (K) any other agreement between the seller and purchaser; and
- 16 (L) the purchaser's photo identification if sold to a lessee;
- 17 (8) a copy of the original manufacturer's certificate of origin, original manufacturer's
18 statement of origin, or title for a motor vehicle offered for sale, or a properly stamped original
19 manufacturer's certificate of origin, original manufacturer's statement of origin, or original title for a title

1 transaction entered by a dealer into webDEALER as defined in §217.71 of this title [~~the electronic titling~~
2 ~~system by a dealer~~];

3 (9) the monthly Motor Vehicle Seller Financed Sales Returns, if any; and

4 (10) if the vehicle sold is a motor home or a towable recreational vehicle subject to
5 inspection under Transportation Code, Chapter 548, a copy of the written notice provided to the buyer at
6 the time of the sale, notifying the buyer that the vehicle is subject to inspection requirements.

7 (d) Records of advertising. A vehicle lessor or vehicle lease facilitator shall maintain a copy
8 of all advertisements, brochures, scripts, or an electronically reproduced copy in whatever medium
9 appropriate, of promotional materials for a period of at least 18 months. Each copy is subject to
10 inspection upon request by the department at the business location during posted business hours.

11 (1) A vehicle lessor and a vehicle lease facilitator shall comply with all federal and
12 state advertising laws and regulations, including Subchapter F of this chapter (relating to
13 Advertising).

14 (2) A vehicle lessor's or vehicle lease facilitator's advertising or promotional
15 materials may not state or infer, either directly or indirectly, that the business involves the sale of
16 new motor vehicles.

17 (e) Title assignments. Each certificate of title, manufacturer's certificate of origin, or other
18 evidence of ownership for a vehicle that has been acquired by a vehicle lessor for lease must be
19 properly assigned from the seller in the vehicle lessor's name.

20 (f) Letters of representation or appointment. A letter of representation or appointment
21 between a vehicle lessor and a vehicle lease facilitator must be executed by both parties and
22 maintained by each party.

- 1 (g) Electronic records. Any record required to be maintained by a vehicle lessor or vehicle
- 2 lease facilitator may be maintained in an electronic format, provided the electronic record can be
- 3 printed at the licensed location or sent electronically upon department request except as provided
- 4 by subsection (c)(8) of this section.