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TITLE 43. TRANSPORTATION

**PART 10. TEXAS DEPARTMENT OF
MOTOR VEHICLES**

**CHAPTER 217. VEHICLE TITLES AND
REGISTRATION**

The Texas Department of Motor Vehicles (department) proposes the repeal of Chapter 217, Subchapters A - H, and proposes new Subchapters A - I.

**EXPLANATION OF PROPOSED REPEALS AND NEW SUB-
CHAPTERS**

The department conducted a review of its rules in compliance with Government Code, §2001.039. Notice of the department's plan to review was published in the April 18, 2014, issue of the *Texas Register* (39 TexReg 3261).

As a result of the review, the department has determined that a comprehensive restructuring and renumbering of the chapter is needed to improve clarity and to simplify future amendments to the chapter. Most significantly, this proposal breaks up current §217.3, Motor Vehicle Titles, and current §217.22, Motor Vehicle Registration, into shorter, more accessible, and more easily comprehended sections; §217.3 is proposed to be broken up into twelve new sections, and §217.22 into fourteen new sections. Adding these new sections makes it necessary to renumber nearly all of the current Chapter 217 sections.

Other proposed structural changes include moving the sections governing salvage vehicle dealers, which currently comprise Subchapter E, to a new Subchapter I. The department anticipates that under a future proposed rule change, the salvage vehicle dealer subchapter will be removed from Chapter 217 entirely and relocated to Chapter 215, which governs motor vehicle distribution. Placing these sections in the final subchapter of Chapter 217 now will allow the eventual deletion of that subchapter without leaving a gap in the proposed Chapter 217's subchapter lettering scheme. In addition, those sections of current Subchapter A addressing liens are moved to a new Subchapter E governing liens and insurance claims.

In addition to these proposed structural and renumbering changes, the department has also identified various substantive changes that should be made to Chapter 217, and is identifying additional proposed substantive changes to complete the rule review process. To simplify the rule review process, the department will propose most of the substantive changes after the renumbering and structural changes of the current proposal are adopted. Therefore, with the exception of the proposed amendments to §217.54, described in more detail in the paragraph below regarding changes to Subchapter B, relatively few substantive changes to the text of Chapter 217 are currently proposed. However, some changes to correct punctuation, grammar, capitalization, and references are included as necessary.

The proposed changes to Chapter 217 are described by subchapter.

Subchapter A ("Motor Vehicle Titles") is renumbered and restructured as follows. Current §217.3 is broken up into the following proposed new sections of Subchapter A: §217.3, Motor Vehicle Titles (current §217.3(a), except §217.3(a)(4)); §217.4, Initial Application for Title (current §217.3(b)); §217.5, Evidence of Motor Vehicle Ownership (current §217.3(c)); §217.6, Title Issuance (current §217.3(d)); §217.7, Replacement of Title (current §217.3(e)); §217.8, Second Hand Vehicle Transfers (current §217.3(f)); §217.9, Bonded Title (current §217.3(g)); §217.10, Appeal to the County (current §217.3(h)); §217.11, Rescission, Cancellation or Revocation by Affidavit (current §217.3(i)); and §217.12, Fees (current §217.3(k)). The text of current §217.3(a)(4) is proposed as §217.14, Exemptions from Title. In addition, the text of current §217.3(j), Discharge of Liens, is proposed as a new section within new Subsection E, Title Liens and Claims, as described in more detail below.

Proposed substantive changes to the current text of Subchapter A are as follows. Section 217.1, Purpose and Scope, changes references to "certificates of title" to "titles" to ensure applicability to a certificate or record of title issued under Transportation Code, §501.024. Section 217.2(8) clarifies the definition of an "exempt agency" as a governmental body exempt from paying not only registration fees but also title fees. Section 217.2(11) corrects a reference from "Transportation Code, §548.256" to "Transportation Code, Chapter 548." Two definitions in the current text, §217.2(20) ("semitrailer") and §217.2(22) ("token trailer"), are deleted as unnecessarily duplicative of statutory language, and §217.2 is renumbered internally to account for these deletions. Current §217.3(b)(4), addressing vehicle identification numbers, is deleted as no longer needed in the new §217.4, Initial Application for Title. Section 217.4(d)(4) changes a reference from "Transportation Code, §548.256" to "Transportation Code, Chapter 548" for clarity. Section 217.9(e)(6) changes the required out-of-state inspection form required to obtain a bonded title when no Texas record exists from a specific Texas Department of Public Safety form to the out-of-state vehicle inspection form described by proposed §217.9(d). Finally, the title of proposed §217.10 is shortened to "Appeal to the County."

Subchapter B ("Motor Vehicle Registration") is renumbered and restructured as follows. Current §217.22 is broken up into the following proposed sections of Subchapter B: §217.23, Initial Application for Vehicle Registration (current §217.22(b), except §217.22(b)(4)); §217.24, Vehicle Last Registered in Another Jurisdiction (current §217.22(b)(4), except §217.22(b)(4)(E)); §217.25, Out-of-State Vehicles (current §217.22(g)); §217.26, Identification Required (current §217.22(b)(4)(E)); §217.27, Vehicle Registration Insignia (current §217.22(c)); §217.28, Vehicle Registration Renewal (current §217.22(d), except §217.22(d)(6) and §217.22(d)(7)); §217.30, Refusal to Renew Registration for Delinquent Child Support (current §217.22(d)(6)); §217.31, License Plate Reissuance Program (current §217.22(d)(7)); §217.32, Replacement of License Plates, Symbols, Tabs, and Other Devices (current §217.22(e)); §217.33, Commercial Farm Motor Vehicles, Farm Trailers, and Farm Semitrailers (current §217.22(f)); §217.34, Electric Personal Assistive Mobility Device (current §217.22(h)); §217.35, Neighborhood Electric Vehicle (current §217.22(i)); §217.36, Refusal to Register by Local Government and Record Notation (current §§217.22(j), (k), (l), and (m)); and §217.37, Fees (current §217.22(n)).

Also within Subchapter B, §217.29, Vehicle Registration Renewal via Internet, retains the same section number in both the current and the proposed structure. The proposed §217.49, Water Well Drilling Equipment and Vehicles, combines the text of two current rules, §217.36, Water Well Drilling Equipment, and §217.39, Water Well Drilling Vehicles.

The other sections in Subchapter B are renumbered as follows: §217.21, Purpose and Scope (current §217.20); §217.22, Definitions (current §217.21); §217.38, Registration Fee Credit: Application (current §217.32); §217.39, Registration Fee Credit: Nontransferable (current §217.33); §217.40, Special Registration Permits (current §217.23); §217.41, Disabled Person License Plates and Identification Placards (current §217.24); §217.42, Construction Machinery Criteria (current §217.25); §217.43, Military Specialty License Plates (current §217.26); §217.44, Privately Owned Buses (current §217.27); §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices (current §217.28); §217.46, Commercial Vehicle Registration (current §217.30); §217.47, Vehicle Emissions Enforcement System (current §217.31); §217.48, Machinery (current §217.35); §217.50, Equipment and Vehicles Within Road Construction Projects (current §217.37); §217.51, Change of Classification: Truck and Truck-Tractors (current §217.38); §217.52, Marketing of Specialty License Plates Through a Private Vendor (current §217.40); §217.53, Removal of License Plates and Registration Insignia Upon Sale of Motor Vehicle (current §217.41); §217.54, Registration of Fleet Vehicles (current §217.42); §217.55, Exempt and Alias Vehicle Registration (current §217.43); and §217.56, Registration Reciprocity Agreements (current §217.44).

Proposed substantive changes from the current text of Subchapter B are as follows. Citation to Transportation Code, §502.055, is added to clarify §217.44, Privately Owned Buses. Repetitive language is deleted from, and a clarifying citation to Transportation Code, Chapter 551 is added to, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices. A citation to Transportation Code, §502.055, replaces an incorrect citation in §217.46(c)(2)(A). Finally, proposed amendments to §217.54 implement House Bill 2305, 83rd Regular Session, regarding single sticker for commercial fleet vehicles.

The sections in Subchapter C ("Registration and Title System") are renumbered as follows: §217.71, Automated Vehicle Registration and Title System (current §217.53); §217.72, Automated Equipment (current §217.54); and §217.73, Agreement (current §217.55).

The substantive changes to Subchapter C include replacing the term "certificates of title" with "titles" in §217.71 to reflect the increasing importance of electronic titles, and the addition of a statutory reference to Transportation Code, §502.356, and other language to clarify §217.72(c).

The sections in Subchapter D ("Non-Repairable and Salvage Motor Vehicles") are renumbered as follows: §217.81, Purpose and Scope (current §217.60); §217.82, Definitions (current §217.61); §217.83, Requirement for Non-repairable or Salvage Vehicle Title (current §217.62); §217.84, Application for Non-repairable or Salvage Vehicle Title (current §217.63); §217.85, Replacement of Non-repairable or Salvage Motor Vehicle Ownership Documents (current §217.64); §217.86, Dismantling, Scrapping, or Destruction of Motor Vehicles (current §217.65); §217.87, Rights of Holder of Non-repairable or Salvage Motor Vehicle Documents (current §217.66); §217.88, Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor

Vehicle (current §217.67); and §217.89, Rebuilt Salvage Motor Vehicles (current §217.68).

The substantive changes to Subchapter D include replacing references to "certificates of title" to "titles" in §217.81 and §217.82 to ensure applicability to a certificate or record of title issued under Transportation Code, §501.024, and the correction of an erroneous internal citation in §217.88(g)(2)(B).

The proposal moves all sections in current Subchapter E ("Salvage Vehicle Dealers") to a new Subchapter I, as described below. The proposed Subchapter E (to be titled "Title Liens and Claims") contains those sections currently in Subchapter A governing title liens and insurance claims, which are grouped into a single subchapter and renumbered as follows: §217.101, Landowner's Lien (current §217.5); §217.102, Child Support Lien (current §217.6); §217.103, Restitution Liens (current §217.7); §217.104, Electronic Lien Title Program (current §217.8); §217.105, Insurance Company Claims (current §217.9); and §217.106, Discharge of Liens (current §217.3(j)).

Substantively, the text of the sections moved to proposed Subchapter E corrects citations to rules in this chapter.

The sections in Subchapter F ("Motor Vehicle Record Information") are renumbered as follows: §217.121, Purpose and Scope (current §217.90); §217.122, Definitions (current §217.91); §217.123, Access to Motor Vehicle Records (current §217.92); and §217.124, Cost of Motor Vehicle Records (current §217.93).

A substantive change in Subchapter F deletes references to repealed and irrelevant statutes in proposed §217.123.

The sections in Subchapter G ("Inspections") are renumbered as follows: §217.141, Purpose and Scope (current §217.100); §217.142, Definitions (current §217.101); and §217.143, Inspection Requirements (current §217.102). No substantive change to the text of these sections is proposed.

The sole section in Subchapter H ("Deputies") is renumbered §217.161 (currently §217.111), with no proposed substantive change to the text.

The proposal moves all sections currently in Subchapter E ("Salvage Vehicle Dealers") to a newly created Subchapter I, renumbering these sections as follows: §217.181, Purpose and Scope (current §217.70); §217.182, Definitions (current §217.71); §217.183, Classification of Salvage Vehicle Dealer Licenses (current §217.72); §217.184, Salvage Vehicle Dealer License (current §217.73); §217.185, Salvage Vehicle Agent License (current §217.74); §217.186, Investigation, Report by the Department, and Issuance of License (current §217.75); §217.187, Place of Business (current §217.76); §217.188, Change of Licensee's Status (current §217.77); §217.189, License Renewal (current §217.78); §217.190, Licensee Duties (current §217.79); §217.191, Record of Purchases, Sales and Inventory (current §217.80); and §217.192, Administrative Sanctions and Procedures (current §217.81).

Proposed substantive changes to the text of the sections moved into new Subchapter I include a correction to the internal numbering of §217.182, and the addition in §217.186(b) of a reference to proposed §217.192.

In addition to the proposed substantive changes described above, other changes are made throughout the proposed new subchapters to revise terminology for consistency with other department rules and with current department practice, and nonsubstantive amendments are proposed to correct punctu-

ation, grammar, capitalization, and references throughout the proposed amended sections.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the repeals and new subchapters as proposed are in effect, there will be minimal fiscal implications for state or local governments as a result of enforcing or administering the repeals and new subchapters.

Jeremiah Kuntz, Director of the Vehicle Titles and Registration Division, has certified that there will be no significant impact on local economies or overall employment as a result of enforcing or administering the repeals and new subchapters.

PUBLIC BENEFIT AND COST

Mr. Kuntz has also determined that for each year of the first five years the repeals and new subchapters are in effect, the public benefit anticipated as a result of adoption of the proposed repeal, and new subchapters will be accuracy and clarity of the department's rules and greater protection for the traveling public on public roads and highways in Texas. There are no anticipated economic costs for persons required to comply with the repeals and new subchapters as proposed. There will be no adverse economic effect on small business or micro-businesses.

TAKING IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under the Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed repeals and new subchapters may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on January 19, 2015.

SUBCHAPTER A. MOTOR VEHICLE TITLES

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

43 TAC §§217.1 - 217.9

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.1. *Purpose and Scope.*

§217.2. *Definitions.*

§217.3. *Motor Vehicle Titles.*

§217.4. *Alias Certificate of Title.*

§217.5. *Landowner's Lien.*

§217.6. *Child Support Liens.*

§217.7. *Restitution Liens.*

§217.8. *Electronic Lien Title Program.*

§217.9. *Insurance Company Claims.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405843

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.20 - 217.33, 217.35 - 217.44

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.20. *Purpose and Scope.*

§217.21. *Definitions.*

§217.22. *Motor Vehicle Registration.*

§217.23. *Special Registration Permits*

§217.24. *Disabled Person License Plates and Identification Placards.*

§217.25. *Construction Machinery Criteria.*

§217.26. *Military Specialty License Plates.*

§217.27. *Privately Owned Buses.*

§217.28. *Specialty License Plates, Symbols, Tabs, and Other Devices.*

§217.29. *Vehicle Registration Renewal via the Internet.*

§217.30. *Commercial Vehicle Registration.*

§217.31. *Vehicle Emissions Enforcement System.*

§217.32. *Registration Fee Credit: Application.*

§217.33. *Registration Fee Credit: Nontransferable.*

§217.35. *Machinery.*

§217.36. *Water Well Drilling Equipment.*

§217.37. *Equipment and Vehicles Within Road Construction Projects.*

§217.38. *Change of Classification: Trucks and Truck-Tractors.*

§217.39. *Water Well Drilling Vehicles.*

§217.40. *Marketing of Specialty License Plates through a Private Vendor.*

§217.41. *Removal of License Plates and Registration Insignia Upon Sale of Motor Vehicle.*

§217.42. *Registration of Fleet Vehicles.*

§217.43. *Exempt and Alias Vehicle Registration.*

§217.44. *Registration Reciprocity Agreements.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405844

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER C. REGISTRATION AND TITLE SYSTEM

43 TAC §§217.53 - 217.55

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.53. *Automated Vehicle Registration and Title System.*

§217.54. *Automated Equipment.*

§217.55. *Agreement.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405845

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER D. NON-REPAIRABLE AND SALVAGE MOTOR VEHICLES

43 TAC §§217.60 - 217.68

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.60. *Purpose and Scope.*

§217.61. *Definitions.*

§217.62. *Requirement for Non-repairable or Salvage Vehicle Title.*

§217.63. *Application for Non-repairable or Salvage Vehicle Title.*

§217.64. *Replacement of Non-repairable or Salvage Motor Vehicle Ownership Documents.*

§217.65. *Dismantling, Scrapping, or Destruction of Motor Vehicles.*

§217.66. *Rights of Holder of Non-repairable or Salvage Motor Vehicle Documents.*

§217.67. *Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle.*

§217.68. *Rebuilt Salvage Motor Vehicles.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405846

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER E. SALVAGE VEHICLE DEALERS

43 TAC §§217.70 - 217.81

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

- §217.70. *Purpose and Scope.*
- §217.71. *Definitions.*
- §217.72. *Classifications of Salvage Vehicle Dealer Licenses.*
- §217.73. *Salvage Vehicle Dealer License.*
- §217.74. *Salvage Vehicle Agent License.*
- §217.75. *Investigation, Report by the Department, and Issuance of License.*
- §217.76. *Place of Business.*
- §217.77. *Change of Licensee's Status.*
- §217.78. *License Renewal.*
- §217.79. *Licensee Duties.*
- §217.80. *Record of Purchases, Sales, and Inventory.*
- §217.81. *Administrative Sanctions and Procedures.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405847
David D. Duncan
General Counsel
Texas Department of Motor Vehicles
Earliest possible date of adoption: January 18, 2015
For further information, please call: (512) 465-5665



SUBCHAPTER F. MOTOR VEHICLE RECORD INFORMATION

43 TAC §§217.90 - 217.93

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

- §217.90. *Purpose and Scope.*
- §217.91. *Definitions.*
- §217.92. *Access to Motor Vehicle Records.*
- §217.93. *Cost of Motor Vehicle Records.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405848
David D. Duncan
General Counsel
Texas Department of Motor Vehicles
Earliest possible date of adoption: January 18, 2015
For further information, please call: (512) 465-5665



SUBCHAPTER G. INSPECTIONS

43 TAC §§217.100 - 217.102

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeals are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

- §217.100. *Purpose and Scope.*
- §217.101. *Definitions.*
- §217.102. *Inspection Requirements.*

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405850
David D. Duncan
General Counsel
Texas Department of Motor Vehicles
Earliest possible date of adoption: January 18, 2015
For further information, please call: (512) 465-5665



SUBCHAPTER H. DEPUTIES

43 TAC §217.111

(Editor's note: The text of the following section proposed for repeal will not be published. The section may be examined in the offices of the Texas Department of Motor Vehicles or in the Texas Register office, James Earl Rudder Building, 1019 Brazos Street, Austin, Texas.)

STATUTORY AUTHORITY

The repeal is proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.111. Deputies.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405851

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER A. MOTOR VEHICLE TITLES

43 TAC §§217.1 - 217.14

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.1. Purpose and Scope.

The Certificate of Title Act, Transportation Code, Chapter 501, charges the department with the responsibility of issuing titles for motor vehicles, unless they are otherwise exempted by law. For the department to efficiently and effectively issue motor vehicle titles, maintain records, and collect the applicable fees, and to ensure proper application by motor vehicle owners, this subchapter prescribes the policies and procedures for the application for and issuance of motor vehicle titles.

§217.2. Definitions.

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

(1) Alias--The name of a vehicle owner reflected on a title, when the name on the title is different from the name of the legal owner of the vehicle.

(2) Alias title--A title document issued by the department for a vehicle that is used by an exempt law enforcement agency in covert criminal investigations.

(3) Bond release letter--Written notification from the United States Department of Transportation authorizing United States Customs to release the bond posted for a motor vehicle imported into the United States to ensure compliance with federal motor vehicle safety standards.

(4) Title application--A form prescribed by the division director that reflects the information required by the department to create a motor vehicle title record.

(5) Date of sale--The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

(6) Division director--The director of the department's Vehicle Titles and Registration Division.

(7) Executive administrator--The director of a federal agency, the director of a Texas state agency, the sheriff of a Texas county, or the chief of police of a Texas city who by law possesses the authority to conduct covert criminal investigations.

(8) Exempt agency--A governmental body exempt by law from paying title or registration fees for motor vehicles.

(9) Federal motor vehicle safety standards--Motor vehicle safety requirements promulgated by the United States Department of Transportation, National Highway Traffic Safety Administration, set forth in Title 49, Code of Federal Regulations.

(10) House moving dolly--An apparatus consisting of metal beams and axles used to move houses. House moving dollies, by nature of their construction and use, actually form large semitrailers.

(11) Identification certificate--A form issued by an inspector of an authorized safety inspection station in accordance with Transportation Code, Chapter 548.

(12) Implements of husbandry--Farm implements, machinery, and tools used in tilling the soil, including self-propelled machinery specifically designed or especially adapted for applying plant food materials or agricultural chemicals. This term does not include an implement unless it is designed or adapted for the sole purpose of transporting farm materials or chemicals. This term does not include any passenger car or truck.

(13) Manufacturer's certificate of origin--A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for title, showing, on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

(14) Moped--A motor driven cycle whose attainable speed is not more than 30 miles per hour and that is equipped with a motor that produces not more than two-brake horsepower. If an internal combustion engine is used, the piston displacement may not exceed 50 cubic centimeters and the power drive system may not require the operator to shift gears.

(15) Motor vehicle importation form--A declaration form prescribed by the United States Department of Transportation and certified by United States Customs that relates to any motor vehicle being brought into the United States and the motor vehicle's compliance with federal motor vehicle safety standards.

(16) Non United States standard motor vehicle--A motor vehicle not manufactured in compliance with federal motor vehicle safety standards.

(17) Obligor--An individual who is required to make payments under the terms of a support order for a child.

(18) Person--An individual, firm, corporation, company, partnership, or other entity.

(19) Safety certification label--A label placed on a motor vehicle by a manufacturer certifying that the motor vehicle complies with all federal motor vehicle safety standards.

(20) Statement of fact--A written declaration that supports an application for a title, that is executed by an involved party to a transaction involving a motor vehicle, and that clarifies an error made on a title or other negotiable evidence of ownership. When a written declaration is necessary to correct an odometer disclosure error, the signatures of both the seller and buyer when the error occurred are required.

(21) Verifiable proof--Additional documentation required of a vehicle owner, lienholder, or agent executing an application for a certified copy of a title.

(A) Individual applicant. If the applicant is an individual, verifiable proof consists of a copy of a current photo identification issued by this state or by the United States or foreign passport.

(B) Business applicant. If the applicant is a business, verifiable proof consists of an original or copy of a letter of signature authority on letterhead, a business card, or employee identification and a copy of current photo identification issued by this state or by the United States or foreign passport.

(C) Power of attorney. If the applicant is a person in whose favor a power of attorney has been executed by the owner or lienholder, verifiable proof consists of the documentation required under subparagraph (A) or (B) of this paragraph both for the owner or lienholder and for the person in whose favor the power of attorney is executed.

§217.3. Motor Vehicle Titles.

Unless otherwise exempted by law or this chapter, the owner of any motor vehicle that is required to be registered in accordance with Transportation Code, Chapter 502, shall apply for a Texas title in accordance with Transportation Code, Chapter 501.

(1) Motorcycles, motor-driven cycles, and mopeds.

(A) The title requirements of a motorcycle, motor-driven cycle, and moped are the same requirements prescribed for any motor vehicle.

(B) A vehicle that meets the criteria for a moped and has been certified as a moped by the Department of Public Safety will be registered and titled as a moped. If the vehicle does not appear on the list of certified mopeds published by that agency, the vehicle will be treated as a motorcycle for title and registration purposes.

(2) Farm vehicles.

(A) The term motor vehicle does not apply to implements of husbandry, which may not be titled.

(B) Farm tractors owned by agencies exempt from registration fees in accordance with Transportation Code, §502.453, are required to be titled and registered with "Exempt" license plates issued in accordance with Transportation Code, §502.451.

(C) Farm tractors used as road tractors to mow rights of way or used to move commodities over the highway for hire are required to be registered and titled.

(D) Farm semitrailers with a gross weight of more than 4,000 pounds that are registered in accordance with Transportation Code, §502.146, may be issued a Texas title.

(3) Neighborhood electric vehicles. The title requirements of a neighborhood electric vehicle (NEV) are the same requirements prescribed for any motor vehicle.

(4) Trailers, semitrailers, and house trailers. Owners of trailers and semitrailers shall apply for and receive a Texas title for any stand alone (full) trailer, including homemade or shopmade full trailers, or any semitrailer having a gross weight in excess of 4,000 pounds. Owners of trailers having a gross weight of 4,000 pounds or less may apply for and receive a Texas title. House trailer-type vehicles must meet the criteria outlined in subparagraph (C) of this paragraph to be titled.

(A) The rated carrying capacity will not be less than one-third of its empty weight.

(B) Mobile office trailers, mobile oil field laboratories, and mobile oil field bunkhouses are not designed as dwellings, but are classified as commercial semitrailers and must be registered and titled as commercial semitrailers if operated on the public streets and highways.

(C) House trailer-type vehicles and camper trailers must meet the following criteria in order to be titled.

(i) A house trailer-type vehicle designed for living quarters and that is eight body feet or more in width or forty body feet or more in length (not including the hitch), is classified as a manufactured home or mobile home and is titled under the Texas Manufactured Housing Standards Act, Occupations Code, Chapter 1201, administered by the Texas Department of Housing and Community Affairs.

(ii) A house trailer-type vehicle that is less than eight feet in width and less than forty feet in length is classified as a travel trailer and shall be registered and titled.

(iii) A camper trailer shall be titled as a house trailer and shall be registered with travel trailer license plates.

(iv) A recreational park model type trailer that is primarily designed as temporary living quarters for recreational, camping or seasonal use, is built on a single chassis, and is 400 square feet or less when measured at the largest horizontal projection when in the set up mode shall be titled as a house trailer and may be issued travel trailer license plates. If the park model type trailer exceeds one hundred two inches in width or forty feet in length, the title will include a brand to indicate that an oversize permit must be obtained to move the trailer on the public roads.

(5) Assembled vehicles.

(A) An assembled vehicle is a vehicle assembled from the three basic component parts (motor, frame, and body), except that a motorcycle must have a frame and motor, and a trailer or travel trailer will have no motor, and that is:

(i) assembled from new or used materials and parts by someone not regulated as a motor vehicle manufacturer;

(ii) altered or modified to the extent that it no longer reflects the original manufacturer's configuration; or

(iii) assembled from a kit even if a Manufacturer's Certificate of Origin or Manufacturer's Statement of Origin is provided.

(B) An assembled vehicle may be titled if:

(i) it is assembled and completed with a body, motor, and frame, except that a motorcycle must have a frame and motor, and a trailer or travel trailer will have no motor;

(ii) it is not created from different vehicle classes, (as established by the Federal Highway Administration, except that component parts from 2-axle, 4-tire passenger cars and 2-axle, 4-tire pickups, panels and vans can be interchanged with one another), that were never engineered or manufactured to be combined with one another;

(iii) it has all safety components required by federal law during the year of assembly, unless the vehicle qualifies and is registered as a custom vehicle or street rod in accordance with Transportation Code, §504.501;

(iv) it is not designed as a dune buggy, designed by the manufacturer for on-track racing, or designed by the manufacturer as an off-road passenger vehicle;

(v) the applicant provides proof, on a form prescribed by the department, of a safety inspection performed by an Automotive Service Excellence (ASE) technician with valid certification as a Certified Master Automobile and Light Truck Technician, certifying that the vehicle:

(I) is structurally stable;

(II) meets the necessary conditions to be operated safely on the roadway; and

(III) is equipped and operational with all equipment required by statute or rule as a condition of sale during the year the vehicle was assembled unless it is being inspected pursuant to Subchapter G of this chapter;

(vi) the applicant submits a copy of the Certified Master Automobile and Light Truck Technician's ASE certification; and

(vii) the applicant submits a Rebuilt Vehicle Statement, Application for Assigned or Reassigned Number, and Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number, on forms prescribed by the department.

(C) The ASE inspection is in addition to the inspection required by Transportation Code, Chapter 548, except a vehicle that qualifies and is registered as a custom vehicle or street rod in accordance with Transportation Code, §504.501, is exempt from the inspection required under Transportation Code, Chapter 548, for the duration the vehicle is registered as such.

§217.4. Initial Application for Title.

(a) Time for application. A person must apply for the title not later than the 30th day after the date of assignment, except:

(1) in a seller-financed sale, the title must be applied for not later than the 45th day after the date the motor vehicle is delivered to the purchaser;

(2) as provided by §215.144(e) of this title (relating to Record of Sales and Inventory); or

(3) a member of the armed forces or a member of a reserve component of the United States, a member of the Texas National Guard or of the National Guard of another state serving on active duty, must apply not later than the 60th day after the date of assignment of ownership.

(b) Place of application. When motor vehicle ownership is transferred, a title application must be filed with the county tax assessor-collector in the county in which the applicant resides or in the county in which the motor vehicle was purchased or encumbered, as selected by the applicant, except:

(1) as provided by Transportation Code, Chapters 501 and 502 and by §217.84(a) of this title (relating to Application for Non-repairable or Salvage Vehicle Title);

(2) if a county has been declared a disaster area, the resident may apply at the closest unaffected county if the affected county tax assessor-collector estimates the county offices will be inoperable for a protracted period; or

(3) if the county tax assessor-collector office in the county in which the owner resides is closed for more than one week, the resident may apply to the county tax assessor-collector in a county that borders the closed county if the adjacent county agrees to accept the application.

(c) Information to be included on application. An applicant for an initial title must file an application on a form prescribed by the department. The form will at a minimum require the:

(1) motor vehicle description including, but not limited to, the motor vehicle:

(A) year;

(B) make;

(C) identification number;

(D) body style; and

(E) empty weight;

(2) license plate number, if the motor vehicle is subject to registration under Transportation Code, Chapter 502;

(3) odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements;

(4) previous owner's legal name and complete mailing address, if available;

(5) legal name as stated on the identification presented and complete address of the applicant;

(6) name and mailing address of any lienholder and the date of lien, if applicable;

(7) signature of the seller of the motor vehicle or the seller's authorized agent and the date the title application was signed; and

(8) signature of the applicant or the applicant's authorized agent and the date the title application was signed.

(d) Accompanying documentation. The title application must be supported by, at a minimum, the following documents:

(1) evidence of vehicle ownership, as described in §217.5 of this title (related to Evidence of Motor Vehicle Ownership);

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if applicable;

(3) proof of financial responsibility in the applicant's name, as required by Transportation Code, §502.046, unless otherwise exempted by law;

(4) an identification certificate if required by Transportation Code, Chapter 548, and Transportation Code, §501.030, and if the vehicle is being titled and registered, or registered only;

(5) a release of any liens, provided that if any liens are not released, they will be carried forward on the new title application with the following limitations:

(A) A lien recorded on out-of-state evidence as described in §217.5 cannot be carried forward to a Texas title when there is a transfer of ownership, unless a release of lien or authorization from the lienholder is attached; and

(B) A lien recorded on out-of-state evidence as described in §217.5 is not required to be released when there is no transfer of ownership from an out-of-state title and the same lienholder is being recorded on the Texas application as is recorded on the out-of-state title; and

(6) any documents required by §217.9 of this title (relating to Bonded Titles).

§217.5. Evidence of Motor Vehicle Ownership.

(a) Evidence of motor vehicle ownership properly assigned to the applicant must accompany the title application. Evidence must include, but is not limited to, the following documents.

(1) New motor vehicles. A manufacturer's certificate of origin assigned by the manufacturer or the manufacturer's representative or distributor to the original purchaser is required for a new motor vehicle that is sold or offered for sale.

(A) The manufacturer's certificate of origin must be in the form prescribed by the department and must contain, at a minimum, the following information:

(i) motor vehicle description including, but not limited to, the motor vehicle year, make, identification number, and body style;

(ii) the empty or shipping weight;

(iii) the gross vehicle weight when the manufacturer's certificate of origin is invoiced to a licensed Texas motor vehicle dealer and is issued for commercial motor vehicles as that term is defined in Transportation Code, Chapter 502;

(iv) a statement identifying a motor vehicle designed by the manufacturer for off-highway use only; and

(v) if the vehicle is a "neighborhood electric vehicle," a statement that the vehicle meets Federal Motor Vehicle Safety Standard 500 (49 C.F.R. §571.500) for low-speed vehicles.

(B) When a motor vehicle manufactured in another country is sold directly to a person other than a manufacturer's representative or distributor, the manufacturer's certificate of origin must be assigned to the purchaser by the seller.

(2) Used motor vehicles. A title issued by the department, a title issued by another state if the motor vehicle was last registered and titled in another state, or other evidence of ownership must be relinquished in support of the title application for any used motor vehicle. A registration receipt is required from a vehicle owner coming from a state that no longer titles vehicles after a certain period of time.

(3) Motor vehicles brought into the United States. An application for title for a motor vehicle last registered or titled in a foreign country must be supported by documents including, but not limited to, the following:

(A) the motor vehicle registration certificate or other verification issued by a foreign country reflecting the name of the applicant as the motor vehicle owner, or reflecting that legal evidence of ownership has been legally assigned to the applicant;

(B) unless the applicant is an active duty member of the U.S. Armed Forces or is from the immediate family of such a member returning to Texas with proof of the active duty status of the family member, verification of the vehicle identification number of the vehicle, on a form prescribed by the department, executed by a member of:

(i) the National Insurance Crime Bureau;

(ii) the Federal Bureau of Investigation; or

(iii) a law enforcement auto theft unit; and

(C) for motor vehicles that are less than 25 years old, proof of compliance with United States Department of Transportation (USDOT) regulations including, but not limited to, the following documents:

(i) the original bond release letter with all attachments advising that the motor vehicle meets federal motor vehicle safety requirements or a letter issued by the USDOT, National High-

way Traffic Safety Administration, verifying the issuance of the original bond release letter;

(ii) a legible copy of the motor vehicle importation form validated with an original United States Customs stamp, date, and signature as filed with the USDOT confirming the exemption from the bond release letter required in clause (i) of this subparagraph, or a copy thereof certified by United States Customs;

(iii) a verification of motor vehicle inspection by United States Customs certified on its letterhead and signed by its agent verifying that the motor vehicle complies with USDOT regulations;

(iv) a written confirmation that a physical inspection of the safety certification label has been made by the department and that the motor vehicle meets United States motor vehicle safety standards;

(v) the original bond release letter, verification thereof, or written confirmation from the previous state verifying that a bond release letter issued by the USDOT was relinquished to that jurisdiction, if the non United States standard motor vehicle was last titled or registered in another state for one year or less; or

(vi) verification from the vehicle manufacturer on its letterhead stationery.

(b) Alterations to documentation. An alteration to a registration receipt, title, manufacturer's certificate, or other evidence of ownership constitutes a valid reason for the rejection of any transaction to which altered evidence is attached.

(1) Altered lien information on any surrendered evidence of ownership requires a release from the original lienholder or a statement from the proper authority of the state in which the lien originated. The statement must verify the correct lien information.

(2) A strikeover that leaves any doubt about the legibility of any digit in any document will not be accepted.

(3) A corrected manufacturer's certificate of origin will be required if the manufacturer's certificate of origin contains an:

(A) incomplete or altered vehicle identification number;

(B) alteration or strikeover of the vehicle's model year;

(C) alteration or strikeover to the body style, or omitted body style on the manufacturer's certificate of origin; or

(D) alteration or strikeover to the weight.

(4) A Statement of Fact may be requested to explain errors, corrections, or conditions from which doubt does or could arise concerning the legality of any instrument. A Statement of Fact will be required in all cases:

(A) in which the date of sale on an assignment has been erased or altered in any manner; or

(B) of alteration or erasure on a Dealer's Reassignment of Title.

(c) Rights of survivorship. A signed "rights of survivorship" agreement may be executed by a natural person acting in an individual capacity in accordance with Transportation Code, §501.031.

(d) Identification required.

(1) An application for title is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number and expiration date. The identification document must be a:

(A) driver's license or state identification certificate issued by a state or territory of the United States;

(B) United States or foreign passport;

(C) United States military identification card;

(D) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement; or

(E) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document.

(2) If the motor vehicle is titled in:

(A) more than one name, then the identification of one owner must be presented;

(B) the name of a leasing company, then:

(i) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the leasing company must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the leasing company in which the vehicle is being titled; and

(ii) the leasing company may submit:

(I) a government issued photo identification, required under paragraph (1) of this subsection, of the lessee listed as the registrant; or

(II) a government issued photo identification, required under paragraph (1) of this subsection, of the employee or authorized agent who signed the application for the leasing company, and the employee's or authorized agent's employee identification, letter of authorization written on the lessor's letterhead, or a printed business card. The printed business card, employee identification, or letter of authorization written on the lessor's letterhead must contain the name of the lessor, and the employee's or authorized agent's name must match the name on the government issued photo identification;

(C) the name of a trust, then a government issued photo identification, required under paragraph (1) of this subsection, of a trustee must be presented; or

(D) the name of a business, government entity, or organization, then:

(i) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the business, government entity, or organization must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the business, government entity, or organization in which the vehicle is being titled;

(ii) the employee or authorized agent must present a government issued photo identification, required under paragraph (1) of this subsection; and

(iii) the employee's or authorized agent's employee identification; letter of authorization written on the business', government entity's, or organization's letterhead; or a printed business card. The printed business card, employee identification, or letter of authorization written on the business', government entity's, or organization's letterhead must contain the name of the business, governmental entity, or organization, and the employee's or authorized agent's name must match the name on the government issued photo identification.

(3) In addition to the requirements of paragraphs (1) and (2) of this subsection, if a power of attorney is being used to apply for a title, then the applicant must show:

(A) identification, required under paragraph (1) of this subsection, matching the person named as power of attorney; or

(B) identification, required under paragraph (1) of this subsection, and employee identification or a printed business card or authorization written on the letterhead of the entity named as power of attorney that matches the identification of the employee if the power of attorney names an entity.

(4) Within this subchapter, "current" is defined as not to exceed 12 months after the expiration date, except that a state-issued personal identification certificate issued to a qualifying person is considered current if the identification states that it has no expiration.

(5) Within this subsection, an identification document such as a printed business card, letter of authorization, or power of attorney, may be an original or a photocopy.

(6) A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301 is exempt from submitting to the county tax assessor-collector, but must retain:

(A) the owner's identification, as required under paragraph (1) of this subsection; and

(B) authorization to sign, as required under paragraph (2) of this subsection.

(7) A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, is not required to submit photo identification or authorization for an employee or agent signing a title assignment with a secure power of attorney.

§217.6. Title Issuance.

(a) Issuance. The department or its designated agent will issue a receipt and process the application for title on receipt of:

(1) a completed application for title;

(2) required accompanying documentation;

(3) the statutory fee for a title application, unless exempt under:

(A) Transportation Code, §501.138; or

(B) Government Code, §431.039 and copies of official military orders are presented as evidence of the applicant's active duty status and deployment orders to a hostile fire zone; and

(4) any other applicable fees.

(b) Titles. The department will issue and mail or deliver a title to the applicant or, in the event that there is a lien disclosed in the application, to the first lienholder unless the title is an electronic record of title.

(c) Receipt. The receipt issued at the time of application for title may be used only as evidence of title and may not be used to transfer any interest or ownership in a motor vehicle or to establish a new lien.

§217.7. Replacement of Title.

(a) Lost or destroyed title. If a title is lost or destroyed, the department will issue a certified copy of the title to the owner, the lienholder, or a verified agent of the owner or lienholder in accordance with

Transportation Code, Chapter 501, on proper application and payment of the appropriate fee to the department.

(b) Identification required.

(1) An owner or lienholder may not apply for a certified copy of title unless the applicant presents a current photo identification of the owner or lienholder containing a unique identification number and expiration date. The identification document must be a:

(A) driver's license or state identification certificate issued by a state or territory of the United States;

(B) United States or foreign passport;

(C) United States military identification card;

(D) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement; or

(E) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document.

(2) If the motor vehicle is titled in:

(A) more than one name, then the identification for each owner must be presented;

(B) the name of a leasing company, then the lessor's employee or authorized agent who signed the application for the leasing company must present:

(i) a government issued photo identification, required under paragraph (1) of this subsection; and

(ii) employee identification, letter of authorization written on the lessor's letterhead, or a printed business card. The printed business card, employee identification, or letter of authorization written on the lessor's letterhead must contain the name of the lessor, and the employee's or authorized agent's name must match the name on the government issued photo identification;

(C) the name of a trust, then a government issued photo identification, required under paragraph (1) of this subsection, of a trustee must be presented; or

(D) the name of a business, government entity, or organization, then:

(i) the employee or authorized agent must present a government issued photo identification, required under paragraph (1) of this subsection; and

(ii) the employee's or authorized agent's employee identification; letter of authorization written on the business', government entity's, or organization's letterhead; or a printed business card. The printed business card, employee identification, or letter of authorization written on the business', government entity's, or organization's letterhead must contain the name of the business, governmental entity, or organization, and the employee's or authorized agent's name must match the name on the government issued photo identification.

(3) In addition to the requirements of paragraphs (1) and (2) of this subsection, if a power of attorney is being used to apply for a certified copy of title, then the applicant must show:

(A) identification, required under paragraph (1) of this subsection, matching the person named as power of attorney;

(B) identification, required under paragraph (1) of this subsection, and employee identification or a printed business card or authorization written on the letterhead of the entity named as power of

attorney that matches the identification of the employee if the power of attorney names an entity; or

(C) identification, required under paragraph (1) of this subsection, of the owner or lienholder.

(4) Within this subchapter, "current" is defined as within 12 months after the expiration date, except that a state-issued personal identification certificate issued to a qualifying person is considered current if the identification states that it has no expiration.

(5) Within this subsection, an identification document, such as a printed business card, letter of authorization, or power of attorney, may be an original or a photocopy.

(c) Issuance. An application for a certified copy must be properly executed and supported by appropriate verifiable proof of the vehicle owner, lienholder, or agent regardless of whether the application is submitted in person or by mail. A certified copy will not be issued until after the 14th day that the original title was issued.

(d) Denial. If issuance of a certified copy is denied, the applicant may resubmit the request with the required verifiable proof or may pursue the privileges available in accordance with Transportation Code, §501.052 and §501.053.

(e) Additional copies. An additional certified copy will not be issued until 30 days after issuance of the previous certified copy.

(f) Fees. The fee for obtaining a certified copy of a title is \$2 if the application is submitted to the department by mail and \$5.45 if the application is submitted in person for expedited processing at one of the department's regional offices.

§217.8. Second Hand Vehicle Transfers.

(a) Voluntary notification. A transferor of a motor vehicle may voluntarily make written notification to the department of the sale of the vehicle, in accordance with Transportation Code, §501.147. The written notification may be submitted to the department by mail, in person at one of the department's regional offices, or electronically through the department's Internet website.

(b) Records. On receipt of written notice of transfer from the transferor of a motor vehicle, the department will mark its records to indicate the date of transfer and will maintain a record of the information provided on the written notice of transfer.

(c) Title issuance. A title will not be issued in the name of a transferee until the transferee files an application for the title as described in this subchapter.

§217.9. Bonded Titles.

(a) Who may file. A person who has an interest in a motor vehicle to which the department has refused to issue a title or has suspended or revoked a title may request issuance of a title from the department on a prescribed form if the vehicle is in the possession of the applicant; and

(1) there is a record that indicates a lien that is less than ten years old and the surety bonding company ensures lien satisfaction or release of lien;

(2) there is a record that indicates there is not a lien or the lien is ten or more years old; or

(3) the department has no previous record.

(b) Administrative fee. The applicant must pay the department a \$15 administrative fee in addition to any other required fees.

(c) Value. The amount of the bond must be equal to one and one-half times the value of the vehicle as determined using the Standard

Presumptive Value (SPV) from the department's Internet website. If the SPV is not available, then a national reference guide will be used. If the value cannot be determined by either source, then the person may obtain an appraisal.

(1) The appraisal must be on a department form from a Texas licensed motor vehicle dealer for the categories of motor vehicles that the dealer is licensed to sell or a Texas licensed insurance adjuster who may appraise any type of motor vehicle.

(2) The appraisal must be dated and be submitted to the department within 30 days of the appraisal.

(3) If the motor vehicle is 25 years or older, the appraised value of the vehicle cannot be less than \$4,000.

(d) Out-of-state vehicle inspection. If the applicant is a Texas resident, but the evidence indicates that the vehicle is an out-of-state vehicle, the vehicle identification number must be verified by a Texas licensed Safety Inspection Station or a law enforcement officer who holds an auto theft certification.

(e) Required documentation. An applicant may apply for a bonded title if the applicant submits:

(1) a pencil tracing or photo of the vehicle identification number, or if unable, then a Statement of Physical Inspection, Form VTR-270;

(2) any evidence of ownership;

(3) the original bond within 30 days of issuance;

(4) the rejection letter within one year of issuance and the receipt for \$15 paid to the department;

(5) the documentation determining the value of the vehicle;

(6) an out-of-state vehicle identification certificate, as described in subsection (d) of this section, if there is no Texas record;

(7) a weight certificate if there is no title or the vehicle is an out of state commercial vehicle;

(8) a certification of lien satisfaction by the surety bonding company or a release of lien if the rejection letter states that there may be a lien less than ten years old; and

(9) any other required documentation and fees.

(f) Report of Judgment. The bond must require that the surety report payment of any judgment to the department within 30 days.

§217.10. Appeal to the County.

(a) If the department refuses to issue a title, revokes a title, or suspends a title, the applicant may apply to the county for a tax-assessor collector hearing.

(b) The county tax assessor-collector must hold a hearing upon receipt of:

(1) a copy of the department's refusal, revocation, or suspension documents; and

(2) an applicant's request for a hearing.

(c) A person wishing to appeal the county tax assessor-collector ruling may appeal to a court with jurisdiction.

§217.11. Rescission, Cancellation or Revocation by Affidavit.

(a) The department may rescind, cancel, or revoke an existing title or application for a title if a notarized or county stamped affidavit is completed and presented to the department within 21 days of initial sale containing:

(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;

(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;

(3) a statement that the vehicle was:

(A) never in possession of the title applicant; or

(B) in the possession of the title applicant;

(4) the signatures of the dealer, the applicant, and any lienholder as principal to the document; and

(5) an odometer disclosure statement executed by the purchaser of the motor vehicle and acknowledged by the dealer if a statement is made pursuant to paragraph (3)(B) of this subsection to be used for the purpose of determining usage subsequent to sale.

(b) A rescission, cancellation, or revocation containing the statement authorized under subsection (a)(3)(B) of this section does not negate the fact that the vehicle has been subject to a previous retail sale.

§217.12. Fees.

(a) The department and the county will charge required fees, and only those fees provided by statute or by rule.

(b) The \$25 mechanic lien fee provided by Property Code, §70.006 may be charged once per vehicle.

(c) There is no charge for issuance of title receipt or the duplicate title receipt at the time of application.

§217.13. Alias Certificate of Title.

(a) Authority to issue. Upon receipt of the exempt agency's affidavit for alias certificate of title properly executed by the executive administrator, certificate of title application, and evidence of ownership, the division director may authorize the issuance of an alias certificate of title for a vehicle used by an exempt law enforcement agency in covert criminal investigations.

(b) Affidavit for alias certificate of title.

(1) The affidavit for an alias certificate of title shall be in a form prescribed by the division director and must contain, but is not limited to, the following information:

(A) the vehicle description;

(B) the name of exempt agency;

(C) a sworn statement that the vehicle will be used in covert criminal investigations; and

(D) the signature of the executive administrator or an authorized designee as provided in paragraph (2) of this subsection.

(2) The executive administrator of an exempt law enforcement agency, by annually filing an authorization with the division director, may appoint a staff designee to execute the affidavit for alias certificate of title. Upon the appointment of a new executive administrator or his designee, a new authorization must be filed.

(c) Certificate of title application.

(1) The application for certificate of title in the name of an alias shall be in a form prescribed by the division director and must contain, but is not limited to, the following information:

(A) the vehicle description;

(B) the odometer reading;

(C) the empty weight;

(D) the name and address of the alias; and

(E) the name and address of the alias previous owner.

(2) Notarization of the application for certificate of title in the name of an alias is not required.

(d) Evidence of ownership. A certificate of title in the name of an alias will not be issued to an exempt law enforcement agency, including an agency of the federal government, unless such agency furnishes evidence of vehicle ownership.

(e) Cancellation. An alias certificate of title will be cancelled if the vehicle for which it was issued ceases to be used by the exempt law enforcement agency in a covert criminal investigation.

§217.14. Exemptions from Title.

Vehicles registered with the following distinguishing license plates may not be titled under Transportation Code, Chapter 501:

(1) vehicles eligible for machinery license plates and permit license plates in accordance with Transportation Code, §502.146; and

(2) vehicles eligible for farm trailer license plates in accordance with Transportation Code, §502.433, unless the owner chooses to title a farm semitrailer with a gross weight of more than 4,000 pounds that is registered in accordance with §502.146, as provided by Transportation Code, §501.036.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405852

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.21 - 217.56

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.21. Purpose and Scope.

Transportation Code, Chapter 502, charges the department with the responsibility of registering vehicles operated on the public streets and highways of this state; maintaining vehicle registration records; and collecting and reporting statutory registration fees. For the department

to perform these duties efficiently and effectively and to ensure proper application by motor vehicle registrants in accordance with statutory provisions, this subchapter prescribes the policies and procedures for the application and issuance of vehicle registration.

§217.22. Definitions.

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

(1) Affidavit for alias exempt registration--A form prescribed by the director that must be executed by an exempt law enforcement agency to request the issuance of exempt registration in the name of an alias.

(2) Agent--A duly authorized representative possessing legal capacity to act for an individual or legal entity.

(3) Alias--The name of a vehicle registrant reflected on the registration, different than the name of the legal owner of the vehicle.

(4) Alias exempt registration--Registration issued under an alias to a specific vehicle to be used in covert criminal investigations by a law enforcement agency.

(5) Axle load--The total load transmitted to the road by all wheels whose centers may be included between two parallel transverse vertical planes 40 inches apart, extending across the full width of the vehicle.

(6) Border commercial zone--A commercial zone established under Title 49, C.F.R., Part 372 that is contiguous to the border with Mexico.

(7) Bus--A motor vehicle used to transport persons and designed to accommodate more than 10 passengers, including the operator; or a motor vehicle, other than a taxicab, designed and used to transport persons for compensation.

(8) Carrying capacity--The maximum safe load that a commercial vehicle may carry, as determined by the manufacturer.

(9) Character--A numeric or alpha symbol displayed on a license plate.

(10) County or city civil defense agency--An agency authorized by a commissioner's court order or by a city ordinance to provide protective measures and emergency relief activities in the event of hostile attack, sabotage, or natural disaster.

(11) Director--The director of the Vehicle Titles and Registration Division, Texas Department of Motor Vehicles.

(12) Division--Vehicle Titles and Registration Division.

(13) Executive administrator--The director of a federal agency, the director of a Texas state agency, the sheriff of a Texas county, or the chief of police of a Texas city that by law possesses the authority to conduct covert criminal investigations.

(14) Exempt agency--A governmental body exempted by statute from paying registration fees when registering motor vehicles.

(15) Exempt license plates--Specially designated license plates issued to certain vehicles owned or controlled by exempt agencies.

(16) Exhibition vehicle--

(A) An assembled complete passenger car, truck, or motorcycle that:

(i) is a collector's item;

(ii) is used exclusively for exhibitions, club activities, parades, and other functions of public interest;

(iii) does not carry advertising; and

(iv) has a frame, body, and motor that is at least 25-years old; or

(B) A former military vehicle as defined in Transportation Code, §504.502.

(17) Fire-fighting equipment--Equipment mounted on fire-fighting vehicles used in the process of fighting fires, including, but not limited to, ladders and hoses.

(18) Foreign commercial motor vehicle--A commercial motor vehicle, as defined by 49 C.F.R. §390.5, that is owned by a person or entity that is domiciled in or a citizen of a country other than the United States.

(19) Highway construction project--That section of the highway between the warning signs giving notice of a construction area.

(20) International symbol of access--The symbol adopted by Rehabilitation International in 1969 at its Eleventh World Congress of Rehabilitation of the Disabled.

(21) Legally blind--Having not more than 20/200 visual acuity in the better eye with correcting lenses, or visual acuity greater than 20/200 but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(22) Make--The trade name of the vehicle manufacturer.

(23) Nonprofit organization--An unincorporated association or society or a corporation that is incorporated or holds a certificate of authority under the Business Organizations Code.

(24) Nominating State Agency--A state agency authorized to accept and distribute funds from the sale of a specialty plate as designated by the nonprofit organization (sponsoring entity).

(25) Political subdivision--A county, municipality, local board, or other body of this state having authority to provide a public service.

(26) Registration period--A designated period during which registration is valid. A registration period begins on the first day of a calendar month and ends on the last day of a calendar month.

(27) Service agreement--A contractual agreement that allows individuals or businesses to access the department's vehicle registration records.

(28) Specialty license plate--A special design license plate issued by the department under statutory authority.

(29) Specialty license plate fee--Statutorily or department required fee payable on submission of an application for a specialty license plate, symbol, tab, or other device, and collected in addition to statutory motor vehicle registration fees.

(30) Sponsoring entity--An institution, college, university, sports team, or any other non-profit individual or group that desires to support a particular specialty license plate by coordinating the collection and submission of the prescribed applications and associated license plate fees or deposits for that particular license plate.

(31) Street or suburban bus--A vehicle, other than a passenger car, used to transport persons for compensation exclusively within the limits of a municipality or a suburban addition to a municipality.

(32) Tandem axle group--Two or more axles spaced 40 inches or more apart from center to center having at least one common point of weight suspension.

(33) Unconventional vehicle--A vehicle built entirely as machinery from the ground up, that is permanently designed to perform a specific function, and is not designed to transport property.

(34) Vehicle classification--The grouping of vehicles in categories for the purpose of registration, based on design, carrying capacity, or use.

(35) Vehicle description--Information regarding a specific vehicle, including, but not limited to, the vehicle make, model year, body style, and vehicle identification number.

(36) Vehicle identification number--A number assigned by the manufacturer of a motor vehicle or the department that describes the motor vehicle for purposes of identification.

(37) Vehicle inspection sticker--A sticker issued by the Texas Department of Public Safety signifying that a vehicle has passed all applicable safety and emissions tests.

(38) Vehicle registration insignia--A license plate, symbol, tab, or other device issued by the department evidencing that all applicable fees have been paid for the current registration period and allowing the vehicle to be operated on the public highways.

(39) Vehicle registration record--Information contained in the department's files that reflects, but is not limited to, the make, vehicle identification number, model year, body style, license number, and the name of the registered owner.

(40) Volunteer fire department--An association that is organized for the purpose of answering fire alarms, extinguishing fires, and providing emergency medical services.

§217.23. Initial Application for Vehicle Registration.

(a) An applicant for initial vehicle registration must file an application on a form prescribed by the department. The form will at a minimum require:

(1) the signature of the owner;

(2) the motor vehicle description, including, but not limited to, the motor vehicle's year, make, model, vehicle identification number, body style, carrying capacity for commercial motor vehicles, and empty weight;

(3) the license plate number;

(4) the odometer reading, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements;

(5) the name and complete address of the applicant; and

(6) the name, mailing address, and date of any liens.

(b) The application must be accompanied by the following documents:

(1) evidence of vehicle ownership as specified in Transportation Code, §501.030, unless the vehicle has been issued a non-repairable or salvage vehicle title in accordance with Transportation Code, Chapter 501, Subchapter E;

(2) registration fees prescribed by law;

(3) any local fees or other fees prescribed by law and collected in conjunction with registering a vehicle;

(4) evidence of financial responsibility required by Transportation Code, §502.046, unless otherwise exempted by law; and

(5) any other documents or fees required by law.

(c) An initial application for registration must be filed with the tax assessor-collector of the county in which the owner resides, except:

(1) an application for registration as a prerequisite to filing an application for title may also be filed with the county tax assessor-collector in the county in which the motor vehicle is purchased or encumbered; or

(2) if a county has been declared a disaster area, the resident may apply at the closest unaffected county if the affected county tax assessor-collector estimates the county offices will be inoperable for a protracted period.

§217.24. Vehicle Last Registered in Another Jurisdiction.

(a) The recorded owner of a vehicle that was last registered or titled in another jurisdiction and is subject to registration in this state may apply for registration if the owner cannot or does not wish to relinquish the negotiable out-of-state evidence of ownership to obtain a Texas title. On receipt of a form prescribed by the department and payment of the statutory fee for a title application and any other applicable fees, the department will issue a registration receipt to the applicant.

(b) Registration receipt.

(1) The receipt issued at the time of application may serve as proof of registration and evidences title to a motor vehicle for registration purposes only, but may not be used to transfer any interest or ownership in a motor vehicle or to establish a lien.

(2) Information to be included on the form. The form will include the:

(A) out-of-state title number, if applicable;

(B) out-of-state license plate number, if applicable;

(C) state or country that issued the out-of-state title or license plate;

(D) lienholder name and address as shown on the out-of-state evidence, if applicable;

(E) statement that negotiable evidence of ownership is not being surrendered; and

(F) signature of the applicant or authorized agent of the applicant.

(3) Accompanying documentation. An application for registration under this paragraph must be supported, at a minimum, by:

(A) a completed application for registration, as specified in subsection (a) of this section;

(B) presentation, but not surrender of, evidence from another jurisdiction demonstrating that legal evidence of ownership has been issued to the applicant as the motor vehicle's owner, such as a validated title, a registration receipt that is not more than six months past the date of expiration, a non-negotiable title, or written verification from the other jurisdiction; and

(C) any other documents or fees required by law.

(4) Assignment. In instances in which the title or registration receipt is assigned to the applicant, an application for registration purposes only will not be processed. The applicant must apply for a title under Transportation Code, Chapter 501.

§217.25. Out-of-State Vehicles.

A vehicle brought to Texas from out-of-state must be registered within 30 days of the date on which the owner establishes residence or secures gainful employment, except as provided by Transportation Code, §502.090. Accompanying a completed application, an applicant must provide:

(1) an application for title as required by Transportation Code, Chapter 501, if the vehicle to be registered has not been previously titled in this state; and

(2) any other documents or fees required by law.

§217.26. Identification Required.

(a) An application for initial registration is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number and expiration date. The identification document must be a:

(1) driver's license or state identification certificate issued by a state or territory of the United States;

(2) United States or foreign passport;

(3) United States military identification card;

(4) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement; or

(5) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document.

(b) If the motor vehicle is titled in:

(1) more than one name, then the identification of one owner must be presented;

(2) the name of a leasing company, then:

(A) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the leasing company must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the leasing company in which the vehicle is being titled; and

(B) the leasing company may submit:

(i) a government issued photo identification, required under this section, of the lessee listed as the registrant; or

(ii) a government issued photo identification, required under this section, of the employee or authorized agent who signed the application for the leasing company, and the employee's or authorized agent's employee identification, letter of authorization written on the lessor's letterhead, or a printed business card. The printed business card, employee identification, or letter of authorization written on the lessor's letterhead must contain the name of the lessor, and the employee's or authorized agent's name must match the name on the government issued photo identification;

(3) the name of a trust, then a government issued photo identification, required under this section, of a trustee must be presented; or

(4) the name of a business, government entity, or organization, then:

(A) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the business, government entity, or organization must be submitted, written on the application, and can be entered into the department's titling system. The

number must correspond to the name of the business, government entity, or organization in which the vehicle is being titled;

(B) the employee or authorized agent must present a government issued photo identification, required under this section; and

(C) the employee's or authorized agent's employee identification; letter of authorization written on the business', government entity's, or organization's letterhead; or a printed business card. The printed business card, employee identification, or letter of authorization written on the business', government entity's, or organization's letterhead must contain the name of the business, governmental entity, or organization, and the employee's or authorized agent's name must match the name on the government issued photo identification.

(c) Within this section, "current" is defined as not to exceed 12 months after the expiration date, except that a state-issued personal identification certificate issued to a qualifying person is considered current if the identification states that it has no expiration.

(d) Within this section, an identification document such as a printed business card, letter of authorization, or power of attorney, may be an original or photocopy.

(e) A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, is exempt from submitting to the county tax assessor-collector, but must retain:

(1) the owner's identification, as required under this section; and

(2) authorization to sign, as required under this section.

(f) A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 or Occupations Code, Chapter 2301, is not required to submit photo identification or authorization for an employee or agent signing a title assignment with a secure power of attorney.

(g) This section does not apply to non-titled vehicles.

§217.27. Vehicle Registration Insignia.

(a) On receipt of a complete initial application for registration with the accompanying documents and fees, the department will issue vehicle registration insignia to be displayed on the vehicle for which the registration was issued for the current registration period.

(1) If the vehicle has a windshield, the symbol, tab, or other device prescribed by and issued by the department shall be attached to the inside lower left corner of the vehicle's front windshield in a manner that will not obstruct the vision of the driver.

(2) If the vehicle has no windshield, the symbol, tab, or other device prescribed by and issued by the department shall be attached to the rear license plate, except that registration receipts, retained inside the vehicle, may provide the record of registration for vehicles with permanent trailer plates.

(3) If the vehicle is registered as a former military vehicle as prescribed by Transportation Code, §504.502, the vehicle's registration number shall be displayed instead of displaying a symbol, tab, or license plate.

(A) Former military vehicle registration numbers shall be displayed on a prominent location on the vehicle in numbers and letters of at least two inches in height.

(B) To the extent possible, the location and design of the former military vehicle registration number must conform to the vehicle's original military registration number.

(b) Unless otherwise prescribed by law, each vehicle registered under this subchapter:

(1) must display two license plates, one at the exterior front and one at the exterior rear of the vehicle that are securely fastened at the exterior front and rear of the vehicle in a horizontal position of not less than 12 inches from the ground, measuring from the bottom, except that a vehicle described by Transportation Code, §621.2061 may place the rear plate so that it is clearly visible; or

(2) must display one plate that is securely fastened at or as close as practical to the exterior rear of the vehicle in a position not less than 12 inches from the ground, measuring from the bottom if the vehicle is a road tractor, motorcycle, trailer or semitrailer.

(c) Each vehicle registered under this subchapter must display license plates:

(1) assigned by the department for the period; or

(2) validated by a registration insignia issued by the department for a registration period consisting of 12 consecutive months at the time of application for registration. Vehicles may be registered for 24 consecutive months only in accordance with Transportation Code, §548.102.

(d) The department will cancel or not issue any license plate containing an alpha-numeric pattern that meets one or more of the following criteria.

(1) The alpha-numeric pattern conflicts with the department's current or proposed regular license plate numbering system.

(2) The executive director finds that the alpha-numeric pattern may be considered objectionable or misleading, including that the pattern may be viewed as, directly or indirectly:

(A) indecent (defined as including a reference to a sex act, an excretory function or material, or sexual body parts);

(B) a vulgarity (defined as curse words);

(C) derogatory (defined as an expression of hate directed toward people or groups that is demeaning to people or groups, or associated with an organization that advocates such expressions);

(D) a reference to illegal activities or substances, or implied threats of harm; or

(E) a misrepresentation of law enforcement or other governmental entities and their titles.

(3) The alpha-numeric pattern is currently issued to another owner.

(e) The provisions of subsection (a) of this section do not apply to vehicles registered with annual license plates issued by the department.

§217.28. Vehicle Registration Renewal.

(a) To renew vehicle registration, a vehicle owner must apply, prior to the expiration of the vehicle's registration, to the tax assessor-collector of the county in which the owner resides.

(b) The department will send a license plate renewal notice, indicating the proper registration fee and the month and year the registration expires, to each vehicle owner prior to the expiration of the vehicle's registration.

(c) The license plate renewal notice should be returned by the vehicle owner to the appropriate county tax assessor-collector or to the tax assessor-collector's deputy, either in person or by mail, unless the

vehicle owner renews via the Internet. The renewal notice must be accompanied by the following documents and fees:

- (1) registration renewal fees prescribed by law;
- (2) any local fees or other fees prescribed by law and collected in conjunction with registration renewal; and
- (3) evidence of financial responsibility required by Transportation Code, §502.046, unless otherwise exempted by law.

(d) If a renewal notice is lost, destroyed, or not received by the vehicle owner, the vehicle may be registered if the owner presents personal identification acceptable to the county tax assessor-collector. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Renewal of expired vehicle registrations.

(1) In accordance with Transportation Code, §502.407, a vehicle with an expired registration may not be operated on the highways of the state after the fifth working day after the date a vehicle registration expires.

(2) If the owner has been arrested or cited for operating the vehicle without valid registration then a 20 percent delinquency penalty is due when registration is renewed, the full annual fee will be collected, and the vehicle registration expiration month will remain the same.

(3) If the county tax assessor-collector or the department determines that a registrant has a valid reason for being delinquent in registration, the vehicle owner will be required to pay for twelve months' registration. Renewal will establish a new registration expiration month that will end on the last day of the eleventh month following the month of registration renewal.

(4) If the county tax assessor-collector or the department determines that a registrant does not have a valid reason for being delinquent in registration, the full annual fee will be collected and the vehicle registration expiration month will remain the same.

(5) If a vehicle is registered in accordance with Transportation Code, §§502.255, 502.431, 502.435, 502.454, 504.315, 504.401, 504.405, 504.505, or 504.515 and if the vehicle's registration is renewed more than one month after expiration of the previous registration, the registration fee will be prorated.

(6) Evidence of a valid reason may include receipts, passport dates, and military orders. Valid reasons may include:

- (A) extensive repairs on the vehicle;
- (B) the person was out of the country;
- (C) the vehicle is used only for seasonal use;
- (D) military orders;
- (E) storage of the vehicle;
- (F) a medical condition such as an extended hospital

stay; and

(G) any other reason submitted with evidence that the county tax assessor-collector or the department determines is valid.

§217.29. Vehicle Registration Renewal via Internet.

(a) Internet registration renewal program. The department will maintain a uniform Internet registration renewal process. This process will provide for the renewal of vehicle registrations via the Internet and will be in addition to vehicle registration procedures provided for in §217.28 of this title (relating to Vehicle Registration Renewal). The Internet registration renewal program will be facilitated by a third-party vendor.

(b) County participation in program. All county tax assessor-collectors shall process registration renewals through an online system designated by the department.

(c) Eligibility of individuals for participation. To be eligible to renew a vehicle's registration via the Internet, the vehicle owner must meet all criteria for registration renewal outlined in this subchapter and in Transportation Code, Chapter 502.

(d) Fees. A vehicle owner who renews registration via the Internet must pay:

- (1) registration fees prescribed by law;
- (2) any local fees or other fees prescribed by law and collected in conjunction with registering a vehicle;
- (3) a fee of \$1 for the processing of a registration renewal by mail in accordance with Transportation Code, §502.197(a); and
- (4) a convenience fee of \$2 for the processing of an electronic registration renewal paid by a credit card payment in accordance with Transportation Code, §1001.009.

(e) Information to be submitted by vehicle owner. A vehicle owner who renews registration via the Internet must submit or verify the following information:

- (1) registrant information, including the vehicle owner's name and county of residence;
- (2) vehicle information, including the license plate number of the vehicle to be registered;
- (3) insurance information, including the name of the insurance company, the name of the insurance company's agent (if applicable), the telephone number of the insurance company or agent (local or toll free number serviced Monday through Friday 8:00 a.m. to 5:00 p.m.), the insurance policy number, and representation that the policy meets all applicable legal standards;

(4) credit card information, including the type of credit card, the name appearing on the credit card, the credit card number, and the expiration date; and

(5) other information prescribed by rule or statute.

(f) Duties of the county. A county tax assessor-collector shall:

- (1) accept electronic payment for vehicle registration renewal via the Internet;
- (2) execute an agreement with the department as provided by the director;
- (3) process qualified Internet registration renewal transactions as submitted by the third-party vendor;
- (4) communicate with the third-party vendor and applicants via email, regular mail, or other means, as specified by the director;
- (5) promptly mail renewal registration validation stickers and license plates to applicants;
- (6) ensure that all requirements for registration renewal are met, including all requirements set forth in this subchapter, and in Transportation Code, Chapter 502;
- (7) reject applications that do not meet all requirements set forth in this chapter, and in Transportation Code, Chapter 502; and
- (8) register each vehicle for a 12-month period.

§217.30. Refusal to Renew Registration for Delinquent Child Support.

(a) Placement of denial flag. On receipt of a notice issued under Family Code, Chapter 232, for the suspension or nonrenewal of a motor vehicle registration, the department will place a registration denial flag on the motor vehicle record of the child support obligor as reported by the child support agency.

(b) Refusal to renew registration. While a motor vehicle record is flagged, the county tax-assessor collector shall refuse to renew the registration of the associated motor vehicle.

(c) Removal of denial flag. The department will remove the registration denial flag on receipt of a removal notice issued by a child support agency under Family Code, Chapter 232.

§217.31. License Plate Reissuance Program.

The county tax assessor-collectors shall issue new multi-year license plates at no additional charge at the time of registration renewal provided the current plates are over seven years old from the date of issuance, including permanent trailer plates.

§217.32. Replacement of License Plates, Symbols, Tabs, and Other Devices.

(a) When a license plate, symbol, tab, or other registration device is lost, stolen, or mutilated, a replacement may be obtained from any county tax assessor-collector upon:

(1) the payment of the statutory replacement fee prescribed by Transportation Code, §502.060 or §504.007; and

(2) the provision of a signed statement, on a form prescribed by the department, that states:

(A) the license plate, symbol, tab, or other registration device furnished for the described vehicle has been lost, stolen, or mutilated, and if recovered, will not be used on any other vehicle; and

(B) the replaced license plate, symbol, tab, or other device will only be used on the vehicle to which it was issued.

(b) If the owner remains in possession of any part of the lost, stolen, or mutilated license plate, symbol, tab, or other registration device, that remaining part must be removed and surrendered to the department on issuance of the replacement and request by the county tax assessor-collector.

§217.33. Commercial Farm Motor Vehicles, Farm Trailers, and Farm Semitrailers.

(a) An applicant must provide a properly completed application for farm plates. The application must be accompanied by proof of the applicant's Texas Agriculture or Timber Exemption Registration Number issued by the Texas Comptroller of Public Accounts. Proof of the registration number must be:

(1) legible;

(2) current; and

(3) in the name of the person or dba in which the vehicle is or will be registered, pursuant to Transportation Code, §502.146 and §502.433.

(b) A registration renewal of farm plates must be accompanied by proof of the applicant's Texas Agriculture or Timber Exemption Registration Number issued by the Texas Comptroller of Public Accounts.

(c) In accordance with Transportation Code, §502.146 and §502.433, an applicant's Texas Agriculture or Timber Exemption

Registration Number may be verified through the online system established by the Comptroller.

§217.34. Electric Personal Assistive Mobility Device.

The owner of an electric personal assistive mobility device, as defined by Transportation Code, §551.201, is not required to register it. The device may only be operated on a residential street, roadway, or public highway in accordance with Transportation Code, §551.202.

§217.35. Neighborhood Electric Vehicle.

A neighborhood electric vehicle operated on a residential street, roadway, or public highway in accordance with Transportation Code, §551.303:

(1) must comply with the evidence of financial responsibility requirements established in Transportation Code, §502.046;

(2) must display a "slow-moving-vehicle emblem" if it meets the definition of a "slow-moving vehicle" as described in Transportation Code, §547.001; and

(3) is subject to all traffic and other laws applicable to motor vehicles.

§217.36. Refusal to Register by Local Government and Record Notation.

(a) Enforcement of traffic warrant. A municipality may enter into a contract with the department under Government Code, Chapter 791, to indicate in the state's motor vehicle records that the owner of the vehicle is a person for whom a warrant of arrest is outstanding for failure to appear or who has failed to pay a fine on a complaint involving a violation of a traffic law. In accordance with Transportation Code, §702.003, a county tax assessor-collector may refuse to register a motor vehicle if such a failure is indicated in the motor vehicle record for that motor vehicle. A municipality is responsible for obtaining the agreement of the county in which the municipality is located to refuse to register motor vehicles for failure to pay civil penalties imposed by the municipality.

(b) Refusal to register due to traffic signal violation. A local authority, as defined in Transportation Code, §541.002, that operates a traffic signal enforcement program authorized under Transportation Code, Chapter 707 may enter into a contract with the department under Government Code, Chapter 791 to indicate in the state's motor vehicle records that the owner of a motor vehicle has failed to pay the civil penalty for a violation of the local authority's traffic signal enforcement system involving that motor vehicle. In accordance with Transportation Code, §707.017, a county tax assessor-collector may refuse to register a motor vehicle if such a failure is indicated in the motor vehicle record for that motor vehicle. The local authority is responsible for obtaining the agreement of the county in which the local authority is located to refuse to register motor vehicles for failure to pay civil penalties imposed by the local authority.

(c) Refusal to register vehicle in certain counties. A county may enter into a contract with the department under Government Code, Chapter 791 to indicate in the state's motor vehicle records that the owner of the vehicle has failed to pay a fine, fee, or tax that is past due. In accordance with Transportation Code, §502.010, a county tax assessor-collector may refuse to register a motor vehicle if such a failure is indicated in the motor vehicle record for that motor vehicle.

(d) Record notation. A contract between the department and a county, municipality, or local authority entered into under Transportation Code, §502.010, Transportation Code, §702.003, or Transportation Code, §707.017 will contain the terms set out in this subsection.

(1) To place or remove a registration denial flag on a vehicle record, the contracting entity must submit a magnetic tape or other

acceptable submission medium as determined by the department in a format prescribed by the department.

(2) The information submitted by the contracting entity will include, at a minimum, the vehicle identification number and the license plate number of the affected vehicle.

(3) If the contracting entity data submission contains bad or corrupted data, the submission medium will be returned to the contracting entity with no further action by the department.

(4) The magnetic tape or other submission medium must be submitted to the department from a single source within the contracting entity.

(5) The submission of a magnetic tape or other submission medium to the department by a contracting entity constitutes a certification by that entity that it has complied with all applicable laws.

§217.37. Fees.

(a) The department and the county will charge required fees, and only those fees provided by statute or rule.

(b) A \$2 fee for a duplicate registration receipt will be charged if a receipt is printed for the customer.

§217.38. Registration Fee Credit: Application.

An application for registration fee credit must be accompanied by:

(1) the current license plate(s) and license receipt issued for the destroyed vehicle;

(2) the negotiable certificate of title covering the destroyed vehicle; and

(3) evidence that the vehicle has been destroyed to such an extent that it cannot thereafter be operated on the highways.

§217.39. Registration Fee Credit: Nontransferable.

A registration fee credit voucher will be issued only to the person whose name appears as the owner of the vehicle on the registration and title records of the Vehicle Titles and Registration Division at the time the vehicle is destroyed. Registration fee credit vouchers are nontransferable and are not redeemable for cash under any circumstances.

§217.40. Special Registration Permits.

(a) Purpose and scope. Transportation Code, Chapter 502, Subchapters C and I, charge the department with the responsibility of issuing special registration permits which shall be recognized as legal registration for the movement of motor vehicles not authorized to travel on Texas public highways for lack of registration or for lack of reciprocity with the state or country in which the vehicles are registered. For the department to efficiently and effectively perform these duties, this section prescribes the policies and procedures for the application and the issuance of temporary registration permits.

(b) Permit categories. The department will issue the following categories of special registration permits.

(1) Additional weight permits. The owner of a truck, truck tractor, trailer, or semitrailer may purchase temporary additional weight permits for the purpose of transporting the owner's own seasonal agricultural products to market or other points for sale or processing in accordance with Transportation Code, §502.434. In addition, such vehicles may be used for the transportation without charge of seasonal laborers from their place of residence, and materials, tools, equipment, and supplies from the place of purchase or storage, to a farm or ranch exclusively for use on such farm or ranch.

(A) Additional weight permits are valid for a limited period of less than one year.

(B) An additional weight permit will not be issued for a period of less than one month or extended beyond the expiration of a license plate issued under Transportation Code, Chapter 502.

(C) The statutory fee for an additional weight permit is based on a percentage of the difference between the owner's annual registration fee and the annual fee for the desired gross vehicle weight computed as follows:

(i) one-month (or 30 consecutive days)--10 percent;
(ii) one-quarter (three consecutive months)--30 percent;

(iii) two-quarters (six consecutive months)--60 percent; or

(iv) three-quarters (nine consecutive months)--90 percent.

(D) Additional weight permits are issued for calendar quarters with the first quarter to begin on April 1st of each year.

(E) A permit will not be issued unless the registration fee for hauling the additional weight has been paid prior to the actual hauling.

(F) An applicant must provide proof of the applicant's Texas Agriculture or Timber Exemption Registration Number issued by the Texas Comptroller of Public Accounts. Proof of the registration number must be:

(i) legible;

(ii) current;

(iii) in the name of the person or dba in which the vehicle is or will be registered; and

(iv) verifiable through the online system established by the Comptroller.

(2) Annual permits.

(A) Transportation Code, §502.093 authorizes the department to issue annual permits to provide for the movement of foreign commercial vehicles that are not authorized to travel on Texas highways for lack of registration or for lack of reciprocity with the state or country in which the vehicles are registered. The department will issue annual permits:

(i) for a 12-month period designated by the department which begins on the first day of a calendar month and expires on the last day of the last calendar month in that annual registration period; and

(ii) to each vehicle or combination of vehicles for the registration fee prescribed by weight classification in Transportation Code, §502.253 and §502.255.

(B) The department will not issue annual permits for the importation of citrus fruit into Texas from a foreign country except for foreign export or processing for foreign export.

(C) The following exemptions apply to vehicles displaying annual permits.

(i) Currently registered foreign semitrailers having a gross weight in excess of 6,000 pounds used or to be used in combination with commercial motor vehicles or truck tractors having a gross vehicle weight in excess of 10,000 pounds are exempted from the requirements to pay the token fee and display the associated distinguishing license plate provided for in Transportation Code, §502.255. An

annual permit is required for the power unit only. For vehicles registered in combination, the combined gross weight may not be less than 18,000 pounds.

(ii) Vehicles registered with annual permits are not subject to the optional county registration fee under Transportation Code, §502.401; the optional county fee for transportation projects under Transportation Code, §502.402; or the optional registration fee for child safety under Transportation Code, §502.403.

(3) 72-hour permits and 144-hour permits.

(A) In accordance with Transportation Code, §502.094, the department will issue a permit valid for 72 hours or 144 hours for the movement of commercial motor vehicles, trailers, semitrailers, and motor buses owned by residents of the United States, Mexico, or Canada.

(B) A 72-hour permit or a 144-hour permit is valid for the period of time stated on the permit beginning with the effective day and time as shown on the permit registration receipt.

(C) Vehicles displaying 72-hour permits or 144-hour permits are subject to vehicle safety inspection in accordance with Transportation Code, §548.051, except for:

(i) vehicles currently registered in another state of the United States, Mexico, or Canada; and

(ii) mobile drilling and servicing equipment used in the production of gas, crude petroleum, or oil, including, but not limited to, mobile cranes and hoisting equipment, mobile lift equipment, forklifts, and tugs.

(D) The department will not issue a 72-hour permit or a 144-hour permit to a commercial motor vehicle, trailer, semitrailer, or motor bus apprehended for violation of Texas registration laws. Apprehended vehicles must be registered under Transportation Code, Chapter 502.

(4) Temporary agricultural permits.

(A) Transportation Code, §502.092 authorizes the department to issue a 30-day temporary nonresident registration permit to a nonresident for any truck, truck tractor, trailer, or semitrailer to be used in the movement of all agriculture products produced in Texas:

(i) from the place of production to market, storage, or railhead not more than 75 miles from the place of production; or

(ii) to be used in the movement of machinery used to harvest Texas-produced agricultural products.

(B) The department will issue a 30-day temporary nonresident registration permit to a nonresident for any truck, truck tractor, trailer, or semitrailer used to move or harvest farm products, produced outside of Texas, but:

(i) marketed or processed in Texas; or

(ii) moved to points in Texas for shipment from the point of entry into Texas to market, storage, processing plant, railhead or seaport not more than 80 miles from such point of entry into Texas.

(C) The statutory fee for temporary agricultural permits is one-twelfth of the annual Texas registration fee prescribed for the vehicle for which the permit is issued.

(D) The department will issue a temporary agricultural permit only when the vehicle is legally registered in the nonresident's home state or country for the current registration year.

(E) The number of temporary agricultural permits is limited to three permits per nonresident owner during any one vehicle registration year.

(F) Temporary agricultural permits may not be issued to farm licensed trailers or semi-trailers.

(5) One-trip permits. Transportation Code, §502.095 authorizes the department to temporarily register any unladen vehicle upon application to provide for the movement of the vehicle for one trip, when the vehicle is subject to Texas registration and not authorized to travel on the public roadways for lack of registration or lack of registration reciprocity.

(A) Upon receipt of the \$5 fee, registration will be valid for one trip only between the points of origin and destination and intermediate points as may be set forth in the application and registration receipt.

(B) The department will issue a one-trip permit to a bus which is not covered by a reciprocity agreement with the state or country in which it is registered to allow for the transit of the vehicle only. The vehicle should not be used for the transportation of any passenger or property, for compensation or otherwise, unless such bus is operating under charter from another state or country.

(C) A one-trip permit is valid for a period up to 15 days from the effective date of registration.

(D) A one-trip permit may not be issued for a trip which both originates and terminates outside Texas.

(E) A laden motor vehicle or a laden commercial vehicle cannot display a one-trip permit. If the vehicle is unregistered, it must operate with a 72-hour or 144-hour permit.

(6) 30-day temporary registration permits. Transportation Code, §502.095 authorizes the department to issue a temporary registration permit valid for 30 days for a \$25 fee. A vehicle operated on a 30-day temporary permit is not restricted to a specific route. The permit is available for:

(A) passenger vehicles;

(B) motorcycles;

(C) private buses;

(D) trailers and semitrailers with a gross weight not exceeding 10,000 pounds;

(E) light commercial vehicles not exceeding a gross weight of 10,000 pounds; and

(F) a commercial vehicle exceeding 10,000 pounds, provided the vehicle is operated unladen.

(c) Application process.

(1) Procedure. An owner who wishes to apply for a temporary registration permit for a vehicle which is otherwise required to be registered in accordance with this subchapter, must do so on a form prescribed by the department.

(2) Form requirements. The application form will at a minimum require:

(A) the signature of the owner;

(B) the name and complete address of the applicant; and

(C) the vehicle description.

(3) Fees and documentation. The application must be accompanied by:

(A) statutorily prescribed fees;

(B) evidence of financial responsibility:

(i) as required by Transportation Code, Chapter 502, Subchapter B, provided that all policies written for the operation of motor vehicles must be issued by an insurance company or surety company authorized to write motor vehicle liability insurance in Texas; or

(ii) if the applicant is a motor carrier as defined by §218.2 of this title (relating to Definitions), indicating that the vehicle is registered in compliance with Chapter 218, Subchapter B of this title (relating to Motor Carrier Registration); and

(C) any other documents or fees required by law.

(4) Place of application.

(A) All applications for annual permits must be submitted directly to the department for processing and issuance.

(B) Additional weight permits and temporary agricultural permits may be obtained by making application with the department through the county tax assessor-collectors' offices.

(C) 72-hour and 144-hour permits, one-trip permits, and 30-day temporary registration permits may be obtained by making application either with the department or the county tax assessor-collectors' offices.

(d) Display of registration insignia. The department will issue a specially designed tag or windshield validation sticker, upon receipt of a complete application for a permit.

(1) Tags shall be displayed in a manner that is clearly visible and legible when viewed from outside of the vehicle. The tag shall be attached to or displayed in the vehicle to allow ready inspection.

(2) Windshield validation stickers shall be displayed on the inside of the front windshield in the lower left corner.

(3) A receipt will be issued for each registration insignia as evidence of registration to be carried in the vehicle during the time the permit is valid. If the receipt is lost or destroyed, the owner must obtain a duplicate from the department or from the county office who issued the original receipt. The fee for the duplicate receipt is the same as the fee required by Transportation Code, §502.058.

(e) Transfer of temporary registration permits.

(1) Temporary registration permits are non-transferable between vehicles and/or owners.

(2) If the owner of a vehicle displaying a temporary registration permit disposes of the vehicle during the time the permit is valid, the permit must be returned to the county tax assessor-collector office or department immediately.

(f) Replacement permits. Vehicle owners displaying annual permits may obtain replacement permits if an annual permit is lost, stolen, or mutilated.

(1) The fee for a replacement annual permit is the same as for a replacement number plate, symbol, tab, or other device as provided by Transportation Code, §502.060.

(2) The owner shall apply directly to the department in writing for the issuance of a replacement annual permit. Such request should include a copy of the registration receipt and replacement fee.

(g) Agreements with other jurisdictions. In accordance with Transportation Code, §502.091, and Chapter 648, the executive director of the department may enter into a written agreement with an authorized officer of a state, province, territory, or possession of a foreign

country to provide for the exemption from payment of registration fees by nonresidents, if residents of this state are granted reciprocal exemptions. The executive director may enter into such agreement only upon:

(1) the approval of the governor; and

(2) making a determination that the economic benefits to the state outweigh all other factors considered.

(h) Border commercial zones.

(1) Texas registration required. A vehicle located in a border commercial zone must display a valid Texas registration if the vehicle is owned by a person who:

(A) owns a leasing facility or a leasing terminal located in Texas; and

(B) leases the vehicle to a foreign motor carrier.

(2) Exemption for trips of short duration. Except as provided by paragraph (1) of this subsection, a foreign commercial vehicle operating in accordance with Transportation Code, Chapter 648 is exempt from the display of a temporary registration permit if:

(A) the vehicle is engaged solely in the transportation of cargo across the border into or from a border commercial zone;

(B) for each load of cargo transported the vehicle remains in this state for:

(i) not more than 24 hours; or

(ii) not more than 48 hours, if:

(I) the vehicle is unable to leave this state within 24 hours because of circumstances beyond the control of the motor carrier operating the vehicle; and

(II) all financial responsibility requirements applying to this vehicle are satisfied;

(C) the vehicle is registered and licensed as required by the country in which the person that owns the vehicle is domiciled or is a citizen as evidenced by a valid metal license plate attached to the front or rear exterior of the vehicle; and

(D) the country in which the person who owns the vehicle is domiciled or is a citizen provides a reciprocal exemption for commercial motor vehicles owned by residents of Texas.

(3) Exemption due to reciprocity agreement. Except as provided by paragraph (1) of this subsection, a foreign commercial motor vehicle in a border commercial zone in this state is exempt from the requirement of obtaining a Texas registration if the vehicle is currently registered in another state of the United States or a province of Canada with which this state has a reciprocity agreement that exempts a vehicle that is owned by a resident of this state and that is currently registered in this state from registration in the other state or province.

§217.41. Disabled Person License Plates and Identification Placards.

(a) Purpose. Transportation Code, Chapters 504 and 681, charge the department with the responsibility for issuing specially designed license plates and identification placards for disabled persons. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of Disabled Person license plates and placards.

(b) Issuance.

(1) Disabled Person license plates.

(A) Eligibility. In accordance with Transportation Code, §504.201, the department will issue specially designed license plates displaying the international symbol of access to permanently disabled persons or their transporters instead of regular motor vehicle license plates.

(B) Specialty license plates. The department will issue Disabled Person insignia on those specialty license plates that can accommodate the identifying insignia and that are issued in accordance with §217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices).

(C) License plate number. Disabled Person license plates will bear a license plate number assigned by the department or will bear a personalized license plate number issued in accordance with §217.45.

(2) Windshield identification placards. The department will issue removable windshield identification placards to temporarily or permanently disabled persons and to the transporters of permanently disabled persons. A person who has been issued a windshield identification placard shall hang the placard from a vehicle's rearview mirror when the vehicle is parked in a disabled person parking space or shall display the placard on the center portion of the dashboard if the vehicle does not have a rearview mirror.

(c) Renewal of Disabled Person license plates. Disabled Person license plates are valid for a period of 12 months from the date of issuance, and are renewable as specified in §217.28 of this title (relating to Vehicle Registration Renewal).

(d) Replacement.

(1) License plates. If Disabled Person license plates are lost, stolen, or mutilated, the owner may obtain replacement license plates by applying with a county tax assessor-collector.

(A) Accompanying documentation. To replace permanently Disabled Person license plates, the owner must present the current year's registration receipt and personal identification acceptable to the county tax assessor-collector.

(B) Absence of accompanying documentation. If the current year's registration receipt is not available and the county cannot verify that the Disabled Person license plates were issued to the owner, the owner must reapply in accordance with this section.

(2) Disabled Person identification placards. If a Disabled Person identification placard becomes lost, stolen, or mutilated, the owner may obtain a new identification placard in accordance with this section.

(e) Transfer of Disabled Person license plates and identification placards.

(1) License plates.

(A) Transfer between persons. Disabled Person license plates may not be transferred between persons. An owner who sells or trades a vehicle to which Disabled Person license plates have been issued shall remove the Disabled Person license plates from the vehicle. The owner shall return the license plates to the department and shall obtain appropriate replacement license plates to place on the vehicle prior to any transfer of ownership.

(B) Transfer between vehicles. Disabled Person license plates may be transferred between vehicles if the county or the department can verify the plate ownership and the owner of the vehicle is the disabled person or the vehicle is used to transport the disabled person.

(i) Plate ownership verification may include:

(I) a Registration and Title System (RTS) inquiry;

(II) a copy of the department Application for Disabled Person license plates; or

(III) the owner's current registration receipt.

(ii) An owner who sells or trades a vehicle with Disabled Person license plates must remove the plates from the vehicle.

(2) Identification placards.

(A) Transfer between vehicles. Disabled Person identification placards may be displayed in any vehicle driven by the disabled person or in which the disabled person is a passenger.

(B) Transfer between persons. Disabled Person identification placards may not be transferred between persons.

(f) Seizure and revocation of placard.

(1) After a law enforcement officer seizes a placard under Transportation Code, §681.012, not later than the fifth day after the date of the seizure, the officer shall destroy the placard and provide the department with the following items:

(A) a notice that the placard was destroyed;

(B) a copy of the citation issued under Transportation Code, §681.011(a) or (d); and

(C) a brief summary of the events giving rise to the citation.

(2) The person to whom the seized placard was issued may petition for a hearing under Chapter 206, Subchapter D of this title (relating to Procedures in Contested Cases).

(A) If the department has not received the items specified in paragraph (1) of this subsection, the department will advise the petitioner to obtain a replacement placard from the county tax assessor-collector.

(B) If the department determines from written evidence that the citation was dismissed or withdrawn, the department will advise the petitioner to obtain a replacement placard from the county tax assessor-collector.

(C) If the department has received the items specified in paragraph (1) of this subsection and if the citation has not been dismissed or withdrawn, the department may negotiate a settlement providing for issuance of a replacement placard, including an agreement by the petitioner to abide by all laws regarding placards. If a settlement is not reached, the department will refer the matter to the State Office of Administrative Hearings for a hearing.

§217.42. Construction Machinery Criteria.

Construction machinery must meet the following criteria in order to qualify for the \$5.00 machinery license plate: it must be an unconventional machine, such as those built from the ground up, designed and fabricated to perform a job relating to that type of construction. It is a vehicle that is not designed or used to tow or transport property or persons, other than those persons who may be required to operate such machinery in the function of its design and purpose. Machinery vehicles are vehicles which are actually designed for special construction purposes.

§217.43. Military Specialty License Plates.

(a) Purpose and Scope. Transportation Code, Chapter 504 authorizes the department to issue military specialty license plates. This section prescribes the policies and procedures for the application, issuance, and renewal of military specialty license plates.

(b) Classification.

(1) Meritorious Service. There are no fees for the first set of specialty license plates. Registration fees and any additional fees will be collected at the time of registration for additional sets. These plates include:

- (A) Congressional Medal of Honor;
- (B) Legion of Valor, consisting of Air Force Cross, Distinguished Flying Cross, Distinguished Service Cross and Navy Cross;
- (C) Legion of Merit;
- (D) Silver Star;
- (E) Bronze Star and Bronze Star with Valor;
- (F) Distinguished Service Medal;
- (G) Defense Superior Service Medal; and
- (H) Air Medal and Air Medal with Valor.

(2) Recognition Award. The first set of specialty license plates is \$3 and no registration fee is collected. Registration fees and any additional fees will be collected at the time of registration for additional sets. These plates include:

- (A) Former Prisoner of War (POW);
- (B) Disabled Veteran;
- (C) Purple Heart; and
- (D) Pearl Harbor Survivor.

(3) Issued to members or former members of the U.S. Armed Forces. There is no charge for the specialty plate, however, registration fees and any additional fees collected at the time of registration apply. These plates include:

- (A) World War II, Korea, Vietnam Operations, Iraqi Freedom, Enduring Freedom, Enduring Freedom Afghanistan, Desert Storm and Desert Shield;
- (B) Coast Guard Auxiliary;
- (C) Armed Forces Reserved;
- (D) U.S. Paratrooper;
- (E) Marine Corps League;
- (F) Texas Guard (National and State);
- (G) Texas Wing Civil Air Patrol;
- (H) Woman Veteran;
- (I) U.S. Air Force;
- (J) U.S. Army;
- (K) U.S. Coast Guard;
- (L) U.S. Marine Corps; or
- (M) U.S. Navy.

(4) Honorably discharged and retired. The following license plates may include the words "Honorably Discharged" or "Retired" if the applicant is a former member of one of the following branches of the U.S. Armed Forces and meets eligibility criteria as established in Transportation Code, Chapter 504:

- (A) U.S. Air Force;
- (B) U.S. Army;

(C) U.S. Coast Guard;

(D) U.S. Marine Corps; or

(E) U.S. Navy.

(c) Surviving spouse license plates.

(1) The surviving spouse of a deceased Disabled Veteran may apply for "Surviving Spouse Disabled Veteran" specialty license plates, if proof exists that Disabled Veteran License Plates were issued to the veteran prior to the time of death, and the surviving spouse remains unmarried. The first set of specialty license plates is \$3 and no registration fee is collected. Registration fees and additional fees will be collected at the time of registration for additional sets.

(2) The surviving spouse of a deceased veteran who, prior to death, had been issued other military specialty plates, may apply for and continue to register one vehicle and pay the fee applicable for that military specialty plate. The surviving spouse must remain unmarried to remain eligible.

(d) Application. Applications for military specialty license plates must be made to the department and include evidence of eligibility. The evidence of eligibility may include, but is not limited to:

- (1) an official document issued by a governmental entity;
- (2) a letter issued by a governmental entity on that agency's letterhead;
- (3) discharge papers; or
- (4) a death certificate.

(e) Period.

(1) Military Vehicle license plates and registration numbers are issued for a five-year period.

(2) The registration for Congressional Medal of Honor license plates expires each March 31.

(f) Assignment and Transfer. Military plates may not be assigned and may only be transferred to another vehicle owned by the same vehicle owner.

(g) Applicability. Section 217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices) applies to military plates, symbols, tabs, or other devices as to:

- (1) what is considered one set of plates per vehicle as determined by vehicle type;
- (2) issuance of validation tabs and insignia;
- (3) stolen or replaced plates;
- (4) payment of other applicable fees;
- (5) personalization, except that Congressional Medal of Honor plates may not be personalized;
- (6) renewal, except that the owner of a vehicle with Congressional Medal of Honor license plates must return the documentation and specialty license plate fee, if any, directly to the department;
- (7) refunds; and
- (8) expiration.

§217.44. Privately Owned Buses.

(a) Privately owned buses not operated for compensation or hire and thus not classified and registered as "city buses" or "motor buses" shall be registered with private bus license plates. The "private bus" registration classification includes every motor vehicle not oper-

ated for compensation or hire, which is designed for carrying more than 10 passengers (excluding the driver or operator) and used for the transportation of persons.

(b) The registration fee for a privately owned bus shall be prorated monthly and based upon the weight of the vehicle as calculated by Transportation Code, §502.055.

(c) The same schedule of registration fees used for city buses shall also be used for privately owned buses, since the fees for both classifications are computed at the same rate.

§217.45. Specialty License Plates, Symbols, Tabs, and Other Devices.

(a) Purpose and Scope. Transportation Code, Chapters 504 and 551 charge the department with providing specialty license plates, symbols, tabs, and other devices. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of specialty license plates, symbols, tabs, and other devices, through the county tax assessor-collectors, and establishes application fees, expiration dates, and registration periods for certain specialty license plates. This section does not apply to military license plates except as provided by §217.43 of this title (relating to Military Specialty License Plates).

(b) Initial application for specialty license plates, symbols, tabs, or other devices.

(1) Application Process.

(A) Procedure. An owner of a vehicle registered as specified in this subchapter who wishes to apply for a specialty license plate, symbol, tab, or other device must do so on a form prescribed by the director.

(B) Form requirements. The application form shall at a minimum require the name and complete address of the applicant.

(2) Fees and Documentation.

(A) The application must be accompanied by the prescribed registration fee, unless exempted by statute.

(B) The application must be accompanied by the statutorily prescribed specialty license plate fee. If a registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device will be aligned with the registration period and the specialty plate fee will be adjusted to yield the appropriate fee. If the statutory annual fee for a specialty license plate is \$5 or less, it will not be prorated.

(C) Specialty license plate fees will not be refunded after an application is submitted and the department has approved issuance of the license plate.

(D) The application must be accompanied by prescribed local fees or other fees that are collected in conjunction with registering a vehicle, with the exception of vehicles bearing license plates that are exempt by statute from these fees.

(E) The application must include evidence of eligibility for any specialty license plates. The evidence of eligibility may include, but is not limited to:

(i) an official document issued by a governmental entity; or

(ii) a letter issued by a governmental entity on that agency's letterhead.

(F) Initial applications for license plates for display on Exhibition Vehicles must include a photograph of the completed vehicle.

(3) Place of application. Applications for specialty license plates may be made directly to the county tax assessor-collector, except that applications for the following license plates must be made directly to the department:

(A) County Judge;

(B) Federal Administrative Law Judge;

(C) State Judge;

(D) State Official;

(E) U.S. Congress--House;

(F) U.S. Congress--Senate; and

(G) U.S. Judge.

(4) Gift plates.

(A) A person may purchase general distribution specialty license plates as a gift for another person if the purchaser submits an application for the specialty license plates that provides:

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

(ii) the vehicle identification number of the vehicle on which the plates will be displayed.

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

(c) Initial issuance of specialty license plates, symbols, tabs, or other devices.

(1) Issuance. On receipt of a completed initial application for registration, accompanied by the prescribed documentation and fees, the department will issue specialty license plates, symbols, tabs, or other devices to be displayed on the vehicle for which the license plates, symbols, tabs, or other devices were issued for the current registration period. If the vehicle for which the specialty license plates, symbols, tabs, or other devices are issued is currently registered, the owner must surrender the license plates currently displayed on the vehicle, along with the corresponding license receipt, before the specialty license plates may be issued.

(2) Classic Motor Vehicle, Classic Travel Trailer, and Custom Vehicles, Street Rods and Exhibition Vehicle.

(A) License plates. Texas license plates that were issued the same year as the model year of a Classic Motor Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may be displayed on that vehicle under Transportation Code, §504.501 and §504.502, unless:

(i) the license plate's original use was restricted by statute to another vehicle type;

(ii) the license plate is a qualifying plate type that originally required the owner to meet one or more eligibility requirements; or

(iii) the alpha numeric pattern is already in use on another vehicle.

(B) Validation stickers and tabs. The department will issue validation stickers and tabs for display on license plates that are displayed as provided by subparagraph (A) of this paragraph.

(3) Number of plates issued.

(A) Two plates. Unless otherwise listed in subparagraph (B) of this paragraph, two specialty license plates, each bearing the same license plate number, will be issued per vehicle.

(B) One plate. One license plate will be issued per vehicle for all motorcycles and for the following specialty license plates:

- (i) Antique Vehicle;
- (ii) Classic Travel Trailer;
- (iii) Rental Trailer;
- (iv) Travel Trailer;
- (v) Cotton Vehicle;
- (vi) Disaster Relief;
- (vii) Forestry Vehicle;
- (viii) Golf Cart;
- (ix) Log Loader; and
- (x) Military Vehicle.

(C) Registration number. The identification number assigned by the military may be approved as the registration number instead of displaying Military Vehicle license plates on a former military vehicle.

(4) Assignment of plates.

(A) Title holder. Unless otherwise exempted by law or this section, the vehicle on which specialty license plates, symbols, tabs, or other devices is to be displayed shall be titled in the name of the person to whom the specialty license plates, symbols, tabs, or other devices is assigned, or a title application shall be filed in that person's name at the time the specialty license plates, symbols, tabs, or other devices are issued.

(B) Non-owner vehicle. If the vehicle is titled in a name other than that of the applicant, the applicant must provide evidence of having the legal right of possession and control of the vehicle.

(C) Leased vehicle. In the case of a leased vehicle, the applicant must provide a copy of the lease agreement verifying that the applicant currently leases the vehicle.

(5) Classification of neighborhood electric vehicles. The registration classification of a neighborhood electric vehicle, as defined by §217.3(3) of this title (relating to Motor Vehicle Titles) will be determined by whether it is designed as a 4-wheeled truck or a 4-wheeled passenger vehicle.

(6) Number of vehicles. An owner may obtain specialty license plates, symbols, tabs, or other devices for an unlimited number of vehicles, unless the statute limits the number of vehicles for which the specialty license plate may be issued.

(7) Personalized plate numbers.

(A) Issuance. The department will issue a personalized license plate number subject to the exceptions set forth in this paragraph.

(B) Character limit. A personalized license plate number may contain no more than six alpha or numeric characters or a combination of characters. Depending upon the specialty license plate design and vehicle class, the number of characters may vary. Spaces, hyphens, periods, hearts, stars, the International Symbol of Access, or

silhouettes of the state of Texas may be used in conjunction with the license plate number.

(C) Personalized plates not approved. A personalized license plate number will not be approved by the executive director if the alpha-numeric pattern:

(i) conflicts with the department's current or proposed regular license plate numbering system;

(ii) would violate §217.27 of this title (relating to Vehicle Registration Insignia), as determined by the executive director; or

(iii) is currently issued to another owner.

(D) Classifications of vehicles eligible for personalized plates. Unless otherwise listed in subparagraph (E) of this paragraph, personalized plates are available for all classifications of vehicles.

(E) Categories of plates for which personalized plates are not available. Personalized license plate numbers are not available for display on the following specialty license plates:

(i) Amateur Radio (other than the official call letters of the vehicle owner);

(ii) Antique Motorcycle;

(iii) Antique Vehicle;

(iv) Apportioned;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Farm Trailer (except Go Texan II);

(viii) Farm Truck (except Go Texan II);

(ix) Farm Truck Tractor (except Go Texan II);

(x) Fertilizer;

(xi) Forestry Vehicle;

(xii) Log Loader;

(xiii) Machinery;

(xiv) Permit;

(xv) Rental Trailer;

(xvi) Soil Conservation; and

(xvii) Texas Guard.

(F) Fee. Unless specified by statute, a personalized license plate fee of \$40 will be charged in addition to any prescribed specialty license plate fee.

(G) Priority. Once a personalized license plate number has been assigned to an applicant, the owner shall have priority to that number for succeeding years if a timely renewal application is submitted to the county tax assessor-collector each year in accordance with subsection (d) of this section.

(d) Specialty license plate renewal.

(1) Renewal deadline. If a personalized license plate is not renewed within 60 days after its expiration date, a subsequent renewal application will be treated as an application for new personalized license plates.

(2) Length of validation. With the following exceptions, all specialty license plates, symbols, tabs, or other devices shall be valid

for 12 months from the month of issuance or for a prorated period of at least 12 months coinciding with the expiration of registration.

(A) Five-year period. Antique Vehicle and Antique Motorcycle license plates, Antique tabs, and registration numbers are issued for a five-year period.

(B) Seven-year period. Foreign Organization license plates and registration numbers are issued for a seven-year period.

(C) March expiration dates. The registration for Cotton Vehicle and Disaster Relief license plates expires each March 31.

(D) June expiration dates. The registration for the Honorary Consul license plate expires each June 30.

(E) September expiration dates. The registration for the Log Loader license plate expires each September 30.

(F) December expiration dates. The registration for the following license plates expires each December 31:

(i) County Judge;

(ii) Federal Administrative Law Judge;

(iii) State Judge;

(iv) State Official;

(v) U.S. Congress--House;

(vi) U.S. Congress--Senate; and

(vii) U.S. Judge.

(G) Except as otherwise provided in this paragraph, if a vehicle's registration period is other than 12 months, the expiration date of the specialty license plate, symbol, tab, or other device will be set to align it with the expiration of registration.

(3) Renewal.

(A) Renewal notice. Approximately 60 days before the expiration date of a specialty license plate, symbol, tab, or other device, the department will send each owner a renewal notice that includes the amount of the specialty plate fee and the registration fee.

(B) Return of notice. The owner must return the fee and any prescribed documentation to the tax assessor-collector of the county in which the owner resides, except that the owner of a vehicle with one of the following license plates must return the documentation and specialty license plate fee, if applicable, directly to the department and submit the registration fee to the county tax assessor-collector:

(i) County Judge;

(ii) Federal Administrative Law Judge;

(iii) State Judge;

(iv) State Official;

(v) U.S. Congress--House;

(vi) U.S. Congress--Senate; and

(vii) U.S. Judge.

(C) Expired plate numbers. The department will retain a specialty license plate number for 60 days after the expiration date of the plates if the plates are not renewed on or before their expiration date. After 60 days the number may be reissued to a new applicant. All specialty license plate renewals received after the expiration of the 60 days will be treated as new applications.

(D) Issuance of validation insignia. On receipt of a completed license plate renewal application and prescribed documentation, the department will issue registration validation insignia as specified in §217.27 unless this section or other law requires the issuance of new license plates to the owner.

(E) Lost or destroyed renewal notices. If a renewal notice is lost, destroyed, or not received by the vehicle owner, the specialty license plates, symbol, tab, or other device may be renewed if the owner provides acceptable personal identification along with the appropriate fees and documentation. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Transfer of specialty license plates.

(1) Transfer between vehicles.

(A) Transferable between vehicles. The owner of a vehicle with specialty license plates, symbols, tabs, or other devices may transfer the specialty plates between vehicles by filing an application through the county tax assessor-collector if the vehicle to which the plates are transferred:

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

(ii) meets the vehicle classification requirements for that particular specialty license plate, symbol, tab, or other device.

(B) Non-transferable between vehicles. The following specialty license plates, symbols, tabs, or other devices are non-transferable between vehicles:

(i) Antique Vehicle license plates, Antique Motorcycle license plates, and Antique tabs;

(ii) Classic Auto, Classic Truck, Classic Motorcycle, Classic Travel Trailer, Street Rod, and Custom Vehicle license plates;

(iii) Forestry Vehicle license plates; and

(iv) Log Loader license plates.

(C) New specialty license plates. If the department creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between vehicles.

(2) Transfer between owners.

(A) Non-transferable between owners. Specialty license plates, symbols, tabs, or other devices issued under Transportation Code, Chapter 504, Subchapters C, E, and F are not transferable from one person to another except as specifically permitted by statute.

(B) New specialty license plates. If the department creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between owners.

(3) Simultaneous transfer between owners and vehicles. Specialty license plates, symbols, tabs, or other devices are transferable between owners and vehicles simultaneously only if the owners and vehicles meet all the requirements in both paragraphs (1) and (2) of this subsection.

(f) Replacement.

(1) Application. When specialty license plates, symbols, tabs, or other devices are lost, stolen, or mutilated, the owner shall apply directly to the county tax assessor-collector for the issuance of

replacements, except that Log Loader license plates must be reapplied for and accompanied by the prescribed fees and documentation.

(2) Temporary registration insignia. If the specialty license plate, symbol, tab, or other device is lost, destroyed, or mutilated to such an extent that it is unusable, and if issuance of a replacement license plate would require that it be remanufactured, the owner must pay the statutory replacement fee, and the department will issue a temporary tag for interim use. The owner's new specialty license plate number will be shown on the temporary tag unless it is a personalized license plate, in which case the same personalized license plate number will be shown.

(3) Stolen specialty license plates.

(A) The department or county tax assessor-collector will not approve the issuance of replacement license plates with the same personalized license plate number if the department's records indicate either the vehicle displaying the personalized license plates or the license plates are reported as stolen to law enforcement. The owner will be directed to contact the department for another personalized plate choice.

(B) The owner may select a different personalized number to be issued at no charge with the same expiration as the stolen specialty plate. On recovery of the stolen vehicle or license plates, the department will issue, at the owner's or applicant's request, replacement license plates, bearing the same personalized number as those that were stolen.

(g) License plates created after January 1, 1999. In accordance with Transportation Code, §504.702, the department will begin to issue specialty license plates authorized by a law enacted after January 1, 1999, only if the sponsoring entity for that license plate submits the following items before the fifth anniversary of the effective date of the law.

(1) The sponsoring entity must submit a written application. The application must be on a form approved by the director and include, at a minimum:

(A) the name of the license plate;

(B) the name and address of the sponsoring entity;

(C) the name and telephone number of a person authorized to act for the sponsoring entity; and

(D) the deposit.

(2) A sponsoring entity is not an agent of the department and does not act for the department in any matter, and the department does not assume any responsibility for fees or applications collected by a sponsoring entity.

(h) Assignment procedures for state, federal, and county officials.

(1) State Officials. State Official license plates contain the distinguishing prefix "SO." Members of the state legislature may be issued up to three sets of State Official specialty license plates with the distinguishing prefix "SO," or up to three sets of State Official specialty license plates that depict the state capitol, and do not display the distinguishing prefix "SO." An application by a member of the state legislature, for a State Official specialty license plate, must specify the same specialty license plate design for each applicable vehicle. State Official license plates are assigned in the following order:

(A) Governor;

(B) Lieutenant Governor;

(C) Speaker of the House;

(D) Attorney General;

(E) Comptroller;

(F) Land Commissioner;

(G) Agriculture Commissioner;

(H) Secretary of State;

(I) Railroad Commission Presiding Officer followed by the remaining members based on their seniority;

(J) Supreme Court Chief Justice followed by the remaining justices based on their seniority;

(K) Criminal Court of Appeals Presiding Judge followed by the remaining judges based on their seniority;

(L) Members of the State Legislature, with Senators assigned in order of district number followed by Representatives assigned in order of district number, except that in the event of redistricting, license plates will be reassigned; and

(M) Board of Education Presiding Officer followed by the remaining members assigned in district number order, except that in the event of redistricting, license plates will be reassigned.

(2) Members of the U.S. Congress.

(A) U.S. Senate license plates contain the prefix "Senate" and are assigned by seniority; and

(B) U.S. House license plates contain the prefix "House" and are assigned in order of district number, except that in the event of redistricting, license plates will be reassigned.

(3) Federal Judge.

(A) Federal Judge license plates contain the prefix "USA" and are assigned on a seniority basis within each court in the following order:

(i) Judges of the Fifth Circuit Court of Appeals;

(ii) Judges of the United States District Courts;

(iii) United States Bankruptcy Judges; and

(iv) United States Magistrates.

(B) Federal Administrative Law Judge plates contain the prefix "US" and are assigned in the order in which applications are received.

(C) A federal judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive federal judge plates. A federal judge who retired after August 31, 2003, is not eligible for U.S. Judge license plates.

(4) State Judge.

(A) State Judge license plates contain the prefix "TX" and are assigned sequentially in the following order:

(i) Appellate District Courts;

(ii) Presiding Judges of Administrative Regions;

(iii) Judicial District Courts;

(iv) Criminal District Courts; and

(v) Family District Courts and County Statutory Courts.

(B) A particular alpha-numeric combination will always be assigned to a judge of the same court to which it was originally assigned.

(C) A state judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive state judge plates. A state judge who retired after August 31, 2003, is not eligible for State Judge license plates.

(5) County Judge license plates contain the prefix "CJ" and are assigned by county number.

(6) In the event of redistricting or other plate reallocation, the department may allow a state official to retain that official's plate number if the official has had the number for five or more consecutive years.

(i) Development of new specialty license plates.

(1) Procedure. The following procedure governs the process of authorizing new specialty license plates under Transportation Code, §504.801, whether the new license plate originated as a result of an application or as a department initiative.

(2) Applications for the creation of new specialty license plates. An applicant for the creation of a new specialty license plate, other than a vendor specialty plate under §217.52 of this title (relating to Marketing of Specialty License Plates through a Private Vendor), must submit a written application on a form approved by the executive director. The application must include:

(A) the applicant's name, address, telephone number, and other identifying information as directed on the form;

(B) certification on Internal Revenue Service letterhead stating that the applicant is a not-for-profit entity;

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

(D) projected sales of the plate, including an explanation of how the projected figure was established;

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

(F) a licensing agreement from the appropriate third party for any intellectual property design or design element;

(G) a letter from the executive director of the sponsoring state agency stating that the agency agrees to receive and distribute revenue from the sale of the specialty license plate and that the use of the funds will not violate a statute or constitutional provision; and

(H) other information necessary for the Board to reach a decision regarding approval of the requested specialty plate.

(3) Review process. The Board:

(A) will not consider incomplete applications;

(B) may request additional information from an applicant if necessary for a decision; and

(C) will consider specialty license plate applications that are restricted by law to certain individuals or groups of individuals (qualifying plates) using the same procedures as applications submitted for plates that are available to everyone (non-qualifying plates).

(4) Request for additional information. If the Board determines that additional information is needed, the applicant must return the requested information not later than the requested due date. If the additional information is not received by that date, the Board will return the application as incomplete unless the Board:

(A) determines that the additional requested information is not critical for consideration and approval of the application; and

(B) approves the application, pending receipt of the additional information by a specified due date.

(5) Board decision. The Board's decision will be based on:

(A) compliance with Transportation Code, §504.801;

(B) the proposed license plate design, including:

(i) whether the design appears to meet the legibility and reflectivity standards established by the department;

(ii) whether the design meets the standards established by the department for uniqueness;

(iii) other information provided during the application process;

(iv) the criteria designated in §217.27 as applied to the design; and

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

(C) the applicant's ability to comply with Transportation Code, §504.702 relating to the required deposit or application that must be provided before the manufacture of a new specialty license plate.

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

(7) Final approval.

(A) Approval. The Board will approve or disapprove the specialty license plate application based on all of the information provided pursuant to this subchapter at an open meeting.

(B) Application not approved. If the application is not approved under subparagraph (A) of this paragraph, the applicant may submit a new application and supporting documentation for the design to be considered again by the Board if:

(i) the applicant has additional, required documentation; or

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

(8) Issuance of specialty plates.

(A) If the specialty license plate is approved, the applicant must comply with Transportation Code, §504.702 before any further processing of the license plate.

(B) Approval of the plate does not guarantee that the submitted draft plate design will be used. The Board has final approval authority of all specialty license plate designs and may adjust or reconfigure the submitted draft design to comply with the format or license plate specifications.

(C) If the Board, in consultation with the applicant, adjusts or reconfigures the design, the adjusted or reconfigured design will not be posted on the department's website for additional comments.

(9) Redesign of specialty license plate.

(A) Upon receipt of a written request from the applicant, the department will allow redesign of a specialty license plate.

(B) A request for a redesign must meet all application requirements and proceed through the approval process of a new specialty plate as required by this subsection.

(C) An approved license plate redesign does not require the deposit required by Transportation Code, §504.702, but the applicant must pay a redesign cost to cover administrative expenses.

(j) Golf carts.

(1) A county tax assessor-collector may issue golf cart license plates as long as the requirements under Transportation Code, §551.403 or §551.404 are met.

(2) A county tax assessor-collector may only issue golf cart license plates to residents or property owners of the issuing county.

(3) A golf cart license plate may not be used as a registration insignia, and a golf cart may not be registered for operation on a public highway.

(4) The license plate fee for a golf cart license plate is \$10.

§217.46. Commercial Vehicle Registration.

(a) Eligibility. A motor vehicle, other than a motorcycle, designed or used primarily for the transportation of property, including any passenger car that has been reconstructed to be used, and is being used, primarily for delivery purposes, with the exception of a passenger car used in the delivery of the United States mails, must be registered as a commercial vehicle.

(b) Commercial vehicle registration classifications.

(1) Apportioned license plates. Apportioned license plates are issued in lieu of Combination, Motor Bus, or Truck license plates to Texas carriers who proportionally register their fleets in other states, in conformity with §217.56 of this title (relating to Registration Reciprocity Agreements).

(2) City bus license plates. A street or suburban bus shall be registered with license plates bearing the legend "City Bus."

(3) Combination license plates.

(A) Specifications. A truck or truck tractor with a gross weight in excess of 10,000 pounds used or to be used in combination with a semitrailer having a gross weight in excess of 6,000 pounds, may be registered with combination license plates. Such vehicles must be registered for a gross weight equal to the combined gross weight of all the vehicles in the combination, but not less than 18,000 pounds. Only one combination license plate is required and must be displayed on the front of the truck or truck tractor. When displaying a combination license plate, a truck or truck tractor is not restricted to pulling a semitrailer licensed with a Token Trailer license plate and may legally pull semitrailers and full trailers displaying other types of Texas license plates or license plates issued out of state. The following vehicles are not required to be registered in combination:

(i) trucks or truck tractors having a gross weight of less than 10,000 pounds or trucks or truck tractors to be used exclusively in combination with semitrailers having gross weights not exceeding 6,000 pounds;

(ii) semitrailers with gross weights of 6,000 pounds or less, or semitrailers that are to be operated exclusively with trucks or truck tractors having gross weight of less than 10,000 pounds;

(iii) trucks or truck tractors used exclusively in combination with semitrailer-type vehicles displaying Machinery, Permit, or Farm Trailer license plates;

(iv) trucks or truck tractors used exclusively in combination with travel trailers and manufactured housing;

(v) trucks or truck tractors to be registered with Farm Truck or Farm Truck Tractor license plates;

(vi) trucks or truck tractors and semitrailers to be registered with disaster relief license plates;

(vii) trucks or truck tractors and semitrailers to be registered with Soil Conservation license plates;

(viii) trucks or truck tractors and semitrailers to be registered with U.S. Government license plates or Exempt license plates issued by the State of Texas; and

(ix) vehicles that are to be issued temporary permits, such as 72-Hour Permits, 144-Hour Permits, One Trip Permits, or 30-Day Permits in accordance with Transportation Code, §502.094 and §502.095.

(B) Converted semitrailers. Semitrailers that are converted to full trailers by means of auxiliary axle assemblies will retain their semitrailer status, and such semitrailers are subject to the combination and token trailer registration requirements.

(C) Axle assemblies. Various types of axle assemblies that are specially designed for use in conjunction with other vehicles or combinations of vehicles may be used to increase the load capabilities of such vehicles or combinations.

(i) Auxiliary axle assemblies such as trailer axle converters, jeep axles, and drag axles, which are used in conjunction with truck tractor and semitrailer combinations, are not required to be registered; however, the additional weight that is acquired by the use of such axle assemblies must be included in the combined gross weight of the combination.

(ii) Ready-mixed concrete trucks that have an auxiliary axle assembly installed for the purpose of increasing a load capacity of such vehicles must be registered for a weight that includes the axle assembly.

(D) Exchange of Combination license plates. Combination license plates shall not be exchanged for another type of registration during the registration year, except that:

(i) if a major permanent reconstruction change occurs, Combination license plates may be exchanged for Truck license plates, provided that a corrected title is applied for;

(ii) if the department initially issues Combination license plates in error, the plates will be exchanged for license plates of the proper classification;

(iii) if the department initially issues Truck or Trailer license plates in error to vehicles that should have been registered in combination, such plates will be exchanged for Combination and Token Trailer license plates; or

(iv) if a Texas apportioned carrier acquires a combination license power unit, the Combination license plates will be exchanged for Apportioned license plates.

(4) Cotton Vehicle license plates. The department will issue Cotton Vehicle license plates in accordance with Transportation Code, §504.505 and §217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices).

(5) Forestry Vehicle license plates. The department will issue Forestry Vehicle license plates in accordance with Transportation Code, §504.507 and §217.45 of this title.

(6) In Transit license plates. The department may issue an In Transit license plate annually to any person, firm, or corporation engaged in the primary business of transporting and delivering by means of the full mount, saddle mount, tow bar, or any other combination, new vehicles and other vehicles from the manufacturer or any other point of origin to any point of destination within the State. Each new vehicle being transported, delivered, or moved under its own power in accordance with this paragraph must display an In Transit license plate in accordance with Transportation Code, §503.035.

(7) Motor Bus license plates. A motor bus as well as a taxi and other vehicles that transport passengers for compensation or hire, must display Motor Bus license plates when operated outside the limits of a city or town, or adjacent suburb, in which its company is franchised to do business.

(8) Token Trailer license plates.

(A) Qualification. The department will issue Token Trailer license plates for semitrailers that are required to be registered in combination.

(B) Validity. A Token Trailer license plate is valid only when it is displayed on a semitrailer that is being pulled by a truck or a truck tractor that has been properly registered with Forestry Vehicle (in accordance with Transportation Code, §504.507), Combination (in accordance with Transportation Code, §502.255), or Apportioned (in accordance with Transportation Code, §502.091) license plates for combined gross weights that include the weight of the semitrailer, unless exempted by Transportation Code, §502.094 and §623.011.

(C) House-moving dollies. House-moving dollies are to be registered with Token Trailer license plates and titled as semitrailers; however, only one such dolly in a combination is required to be registered and titled. The remaining dolly (or dollies) is permitted to operate unregistered, since by the nature of its construction, it is dependent upon another such vehicle in order to function. The pulling unit must display a Combination or Apportioned license plate.

(D) Full trailers. The department will not issue a Token Trailer license plate for a full trailer.

(9) Tow Truck license plates. A Tow Truck license plate must be obtained for all tow trucks operating and registered in this state. The department will not issue a Tow Truck license plate to tow trucks that are not registered in compliance with Transportation Code, Chapter 643.

(c) Application for commercial vehicle registration.

(1) Application form. An applicant shall apply for commercial license plates through the appropriate county tax assessor-collector upon forms prescribed by the director and shall require, at a minimum, the following information:

(A) owner name and complete address;

(B) complete description of vehicle, including empty weight; and

(C) motor number or serial number.

(2) Empty weight determination.

(A) The weight of a Motor Bus shall be the empty weight plus carrying capacity, in accordance with Transportation Code, §502.055.

(B) The weight of a vehicle cannot be lowered below the weight indicated on a Manufacturer's Certificate of Origin unless a corrected Manufacturer's Certificate of Origin is obtained.

(C) In all cases where the department questions the empty weight of a particular vehicle, the applicant should present a weight certificate from a public weight scale or the Department of Public Safety.

(3) Gross weight.

(A) Determination of Weight. The combined gross weight of vehicles registering for combination license plates shall be determined by the empty weight of the truck or truck tractor combined with the empty weight of the heaviest semitrailer or semitrailers used or to be used in combination therewith, plus the heaviest net load to be carried on such combination during the motor vehicle registration year, provided that in no case may the combined gross weight be less than 18,000 pounds.

(B) Restrictions. The following restrictions apply to combined gross weights.

(i) After a truck or truck tractor is registered for a combined gross weight, such weight cannot be lowered at any subsequent date during the registration year. The owner may, however, lower the gross weight when registering the vehicle for the following registration year, provided that the registered combined gross weight is sufficient to cover the heaviest load to be transported during the year and provided that the combined gross weight is not less than 18,000 pounds.

(ii) A combination of vehicles is restricted to a total gross weight not to exceed 80,000 pounds; however, all combinations may not qualify for 80,000 pounds unless such weight can be properly distributed in accordance with axle load limitations, tire size, and distance between axles, in accordance with Transportation Code, §623.011.

(4) Motor number or serial number. Ownership must be established by a court order if no motor or serial number can be identified. Once ownership has been established, the department will assign a number upon payment of the fee.

(5) Accompanying documentation. Unless otherwise exempted by law, completed applications for commercial license plates shall be accompanied by:

(A) prescribed registration fees;

(B) prescribed local fees or other fees that are collected in conjunction with registering a vehicle;

(C) evidence of financial responsibility as required by Transportation Code, §502.046 if the applicant is a motor carrier as defined by §218.2 of this title (relating to Definitions), proof of financial responsibility may be in the form of a registration listing or an international stamp indicating that the vehicle is registered in compliance with Chapter 218, Subchapter B of this title (relating to Motor Carrier Registration);

(D) an application for Texas Title in accordance with Subchapter A of this chapter, or other proof of ownership;

(E) proof of payment of the Federal Heavy Vehicle Use Tax, if applicable;

(F) an original or certified copy of the Certificate of Registration issued in accordance with Transportation Code, Chapter 643, if application is being made for Tow Truck license plates; and

(G) other documents or fees required by law.

(6) Proof of payment required. Proof of payment of the Federal Heavy Vehicle Use Tax is required for vehicles with a gross registration weight of 55,000 pounds or more, or in cases where the vehicle's gross weight is voluntarily increased to 55,000 pounds or more. Proof of payment shall consist of an original or photocopy of the Schedule 1 portion of Form 2290 receipted by the Internal Revenue Service (IRS), or a copy of the Form 2290 with Schedule 1 attached as filed with the IRS, along with a photocopy of the front and back of the canceled check covering the payment to the IRS.

(7) Proof of payment not required. Proof of payment of the Federal Heavy Vehicle Use Tax is not required:

(A) for new vehicles when an application for title and registration is supported by a Manufacturer's Certificate of Origin;

(B) on used vehicles when an application for title and registration is filed within 60 days from the date of transfer to the applicant as reflected on the assigned title, except that proof of payment will be required when an application for Texas title and registration is accompanied by an out-of-state title that is recorded in the name of the applicant;

(C) when a vehicle was previously wrecked, in storage, or otherwise out of service and, therefore, not registered or operated during the current registration year or during the current tax year, provided that a non-use affidavit is signed by the operator; and

(D) as a prerequisite to registration of vehicles apprehended for operating without registration or reciprocity or when an owner or operator purchases temporary operating permits or additional weight.

(d) Renewal of commercial license plates.

(1) Registration period. The department will establish the registration period for commercial vehicles, unless specified by statute. Commercial license plates are issued for established annual registration periods as follows.

(A) March expiration. The following license plates are issued for the established annual registration period of April 1st through March 31st of the following year:

(i) City Bus license plates;

(ii) Combination license plates; and

(iii) Motor Bus license plates.

(B) Five-year registration with March 31st expiration. The following license plates are available with a five-year registration period. Registration fees for the license plates listed below may be paid on an annual basis, or may be paid up front for the entire five-year period:

(i) Five-year Rental Trailer license plates issued for rental trailers that are part of a rental fleet; and

(ii) Five-year Token Trailer license plates, available to owners of semitrailers to be used in combination with truck-tractors displaying Apportioned or Combination license plates.

(2) License Plate Renewal Notice. The department will mail a License Plate Renewal Notice, indicating the proper registration fee and the month and year the registration expires, to each vehicle owner approximately six to eight weeks prior to the expiration of the vehicle's registration.

(3) Return of License Plate Renewal Notices. License Plate Renewal Notices should be returned by the vehicle owner to the department or the appropriate county tax assessor-collector, as indicated on the License Plate Renewal Notice. Unless otherwise exempted by law, License Plate Renewal Notices may be returned either in person or by mail, and shall be accompanied by:

(A) statutorily prescribed registration renewal fees;

(B) prescribed local fees or other fees that are collected in conjunction with registration renewal;

(C) evidence of financial responsibility as required by Transportation Code, §502.046; and

(D) other prescribed documents or fees.

(4) Lost or destroyed License Plate Renewal Notice. If a License Plate Renewal Notice is lost, destroyed, or not received by the vehicle owner, the vehicle may be registered if the owner presents personal identification acceptable to the county tax assessor-collector. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Transfer of commercial vehicle license plates.

(1) Transfer between persons. With the exceptions noted in paragraph (3) of this subsection, when ownership of a vehicle displaying commercial vehicle license plates is transferred, application for transfer of such license plates shall be made with the county tax assessor-collector in the county in which the purchaser resides. If the purchaser does not intend to use the vehicle in a manner that would qualify it for the license plates issued to that vehicle, such plates must be exchanged for the appropriate license plates.

(2) Transfer between vehicles. Commercial vehicle license plates are non-transferable between vehicles.

(3) Transfer of Apportioned and Tow Truck license plates. Apportioned and Tow Truck license plates are non-transferable between persons or vehicles, and become void if the vehicle to which the license plates were issued is sold.

(f) Replacement of lost, stolen, or mutilated commercial vehicle license plates. An owner of lost, stolen, or mutilated commercial vehicle license plates may obtain replacement license plates by filing an Application for Replacement Plates and remitting the prescribed fee to the county tax assessor-collector of the county in which the owner resides.

§217.47. Vehicle Emissions Enforcement System.

(a) Purpose. Transportation Code, §502.047 requires the department to implement a system requiring verification that a vehicle complies with vehicle emissions inspection and maintenance programs as required by the Health and Safety Code, §382.202 and §382.203, and Transportation Code, Chapter 548, Subchapter F. Transportation Code, §501.0276 and §502.047 requires a vehicle subject to Transportation Code, §548.3011 to pass an emissions test on resale in an affected or early action compact county before it is titled or registered. This section prescribes the department's policies and procedures if a vehicle does not comply with the emissions standards set by federal and state

laws and the provisions of the Texas air quality State Implementation Plan.

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

(1) Affected County--A county with a motor vehicle emissions inspection and maintenance program established under Transportation Code, §548.301.

(2) Department--The Texas Department of Motor Vehicles.

(3) DPS--The Texas Department of Public Safety.

(4) Early action compact county--A participating county under Health and Safety Code, Chapter 382, Subchapter H.

(5) TCEQ--The Texas Commission on Environmental Quality.

(6) Vehicle--A self-propelled vehicle required to be registered in the state, except those vehicles exempted by TCEQ.

(7) Vehicle inspection report--A vehicle inspection form prescribed by DPS that is printed by the vehicle exhaust gas analyzer immediately following an emissions test.

(8) Vehicle emissions I/M program--A vehicle emissions inspection and maintenance program meeting all the requirements of the Environmental Protection Agency.

(9) Waiver--A form and certificate that allows a vehicle to be considered in compliance with the vehicle emissions I/M program for a specified period of time after a vehicle fails an emissions test.

(c) Notice from DPS or TCEQ.

(1) DPS, after notice to the vehicle owner, will notify the department if a motor vehicle owner fails to comply with the requirements of Transportation Code, Chapter 548, Subchapter F.

(2) TCEQ, after notice to the vehicle owner, will notify the department if a motor vehicle fails to comply with the requirements of Health and Safety Code, §382.037 and §382.0372, and Transportation Code, Chapter 548, Subchapter F.

(3) The notice will include the vehicle identification number and the license plate number of the affected vehicle.

(4) If the department receives a notice of emissions non-compliance from DPS or TCEQ, the department will place a notation on the motor vehicle record that the motor vehicle has failed to comply with the vehicle emissions I/M program.

(5) If the department receives a notice of emissions compliance from DPS or TCEQ, the department will remove the non-compliance notation from the motor vehicle record.

(6) If a vehicle record contains a notation of failure to comply with the vehicle emissions I/M program, the tax assessor-collector will deny registration unless provided with:

(A) proof of compliance with the vehicle emissions I/M program with a "passing" vehicle inspection report; or

(B) proof of a waiver issued by DPS that includes the vehicle identification number and the license plate number.

(7) DPS and TCEQ will provide the department with the notifications in a format approved by the department.

(8) DPS and TCEQ will enter into an agreement with the department regarding the remittance to the department for costs associated with implementation of the emissions program.

(d) Vehicles moved into affected or early action compact counties. If a vehicle was last titled in an unaffected county and is to be titled or registered in an affected or early action compact county, it is not eligible for a title receipt, a title, or registration after a retail sale unless proof is presented to the county tax assessor-collector that the vehicle has passed the emissions test. This subsection does not apply to a vehicle that will be used in the affected or early action compact county for fewer than 60 days during the registration period for which registration is sought or to a vehicle that is a 1996 or newer model and has less than 50,000 miles.

§217.48. Machinery.

Conventional vehicles with cranes, draglines, or other similar machinery mounted thereon, must be registered with regular registration.

§217.49. Water Well Drilling Equipment and Vehicles.

(a) Prior to the approval of a machinery license plate for any piece of mechanically qualified water well drilling equipment, the owner must first present proof of a current license from the Texas Department of Licensing and Regulation.

(b) Every truck or trailer, whether conventional or unconventional, which has mounted thereon machinery used exclusively for drilling water wells may qualify for a \$5 machinery license plate.

§217.50. Equipment and Vehicles Within Road Construction Projects.

Road construction equipment (machinery type vehicles) operating laden or unladen within the limits of a project are not required to display the \$5 machinery license plate, regardless of the intermingling of regular vehicular traffic; however, conventional commercial vehicles operating within the limits of a project shall be required to be registered with regular commercial plates whenever traffic is allowed to intermingle. A highway construction project is that section of the highway between the warning signs giving notice of a construction area.

§217.51. Change of Classification: Trucks and Truck-Tractors.

When a truck is converted into a truck-tractor and the registration classification is changed from "truck" to "combination," an exchange of license plates is required; however, if a truck-tractor is converted into a truck and the registration classification is changed from "combination" to "truck" the license plates shall not be exchanged, unless the change involves a major permanent reconstruction change, such as when the frame of a truck-tractor is altered to accommodate the installation of a different type bed or body. In this instance, the owner must exchange license plates and file an application for corrected title. Under no circumstances will a refund in registration fees be authorized when a combination plate is exchanged for truck plates as the result of a reconstruction change.

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

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

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

(1) Approval required. The vendor shall obtain the approval of the Board for each license plate design the vendor proposes

to market in accordance with this section and the contract entered into between the vendor and the department.

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

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

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

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

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

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

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

(1) will not consider incomplete applications; and

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

(d) Board decision.

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

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

(B) the proposed license plate design, including:

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

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

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

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

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

(vi) other information provided during the application process.

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

received by the department at least 10 days in advance of the meeting. Public comment will be received at the Board's meeting.

(e) Final approval and specialty license plate issuance.

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

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

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

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

(3) Issuance of approved specialty plates.

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

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

(f) Redesign of vendor specialty license plates.

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

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

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

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

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

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

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

(4) Freedom license plates. Freedom license plates include license plates with a variety of pre-approved background and character color combinations that may be personalized with up to seven alphanumeric

meric characters. The fees for issuance of freedom license plates are \$195 for one year, \$445 for three years, and \$495 for five years.

(5) Background only license plates. Background only license plates include non-personalized license plates with a variety of pre-approved background and character color combinations. The fees for issuance of background only license plates are \$50 for one year, \$130 for three years, and \$175 for five years.

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

(7) Auction of alphanumeric patterns. The vendor may auction alphanumeric patterns for one, three, or five year terms with options to renew indefinitely at the current price established for a one, three, or five year luxury category license plate. The purchaser of the auction pattern may select from the vendor background designs at no additional charge at the time of initial issuance. The auction pattern may be moved from one vendor design plate to another vendor design plate as provided in subsection (n)(1) of this section. The auction pattern may be transferred from owner to owner as provided in subsection (l)(2) of this section.

(8) Personalization and specialty plate fees.

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

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

(C) If the plates are renewed annually, the personalization and specialty plate fees remain the same fee as at the time of issuance if a sponsor of a specialty license plate authorized under Transportation Code, Chapter 504, Subchapters G and I signs a contract with the vendor in accordance with Transportation Code, Chapter 504, Subchapter J.

(i) Payment of fees.

(1) Payment of specialty license plate fees. The fees for issuance of vendor specialty license plates will be paid directly to the state through vendor and state systems for the license plate category and period selected by the purchaser. A person who purchases a multi-year vendor specialty license plate must pay upon purchase the full fee which includes the renewal fees.

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

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

(k) Replacement.

(1) Application. An owner must apply directly to the county tax assessor-collector for the issuance of replacement vendor specialty license plates and must pay the fee described in paragraphs (2), (3), or (4) of this subsection, whichever applies.

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

(3) No-charge replacement. The owner of vendor specialty license plates will receive at no charge replacement license plates as follows:

(A) one set of replacement license plates on or after the seventh anniversary after the date of initial issuance; and

(B) one set of replacement license plates seven years after the date the set of license plates were issued in accordance with subparagraph (A) of this paragraph.

(4) Optional replacements. An owner of a vendor specialty license plate may replace vendor specialty license plates before the seventh anniversary after the date of issuance by submitting a request to the county tax assessor-collector accompanied by the payment of a \$6 fee.

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

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

(l) Transfer of vendor specialty license plates.

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

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

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

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

(m) Gift plates.

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

(A) the purchaser's name and address;

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

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

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

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

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

(A) is within the same price category, except if the pattern is an auction pattern; and

(B) has the same alpha-numeric characters and expiration date as the previously issued multi-year license plates.

(2) The fee for each restyled license plate is \$50.

§217.53. Removal of License Plates and Registration Insignia upon Sale of Motor Vehicle.

(a) Purpose. Transportation Code, Chapter 502, Subchapter I, provides for the removal of the license plates and registration insignia when a motor vehicle is sold or transferred. Motor vehicles eligible for this process are limited to a passenger car or a light truck, as those terms are defined in Transportation Code, §502.001.

(b) Disposition of removed license plates. License plates removed from a motor vehicle by a licensed motor vehicle dealer or by a motor vehicle owner in a private transaction as provided in Transportation Code, §502.491, may be:

(1) transferred to another vehicle:

(A) that is titled or will be titled in the same owner name as the vehicle from which the license plates were removed;

(B) that is of the same vehicle classification (passenger car or light truck) as the vehicle from which the license plates were removed;

(C) if the age of the removed license plate is not greater than provided in §217.31 of this title (relating to License Plate Reissuance Program) which would require a new license plate to be issued; and

(D) upon acceptance of a request to transfer the license plate by the county tax assessor-collector in which the application is filed as provided by Transportation Code, §501.023 or §502.040, whichever applies;

(2) disposed of in a manner that renders the license plates unusable or that ensures the license plates will not be available for fraudulent use on a motor vehicle; or

(3) retained by the owner of the motor vehicle from which the license plates were removed.

(c) Vehicle transit permit.

(1) Obtaining a vehicle transit permit. A person who obtains a motor vehicle in a private transaction may obtain one vehicle transit permit (temporary single-trip permit), through the department's website at www.txdmv.gov if the seller or transferor has removed the license plates and registration insignia.

(2) Restrictions. The permit, which is valid only for the period shown on the permit, may be used for operation of the motor vehicle only as provided in Transportation Code, §502.492, and must be carried in the vehicle at all times. The permit may only be used on passenger vehicles 6,000 pounds or less and light trucks with a gross vehicle weight of 10,000 pounds or less.

§217.54. Registration of Fleet Vehicles.

(a) Scope. A registrant may consolidate the registration of multiple motor vehicles, including trailers and semi-trailers, in a fleet instead of registering each vehicle separately. This section prescribes the policies and procedures for fleet registration.

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

(1) No fewer than twenty-five vehicles will be registered as a fleet;

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

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

(4) All vehicles must be vehicles that are not registered under the International Registration Plan; and

(5) Each vehicle must currently be titled in Texas or be issued a registration receipt, or the registrant must submit an application for a title or registration for each vehicle.

(c) Application.

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

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

(B) a description of each vehicle in the fleet, which may include the vehicle's model year, make, model, vehicle identification number, document number, body style, gross weight, empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in tons;

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

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

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

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

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

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

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

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

(F) the state's portion of the vehicle inspection fee for the vehicle inspections conducted in Texas; and

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

(d) Registration period.

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

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

(e) Insignia.

(1) As evidence of registration, the department will issue distinguishing insignia for each vehicle in a fleet.

(2) The insignia shall be included on the license plate and affixed to the vehicle.

(3) The insignia shall be attached to the rear license plate if the vehicle has no windshield.

(4) The registration receipt for each vehicle shall at all times be carried in that vehicle and be available to law enforcement personnel.

(5) Insignia may not be transferred between vehicles, owners, or registrants.

(f) Fleet composition.

(1) A registrant may add a vehicle to a fleet at any time during the registration period. An added vehicle will be given the same registration period as the fleet and will be issued fleet registration insignia.

(2) A registrant may remove a vehicle from a fleet at any time during the registration period. The fleet registrant shall return the fleet registration insignia for that vehicle to the department at the time the vehicle is removed from the fleet. Credit for any vehicle removed from the fleet for the remaining full year increments can be applied to any vehicle added to the fleet or at the time of renewal. No refunds will be given if credit is not used or the account is closed.

(3) If the number of vehicles in an account falls below twenty-five during the registration period, fleet registration will remain in effect. If the number of vehicles in an account is below twenty-five at the end of the registration period, fleet registration will be canceled. In the event of cancellation, each vehicle shall be registered separately. The registrant shall immediately return all fleet registration insignia to the department.

(g) Fees.

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

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

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

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

(i) Cancellation.

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

(2) The department may cancel registration on any fleet vehicle that is not in compliance with the inspection requirements under Transportation Code, Chapter 548 and the Texas Department of Public Safety rules regarding inspection requirements on the anniversary date(s) of the registration.

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

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

(A) complying with the requirement for which the department cancelled the registration;

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

(C) paying an administrative fee in the amount of \$10.

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

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

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

(B) must immediately return the registration insignia to the department.

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

§217.55. Exempt and Alias Vehicle Registration.

(a) Exempt plate registration.

(1) Issuance. Pursuant to Transportation Code, §502.453, a vehicle owned by and used exclusively in the service of a governmental agency, used exclusively for public school transportation services, used for fire-fighting or by a volunteer fire department, or used in volunteer county marine law enforcement is exempt from payment of a registration fee and is eligible for exempt plates.

(2) Application for exempt registration.

(A) Application. An application for exempt plates shall be made to the county tax assessor-collector, shall be made on a form prescribed by the department, and shall contain the following information:

(i) vehicle description;

(ii) name of the exempt agency;

(iii) an affidavit executed by an authorized person stating that the vehicle is owned or under the control of and will be operated by the exempt agency; and

(iv) a certification that each vehicle listed on the application has the name of the exempt agency printed on each side of the vehicle in letters that are at least two inches high or in an emblem that

is at least 100 square inches in size and of a color sufficiently different from the body of the vehicle as to be clearly legible from a distance of 100 feet.

(B) Emergency medical service vehicle.

(i) Exempt registration may be issued for a vehicle that is owned or leased by a non-profit emergency medical service provider; a municipality or county; or a non-profit emergency medical service provider chief or supervisor in accordance with Transportation Code, §502.456.

(ii) The application for exempt registration must contain the vehicle description, the name of the emergency medical service provider, and a statement signed by an officer of the emergency medical service provider stating that the vehicle is used exclusively as an emergency response vehicle and qualifies for registration under Transportation Code, §502.456.

(iii) A copy of an emergency medical service provider license issued by the Department of State Health Services must accompany the application.

(C) Fire-fighting vehicle. The application for exempt registration of a fire-fighting vehicle owned privately or by a volunteer fire department must contain the vehicle description. The affidavit must be executed by the person who has the proper authority and shall state that:

(i) the vehicle is privately owned and is designed and used exclusively for fire-fighting; or

(ii) the vehicle is owned by a volunteer fire department and is used exclusively in the conduct of its business.

(3) Exception. A vehicle may be exempt from payment of a registration fee, but display license plates other than exempt plates if the vehicle is not registered under subsection (b) of this section.

(A) If the applicant is a law enforcement office, the applicant must present a certification that each vehicle listed on the application will be dedicated to law enforcement activities.

(B) If the applicant is exempt from the inscription requirements under Transportation Code, §721.003, the applicant must present a certification that each vehicle listed on the application is exempt from inscription requirements under Transportation Code, §721.003. The applicant must also provide a citation to the section that exempts the vehicle.

(C) If the applicant is exempt from the inscription requirements under Transportation Code, §721.005 the applicant must present a certification that each vehicle listed on the application is exempt from inscription requirements under Transportation Code, §721.005. The applicant must also provide a copy of the order or ordinance that exempts the vehicle.

(D) If the applicant is exempt from the inscription requirements under Education Code, §51.932, the applicant must present a certification that each vehicle listed on the application is exempt from the inscription requirements under Education Code, §51.932. Exempt plates will be marked with the replacement year.

(b) Affidavit for issuance of exempt registration under an alias.

(1) On receipt of an affidavit for alias exempt registration, approved by the executive administrator of an exempt law enforcement agency, the department will issue alias exempt license plates for a vehicle and register the vehicle under an alias for the law enforcement agency's use in covert criminal investigations.

(2) The affidavit for alias exempt registration must be in a form prescribed by the director and must include the vehicle description, a sworn statement that the vehicle will be used in covert criminal investigations, and the signature of the executive administrator or the executive administrator's designee as provided in paragraph (3) of this subsection. The vehicle registration insignia of any vehicles no longer used in covert criminal investigations shall be surrendered immediately to the department.

(3) The executive administrator, by annually filing an authorization with the director, may appoint a staff designee to execute the affidavit. A new authorization must be filed when a new executive administrator takes office.

(4) The letter of authorization must contain a sworn statement delegating the authority to sign the affidavit to a designee, the name of the designee, and the name and the signature of the executive administrator.

(5) The affidavit for alias exempt registration must be accompanied by a title application under §217.103 of this title (relating to Restitution Liens). The application must contain the information required by the department to create the alias record of vehicle registration and title.

(c) Replacement of exempt registration.

(1) If an exempt plate is lost, stolen, or mutilated, a properly executed application for exempt plates must be submitted to the county tax assessor-collector.

(2) An application for replacement exempt plates must contain the vehicle description, original license number, and the sworn statement that the license plates furnished for the vehicle have been lost, stolen, or mutilated and will not be used on any other vehicle.

(d) Title requirements. Unless exempted by statute, a vehicle must be titled at the time the exempt registration is issued.

§217.56. Registration Reciprocity Agreements.

(a) Purpose. To promote and encourage the fullest possible use of the highway system and contribute to the economic development and growth of the State of Texas and its residents, the department is authorized by Transportation Code, §502.091 to enter into agreements with duly authorized officials of other jurisdictions, including any state of the United States, the District of Columbia, a foreign country, a state or province of a foreign country, or a territory or possession of either the United States or of a foreign country, and to provide for the registration of vehicles by Texas residents and nonresidents on an allocation or distance apportionment basis, and to grant exemptions from the payment of registration fees by nonresidents if the grants are reciprocal to Texas residents.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Cab card--The apportioned vehicle registration receipt that contains, but is not limited to, the vehicle description and the registered weight at which the vehicle may operate in each jurisdiction.

(2) Department--The Texas Department of Motor Vehicles.

(3) Director--The director of the Motor Carrier Division, Texas Department of Motor Vehicles.

(4) Executive director--The chief executive officer of the department.

(5) Regional Service Center--A department office which provides specific services to the public, including replacement titles,

bonded title rejection letters, and apportioned registration under the International Registration Plan (IRP).

(6) Temporary cab card--A temporary registration permit authorized by the department that allows the operation of a vehicle for 30 days subject to all rights and privileges afforded to a vehicle displaying apportioned registration.

(c) Multilateral agreements.

(1) Authority. The executive director may on behalf of the department enter into a multilateral agreement with the duly authorized officials of two or more other jurisdictions to carry out the purpose of this section.

(2) International Registration Plan.

(A) Applicability. The IRP is a registration reciprocity agreement among states of the United States and other jurisdictions providing for payment of registration fees on the basis of fleet distance operated in various jurisdictions. Its purpose is to promote and encourage the fullest possible use of the highway system by authorizing apportioned registration for commercial motor vehicles and payment of appropriate vehicle registration fees and thus contributing to the economic development and growth of the member jurisdictions.

(B) Adoption. The department adopts by reference the January 1, 2014, edition of the IRP. Effective January 1, 2015, the department adopts by reference the amendments to the IRP with an effective date of January 1, 2015. Effective July 1, 2016, the department adopts by reference the amendment to the IRP with an effective date of July 1, 2016. The department further adopts by reference the July 1, 2013, edition of the IRP Audit Procedures Manual. In the event of a conflict between this section and the IRP or the IRP Audit Procedures Manual, the IRP and the IRP Audit Procedures Manual control. Copies of the documents are available for review in the Motor Carrier Division, Texas Department of Motor Vehicles. Copies are also available on request. The following words and terms, when used in the IRP or in paragraph (2) of this subsection, shall have the following meanings, unless the context clearly indicates otherwise.

(i) Apportionable vehicle--Any vehicle- except recreational vehicles, vehicles displaying restricted plates, city pickup and delivery vehicles, buses used in transportation of chartered parties, and government-owned vehicles- used or intended for use in two or more member jurisdictions that allocate or proportionally register vehicles and used either for the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property and:

(I) is a power unit having two axles and a gross vehicle weight or registered gross vehicle weight in excess of 26,000 pounds (11,793.401 kilograms);

(II) is a power unit having three or more axles, regardless of weight;

(III) is used in combination, when the weight of such combination exceeds 26,000 pounds (11,793.401 kilograms) gross vehicle weight; or

(IV) at the option of the registrant, trucks, truck tractors, or combinations of vehicles having a gross vehicle weight of 26,000 pounds (11,793.401 kilograms) or less; or buses used in transportation of chartered parties.

(ii) Commercial vehicle--A vehicle or combination of vehicles designed and used for the transportation of persons or property in furtherance of any commercial enterprise, for hire or not for hire.

(iii) Erroneous issuance--Apportioned registration issued based on erroneous information provided to the department.

(iv) Established place of business--A physical structure owned or leased within the state of Texas by the applicant or fleet registrant and maintained in accordance with the provisions of the IRP.

(v) Fleet distance--All distance operated by an apportionable vehicle or vehicles used to calculate registration fees for the various jurisdictions.

(C) Application.

(i) An applicant must submit an application to the department on a form prescribed by the director, along with additional documentation as required by the director.

(ii) Upon approval of the application, the department will compute the appropriate registration fees and notify the registrant.

(D) Fees. Upon receipt of the applicable fees in the form as provided by §209.23 of this title (relating to Methods of Payment), the department will issue one or two license plates and a cab card for each vehicle registered.

(E) Display.

(i) The department will issue one license plate for a tractor, truck tractor, trailer, and semi-trailer. The license plate issued to a tractor or a truck tractor shall be installed on the front of the tractor or truck tractor, and the license plate issued for a trailer or semi-trailer shall be installed on the rear of the trailer or semi-trailer.

(ii) The department will issue two license plates for all other vehicles that are eligible to receive license plates under the IRP. Once the department issues two license plates for a vehicle listed in this clause, one plate shall be installed on the front of the vehicle, and one plate shall be installed on the rear of the vehicle.

(iii) The cab card shall be carried at all times in the vehicle in accordance with the IRP.

(F) Audit. An audit of the registrant's vehicle operational records may be conducted by the department according to the IRP provisions and the IRP Audit Procedures Manual. Upon request, the registrant shall provide the operational records of each vehicle for audit in unit number order, in sequence by date, and including, but not limited to, a summary of distance traveled by each individual vehicle on a monthly, quarterly, and annual basis with distance totaled separately for each jurisdiction in which the vehicle traveled.

(G) Assessment. The department may assess additional registration fees of up to 100 percent of the Texas registration fees, if an audit conducted under subparagraph (F) of this paragraph reveals that:

(i) the operational records indicate that the vehicle did not generate interstate distance in two or more member jurisdictions for the distance reporting period supporting the application being audited, plus the six-month period immediately following that distance reporting period;

(ii) the registrant failed to provide complete operational records; or

(iii) the distance must be adjusted, and the adjustment results in a shortage of registration fees due Texas or any other IRP jurisdiction.

(H) Refunds. If an audit conducted under subparagraph (F) of this paragraph reveals an overpayment of fees to Texas or any

other IRP jurisdiction, the department will refund the overpayment of registration fees in accordance with Transportation Code, §502.195 and the IRP. Any registration fees refunded to a carrier for another jurisdiction will be deducted from registration fees collected and transmitted to that jurisdiction.

(I) Cancellation. The director or the director's designee may cancel a registrant's apportioned registration and all privileges provided by the IRP if the registrant:

(i) submits payment in the form of a check that is dishonored;

(ii) files or provides erroneous information to the department; or

(iii) fails to:

(I) remit appropriate fees due each jurisdiction in which the registrant is authorized to operate;

(II) meet the requirements of the IRP concerning established place of business;

(III) provide operational records in accordance with subparagraph (F) of this paragraph;

(IV) provide an acceptable source document as specified in the IRP; or

(V) pay an assessment pursuant to subparagraph (G) of this paragraph.

(J) Enforcement of cancelled registration.

(i) Notice. If a registrant is assessed additional registration fees, as provided in subparagraph (G) of this paragraph, and the additional fees are not paid by the due date provided in the notice or it is determined that a registrant's apportioned license plates and privileges should be canceled, as provided in subparagraph (I) of this paragraph, the director or the director's designee will mail a notice by certified mail to the last known address of the registrant. The notice will state the facts underlying the assessment or cancellation, the effective date of the assessment or cancellation, and the right of the registrant to request a conference as provided in clause (ii) of this subparagraph.

(ii) Conference. A registrant may request a conference upon receipt of a notice issued as provided by clause (i) of this subparagraph. The request must be made in writing to the director or the director's designee within 30 days of the date of the notice. If timely requested, the conference will be scheduled and conducted by the director or the director's designee at division headquarters in Austin and will serve to abate the assessment or cancellation unless and until that assessment or cancellation is affirmed or disaffirmed by the director or the director's designee. In the event matters are resolved in the registrant's favor, the director or the director's designee will mail the registrant a notice of withdrawal, notifying the registrant that the assessment or cancellation is withdrawn, and stating the basis for that action. In the event matters are not resolved in the registrant's favor, the director or the director's designee will issue a ruling reaffirming the department's assessment of additional registration fees or cancellation of apportioned license plates and privileges. The registrant has the right to appeal in accordance with clause (iii) of this subparagraph.

(iii) Appeal. If a conference held in accordance with clause (ii) of this subparagraph fails to resolve matters in the registrant's favor, the registrant may request an administrative hearing. The request must be in writing and must be received by the director no later than the 20th day following the date of the ruling issued under clause (ii) of this subparagraph. If requested within the designated period, the hearing will be initiated by the department and will be conducted in

accordance with Chapter 206, Subchapter D of this title (relating to Procedures in Contested Cases). Assessment or cancellation is abated unless and until affirmed or disaffirmed by order of the Board of the Texas Department of Motor Vehicles.

(K) Reinstatement.

(i) The director or the director's designee will reinstate apportioned registration to a previously canceled registrant if all applicable fees and assessments due on the previously canceled apportioned account have been paid and the applicant provides proof of an acceptable recordkeeping system for a period of no less than 60 days.

(ii) The application for the following registration year will be processed in accordance with the provisions of the IRP.

(L) Denial of apportioned registration for safety reasons. The department will comply with the requirements of the Performance and Registration Information Systems Management program (PRISM) administered by the Federal Motor Carrier Safety Administration (FMCSA).

(i) Denial or suspension of apportioned registration. Upon notification from the FMCSA that a carrier has been placed out of service for safety violations, the department will:

(I) deny initial issuance of apportioned registration;

(II) deny authorization for a temporary cab card, as provided for in subparagraph (M) of this paragraph;

(III) deny renewal of apportioned registration; or

(IV) suspend current apportioned registration.

(ii) Issuance after denial of registration or reinstatement of suspended registration. The director or the director's designee will reinstate or accept an initial or renewal application for apportioned registration from a registrant who was suspended or denied registration under clause (i) of this subparagraph upon presentation of a Certificate of Compliance from FMCSA, in addition to all other required documentation and payment of fees.

(M) Temporary cab card.

(i) Application. The department may authorize issuance of a temporary cab card to a motor carrier with an established Texas apportioned account for a vehicle upon proper submission of all required documentation, a completed application, and all fees for either:

(I) Texas title as prescribed by Transportation Code, Chapter 501 and Subchapter A of this chapter (relating to Motor Vehicle Titles); or

(II) registration receipt to evidence title for registration purposes only (Registration Purposes Only) as provided for in Transportation Code, §501.029 and §217.24 of this title (relating to Vehicle Last Registered in Another Jurisdiction).

(ii) Title application. A registrant who is applying for a Texas title as provided for in clause (i)(I) of this subparagraph and is requesting authorization for a temporary cab card, must submit a photocopy of the title application receipt issued by the county tax assessor-collector's office to a Regional Service Center by email, fax, overnight mail, or in person.

(iii) Registration Purposes Only. A registrant who is applying for Registration Purposes Only under clause (i)(II) of this subparagraph and is requesting authorization for a temporary cab card, must submit an application and all additional original documents or

copies of original documents required by the director to a Regional Service Center by email, fax, or overnight mail or in person.

(iv) Department approval. On department approval of the submitted documents, the department will send notice to the registrant to finalize the transaction and make payment of applicable registration fees.

(v) Finalization and payment of fees. To finalize the transaction and print the temporary cab card, the registrant may compute the registration fees through the department's apportioned registration software application, TxIRP system, and:

(I) make payment of the applicable registration fees to the department as provided by §209.23 of this title (related to Methods of Payment); and

(II) afterwards, mail or deliver payment of the title application fee in the form of a check, certified cashier's check, or money order payable to the county tax assessor-collector in the registrant's county of residency and originals of all copied documents previously submitted.

(vi) Deadline. The original documents and payment must be received by the Regional Service Center within 72-hours after the time that the office notified the registrant of the approval to print a temporary cab card as provided in clause (iv) of this subparagraph.

(vii) Failure to meet deadline. If the registrant fails to submit the original documents and required payment within the time prescribed by clause (vi) of this subparagraph, the registrant's privilege to use this expedited process to obtain a temporary cab card will be denied by the department for a period of six months from the date of approval to print the temporary cab card.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405853

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER C. REGISTRATION AND TITLE SYSTEM

43 TAC §§217.71 - 217.73

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.71. Automated Vehicle Registration and Title System.

(a) Purpose.

(1) Transportation Code, Chapters 501 and 502, charge the department with the responsibility for issuing titles and registering vehicles operating on the roads, streets, and highways of the state.

(2) To provide a more efficient, cost-effective system for registering and titling vehicles, maintaining records, improving inventory control of accountable items, and collecting and reporting of applicable fees consistent with those statutes, the department has designed an automated system known as the registration and title system. This system expedites registration and titling processes, provides a superior level of customer service to the owners and operators of vehicles, and facilitates availability of the department's motor vehicle records for official law enforcement needs. Automated equipment compatible with the registration and title system is indispensable to the operational integrity of the system. This subchapter prescribes the policies and procedures under which the department may make that equipment available to a county tax assessor-collector as designated agent of the state for processing title and vehicle registration documents.

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

(1) Automated equipment--Equipment associated with the operation of the registration and titling system, including, but not limited to, microcomputers, printers, software, and cables.

(2) Department--The Texas Department of Motor Vehicles.

(3) Executive director--The executive director of the Texas Department of Motor Vehicles.

(4) Fair share allocation--The amount of automated equipment determined by the department to be effective at providing a reasonable level of service to the public. This amount will be determined on transaction volumes, number of county substations, and other factors relating to a particular county's need.

(5) RTS--The department's registration and title system.

§217.72. Automated Equipment.

(a) Initial allocation of automated equipment. When requested by resolution of the commissioners court of a county, and subject to the terms and conditions specified in subsection (d) of this section, the department will:

(1) make a fair share allocation of automated equipment available to that county to be used by its tax assessor-collector in implementing and operating RTS;

(2) provide the tax assessor-collector with computer programs and personnel training; and

(3) furnish official automated forms and, for the initial start-up of the system, automated equipment supplies.

(b) Additional automated equipment. At the request of the tax assessor-collector of a county, subject to the terms and conditions specified in subsection (d) of this section, and for an amount of consideration that will cover the department's costs, the department will enter into an agreement with the commissioners court of that county under which the department will lease automated equipment to that county in addition to the fair share allocation for that county. Leased equipment will remain the property of the department and will be used primarily for RTS.

(c) Automated Registration and Titling System Fee. The department will collect an additional fee of \$1 for each registration for the purposes set forth in Transportation Code, §502.356.

(d) Conditions of availability.

(1) A county must:

(A) meet electrical power supply criteria specified by the department prior to installation of the automated equipment;

(B) bear all costs incurred for 24-hour per day electrical power consumption for operation of the equipment;

(C) provide for the physical security and protection of the equipment and shall indemnify the department for any loss or damages to the equipment while in the custody and control of the county;

(D) provide the department's maintenance personnel access to the equipment during business hours of the involved county office; and

(E) notify the department not less than 30 working days prior to relocating or adding automation equipment, or of the closing or remodeling of an office, that may affect automated equipment operations.

(2) At the election of a county tax assessor-collector, automated equipment may be located at sites other than those of the tax assessor-collector, including privately owned, for-profit enterprises performing registration and title functions for the county tax office. With regard to equipment located at sites other than those of the tax assessor-collector, the department's responsibility will be limited to ensuring that the equipment remains operational. The county will be responsible for all training, user support, forms, supplies, user policy and procedures, and other support associated with this equipment.

(3) Automated equipment made available to a county pursuant to this section shall remain the property of the department and must be used by the county tax assessor-collector for operation of RTS; provided, however, that while not in RTS usage, the equipment may be utilized for another statutory duty or function of that office.

§217.73. Agreement.

(a) Prior to receiving automated equipment pursuant to §217.72 of this title (relating to Automated Equipment), a county must enter a written agreement with the department.

(b) The agreement shall:

(1) be in a form prescribed by the department;

(2) include at a minimum each of the terms and conditions specified in §217.72;

(3) be executed on behalf of the department by the executive director or the director's designee not below the level of Director of the Vehicle Titles and Registration Division; and

(4) be approved by resolution or order of the commissioners court and executed on behalf of the county by the county judge and the tax assessor-collector.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405854

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER D. NON-REPAIRABLE AND SALVAGE MOTOR VEHICLES

43 TAC §§217.81 - 217.89

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.81. Purpose and Scope.

Transportation Code, Chapter 501, Subchapter E, charges the department with the responsibility of issuing non-repairable and salvage vehicle titles and certificates of title for rebuilt salvage vehicles. For the department to efficiently and effectively issue the vehicle titles and certificates of title, maintain records, collect the applicable fees, and ensure the proper application by motor vehicle owners, this subchapter prescribes the policies and procedures for the application for and issuance of vehicle titles for non-repairable and salvage motor vehicles, and titles for rebuilt salvage motor vehicles.

§217.82. Definitions.

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

(1) Casual sale--The sale by a salvage vehicle dealer, insurance company, or salvage pool operator of not more than five non-repairable or salvage motor vehicles to the same person during a calendar year. The term does not include a sale to a salvage vehicle dealer or the sale of an export-only motor vehicle to a person who is not a resident of the United States.

(2) Certificate of title--A written instrument that may be issued solely by and under the authority of the department and that reflects the transferor, transferee, vehicle description, license plate and lien information, and rights of survivorship agreement as specified in Subchapter A of this chapter or as required by the department.

(3) Application for Title--A form prescribed by the director of the department's Vehicle Titles and Registration Division that reflects the information required by the department to create a motor vehicle title record.

(4) Damage--Sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

(5) Date of sale--The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

(6) Department--The Texas Department of Motor Vehicles.

(7) Export-only sale--The sale of a non-repairable or salvage motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

(8) Flood damage--A title remark that is initially indicated on a non-repairable or salvage vehicle title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title issuance.

(9) Insurance company--A person authorized to write automobile insurance in this state or an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.

(10) Manufacturer's certificate of origin--A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for title, showing, on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

(11) Metal recycler--A person who:

(A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by a method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(12) Motor vehicle--A vehicle described by Transportation Code, §501.002(14).

(13) Non-repairable motor vehicle--A motor vehicle, regardless of the year model, that is wrecked, damaged, or burned to the extent that the only residual value of the motor vehicle is as a source of parts or scrap metal, or that comes into this state under a title or other ownership document that indicates that the motor vehicle is non-repairable, junked, or for parts or dismantling only.

(14) Non-repairable vehicle title--A document that evidences ownership of a non-repairable motor vehicle.

(15) Out-of-state buyer--A person licensed in an automotive business by another state or jurisdiction if the department has listed the holders of such a license as permitted purchasers of salvage motor vehicles or non-repairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or non-repairable motor vehicles in the other state or jurisdiction.

(16) Out-of-state ownership document--A negotiable document issued by another jurisdiction that the department considers sufficient to prove ownership of a non-repairable or salvage motor vehicle and to support issuance of a comparable Texas certificate of title for the motor vehicle. The term does not include a title issued by the department, including a:

- (A) regular certificate of title;
- (B) non-repairable vehicle title;

(C) salvage vehicle title;

(D) salvage certificate;

(E) Certificate of Authority to Demolish a Motor Vehicle; or

(F) any other ownership document issued by the department.

(17) Person--An individual, partnership, corporation, trust, association, or other private legal entity.

(18) Rebuilt salvage certificate of title--A regular certificate of title evidencing ownership of a non-repairable motor vehicle that was issued a non-repairable vehicle title prior to September 1, 2003, or salvage motor vehicle that has been rebuilt.

(19) Salvage motor vehicle--A motor vehicle, regardless of the year model:

(A) that is:

(i) damaged or is missing a major component part to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage; or

(ii) damaged and comes into this state under an out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation, and is not an out-of-state ownership document with a "rebuilt," "prior salvage," or similar notation, or a non-repairable motor vehicle; and

(B) does not include:

(i) a motor vehicle for which an insurance company has paid a claim for repairing hail damage, or theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage;

(ii) the cost of materials or labor for repainting the motor vehicle; or

(iii) sales tax on the total cost of repairs.

(20) Salvage vehicle dealer--A person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in non-repairable motor vehicles or salvage motor vehicles or used parts, including a person who is in the business of a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year.

(21) Salvage vehicle title--A document issued by the department that evidences ownership of a salvage motor vehicle.

§217.83. Requirement for Non-repairable or Salvage Vehicle Title.

(a) Determination of condition of vehicle.

(1) Salvage motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs shall be used to determine whether the damage is sufficient to classify the motor vehicle as a salvage motor vehicle.

(2) Non-repairable motor vehicle. When a vehicle is damaged, the actual cash value of the motor vehicle immediately before the damage and the cost of repairs, or alternate method commonly used by the insurance industry, shall be used to determine whether the damage

is sufficient to classify the motor vehicle as a non-repairable motor vehicle.

(3) The actual cash value of the motor vehicle is the market value of a motor vehicle as determined:

(A) from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles; or

(B) if the entity determining the value is an insurance company, by any other procedure recognized by the insurance industry, including market surveys, that is applied in a uniform manner.

(4) The cost of repairs, including parts and labor, shall be determined by:

(A) using a manual of repair costs or other instrument that is generally recognized and used in the motor vehicle industry to determine those costs; or

(B) an estimate of the actual cost of the repair parts and the estimated labor costs computed by using hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community in which the repairs are performed.

(5) The cost of repairs does not include:

(A) the cost of:

(i) repairs related to gradual damage to a motor vehicle;

(ii) repairs related to hail damage; or

(iii) materials and labor for repainting or when the damage is solely to the exterior paint of the motor vehicle; or

(B) sales tax on the total cost of repairs.

(b) Who must apply.

(1) An insurance company licensed to do business in this state that acquires ownership or possession of a non-repairable or salvage motor vehicle that is covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall obtain a non-repairable or salvage vehicle title, as provided by §217.84 of this title (relating to Application for Non-repairable or Salvage Vehicle Title), before selling or otherwise transferring the non-repairable or salvage motor vehicle, except as provided by subsection (c) of this section.

(2) A salvage vehicle dealer shall obtain a Non-repairable or Salvage Vehicle Title, or comparable out-of-state ownership document, before selling or otherwise transferring the motor vehicle, except as provided by §217.88(b) of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle).

(3) A person, other than an insurance company or salvage vehicle dealer, who acquires ownership of a non-repairable or salvage motor vehicle that has not been issued a non-repairable vehicle title, a salvage vehicle title, or a comparable out-of-state ownership document, shall obtain a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the motor vehicle, unless the motor vehicle will be dismantled, scrapped, or destroyed.

(c) Owner retained vehicles.

(1) An owner may retain a vehicle only as provided by this subsection and if the vehicle was titled in Texas before it became a salvage or non-repairable vehicle.

(2) When an insurance company pays a claim on a non-repairable or salvage motor vehicle and does not acquire ownership of the motor vehicle, the company shall submit to the department before

the 31st day after the date of the payment of the claim, on a form prescribed by the department, a report stating that:

(A) the insurance company has paid a claim on the non-repairable or salvage motor vehicle; and

(B) the insurance company has not acquired ownership of the non-repairable or salvage motor vehicle.

(3) Upon receipt of the report described in paragraph (2) of this subsection, the department will place an appropriate notation on the motor vehicle record to prevent registration and transfer of ownership prior to the issuance of a salvage or non-repairable vehicle title.

(4) The owner who retained the non-repairable or salvage motor vehicle to which this subsection applies shall obtain a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the non-repairable or salvage motor vehicle.

(5) Until a non-repairable or salvage vehicle title, or a comparable out-of-state ownership document, has been issued for an owner-retained non-repairable or salvage vehicle, the owner of the motor vehicle may not sell or otherwise transfer ownership of the vehicle.

(6) The owner of an owner retained non-repairable or salvage motor vehicle may not operate or permit operation of the motor vehicle on a public highway, until the motor vehicle is rebuilt, titled as a rebuilt salvage motor vehicle or rebuilt non-repairable motor vehicle, if applicable, and is registered in accordance with Subchapter B of this chapter.

(d) Self-insured vehicles. The owner of a non-repairable or salvage motor vehicle that is self-insured and that has been removed from normal operation by the owner shall apply to the department for a non-repairable or salvage vehicle title, as provided by §217.84, before the 31st day after the damage occurred, and before selling or otherwise transferring ownership of the non-repairable or salvage motor vehicle.

(e) Casual sales. A salvage vehicle dealer, salvage pool operator, or insurance company that acquires a non-repairable or salvage motor vehicle shall apply to the department for a non-repairable or salvage vehicle title, in accordance with §217.84, prior to offering the motor vehicle for sale in a casual sale.

(f) Export-only vehicles. A salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or governmental entity that acquires a non-repairable or salvage motor vehicle and offers it for sale to a non-United States resident shall apply to the department for a non-repairable or salvage vehicle title, as provided by §217.84, before selling or otherwise transferring the non-repairable or salvage motor vehicle and before delivery of the non-repairable or salvage motor vehicle to the buyer. A salvage vehicle dealer or governmental entity shall maintain records of all export-only non-repairable or salvage motor vehicle sales as provided by §217.88(g).

(g) Voluntary application. A person who owns or acquires a motor vehicle that is not a non-repairable or salvage motor vehicle may voluntarily, and on proper application, as provided by §217.84, apply for a non-repairable or salvage vehicle title.

§217.84. Application for Non-repairable or Salvage Vehicle Title.

(a) Place of application. The owner of a non-repairable or salvage motor vehicle who is required to obtain or voluntarily chooses to obtain a non-repairable or salvage vehicle title, as provided by §217.83 of this title (relating to Requirement for Non-repairable or Salvage Vehicle Title), shall apply for a non-repairable or salvage vehicle title by submitting an application, the required accompanying documentation, and the statutory fee to the department.

(b) Information on application. An applicant for a non-repairable or salvage vehicle title shall submit an application on a form prescribed by the department. A completed form, in addition to any other information required by the department, must include:

(1) the name and current address of the owner;

(2) a description of the motor vehicle, including the motor vehicle's model year, make, model, identification number, body style, manufacturer's rated carrying capacity in tons for commercial vehicles, and empty weight;

(3) a statement describing whether the motor vehicle is a non-repairable or salvage motor vehicle; and

(A) was the subject of a total loss claim paid by an insurance company under Transportation Code, §501.092 or §501.093;

(B) is a self-insured motor vehicle under Transportation Code, §501.094;

(C) is an export-only motor vehicle under Transportation Code, §501.099;

(D) was sold, transferred, or released to the owner or former owner of the motor vehicle; or

(E) was sold, transferred, or released to a buyer at casual sale by a salvage vehicle dealer, insurance company, or salvage pool operator;

(4) whether the damage was caused exclusively by flood;

(5) a description of the damage to the motor vehicle;

(6) the odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements, if the motor vehicle is a salvage motor vehicle;

(7) the name, address, and city and state of residence of the previous owner;

(8) the name and mailing address of any lienholder and the date of lien, as provided by subsection (e) of this section; and

(9) the signature of the applicant or the applicant's authorized agent and the date the certificate of title application was signed.

(c) Accompanying documentation. A non-repairable or salvage vehicle title application must be supported, at a minimum, by:

(1) evidence of ownership, as described by subsection (d)(1) or (3) of this section, if the applicant is an insurance company that is unable to locate one or more of the owners;

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if the motor vehicle is less than 10 model years old and the motor vehicle is a salvage motor vehicle; and

(3) a release of any liens.

(d) Evidence of non-repairable or salvage motor vehicle ownership.

(1) Evidence of non-repairable or salvage motor vehicle ownership properly assigned to the applicant must accompany the application for a non-repairable or salvage vehicle title, except as provided by paragraph (2) of this subsection. Evidence must include documentation sufficient to show ownership to the non-repairable or salvage motor vehicle, such as:

(A) a Texas Certificate of Title;

(B) a certified copy of a Texas Certificate of Title;

(C) a manufacturer's certificate of origin;

(D) a Texas Salvage Certificate;

(E) a non-repairable vehicle title;

(F) a salvage vehicle title;

(G) a comparable ownership document issued by another jurisdiction, except that if the applicant is an insurance company, evidence must be provided indicating that the insurance company is:

(i) licensed to do business in Texas; or

(ii) not licensed to do business in Texas, but has paid a loss claim for the motor vehicle in this state; or

(H) a photocopy of the inventory receipt or a title and registration verification evidencing surrender to the department of the negotiable evidence of ownership for a motor vehicle as provided by §217.86 of this title (relating to Dismantling, Scrapping, or Destruction of Motor Vehicles), and if the evidence of ownership surrendered was from another jurisdiction, a photocopy of the front and back of the surrendered evidence of ownership.

(2) An insurance company that acquires ownership or possession of a non-repairable or salvage motor vehicle through payment of a claim may apply for a non-repairable or salvage vehicle title to be issued in the insurance company's name without obtaining an ownership document or if it received an ownership document without the proper assignment of the owner if the company is unable to obtain a title from the owner, in accordance with paragraph (1) of this subsection, and the application is not made earlier than the 30th day after the date of payment of the claim. The application must also include:

(A) a statement that the insurance company has provided at least two written notices to the owner and any lienholder attempting to obtain the title or proper assignment of title for the motor vehicle;

(B) a copy of a document:

(i) indicating that payment has been made, including an electronic check, canceled check, or screen print from the insurance company's database that identifies the type of payment method; and

(ii) reflecting the vehicle identification number, vehicle owner names, name of the person to whom payment was made if different from vehicle owners, payment amount, and date payment was issued; and

(C) any unassigned or improperly assigned title in the insurance company's possession.

(3) An insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or non-repairable motor vehicle covered by an out-of-state ownership document may obtain a salvage vehicle title or non-repairable vehicle title in accordance with paragraph (1) or (2) of this subsection if:

(A) the motor vehicle was damaged, stolen, or recovered in this state; or

(B) the motor vehicle owner from whom the company acquired ownership resides in this state.

(4) A salvage pool operator may apply for title in the name of the salvage pool operator by providing to the department:

(A) documentation from the insurance company that:

(i) the salvage pool operator, on request of an insurance company, was asked to take possession of the motor vehicle sub-

ject to an insurance claim and the insurance company subsequently denied coverage or did not take ownership of the vehicle; and

(ii) the name and address of the owner of the motor vehicle and the lienholder, if any; and

(B) proof that the salvage pool operator, before the 31st day after receiving the information from the insurance company, sent a notice to the owner and any lienholder informing them that:

(i) the motor vehicle must be removed from the location specified in the notice not later than the 30th day after the date the notice is mailed; and

(ii) if the motor vehicle is not removed within the time specified in the notice, the salvage pool operator will sell the motor vehicle and retain from the proceeds any costs actually incurred by the operator in obtaining, handling, and disposing of the motor vehicle, except for charges:

(I) that have been or are subject to being reimbursed by a third party; and

(II) for storage or impoundment of the motor vehicle.

(5) Proof of notice under this subsection consists of:

(A) the validated receipts for registered or certified mail and return receipt or an electronic certified mail receipt, including signature receipt; and

(B) any unopened certified letters returned by the post office as unclaimed, undeliverable, or with no forwarding address.

(e) Recordation of lien on non-repairable and salvage vehicle titles. If the motor vehicle is a salvage motor vehicle, a new lien or a currently recorded lien may be recorded on the salvage vehicle title. If the motor vehicle is a non-repairable motor vehicle, only a currently recorded lien may be recorded on the non-repairable vehicle title.

(f) Issuance. Upon receipt of a completed non-repairable or salvage vehicle title application, accompanied by the statutory application fee and the required documentation, the department will, before the sixth business day after the date of receipt, issue a non-repairable or salvage vehicle title, as appropriate.

(1) If the condition of salvage is caused exclusively by flood, a "Flood Damage" notation will be reflected on the face of the document and will be carried forward upon subsequent title issuance.

(2) If a lien is recorded on a non-repairable or salvage vehicle title, the vehicle title will be mailed to the lienholder. For proof of ownership purposes, the owner will be mailed a receipt or printout of the newly established motor vehicle record, indicating a lien has been recorded.

(3) A non-repairable vehicle title will state on its face that the motor vehicle may:

(A) not be repaired, rebuilt, or reconstructed;

(B) not be issued a regular certificate of title or registered in this state;

(C) not be operated on a public highway; and

(D) may only be used as a source for used parts or scrap metal.

§217.85. Replacement of Non-repairable or Salvage Motor Vehicle Ownership Documents.

(a) Location. Applications for certified copies of ownership documents for non-repairable or salvage motor vehicles will only be processed at the department's Austin headquarters office.

(b) Notation. The certified copy will contain the words "Certified Copy" and the date issued, and the motor vehicle record will be noted accordingly until ownership of the non-repairable or salvage motor vehicle is transferred. Then the notation will be eliminated from the new certificate of title and from the motor vehicle record.

(c) Replacement of non-repairable or salvage vehicle titles. If a non-repairable or salvage vehicle title is lost or destroyed, the department will issue a certified copy of the ownership document type originally issued, except as provided by subsection (d)(2) of this section, to the motor vehicle owner, lienholder, or verifiable agent on submission of verifiable proof and payment of the appropriate fee as provided in §217.7 of this title (relating to Replacement of Title).

(d) Replacement of non-repairable or salvage ownership documents issued prior to September 1, 2003.

(1) If a salvage certificate of title issued by this state prior to September 1, 2003, is lost or destroyed, the department will issue a certified copy of a salvage vehicle title, to the motor vehicle owner, lienholder, or verifiable agent on proper application, submission of verifiable proof, and payment of the appropriate fee as provided in §217.7.

(2) If a non-repairable certificate of title or salvage certificate issued by this state prior to September 1, 2003, is lost or destroyed, the department will issue a salvage vehicle title to the motor vehicle owner, lienholder, or verifiable agent on proper application, submission of verifiable proof, and payment of the appropriate fee as provided in §217.7.

§217.86. Dismantling, Scrapping, or Destruction of Motor Vehicles.

(a) A person who acquires ownership of a non-repairable or salvage motor vehicle for the purpose of dismantling, scrapping, or destruction shall, not later than the 30th day after the motor vehicle was acquired:

(1) submit to the department a report, on a form prescribed by the department:

(A) stating that the motor vehicle will be dismantled, scrapped, or destroyed; and

(B) certifying that all unexpired license plates and registration validation stickers have been removed from the motor vehicle, in accordance with Occupations Code, §2302.252; and

(2) surrender to the department the properly assigned ownership document.

(b) The person shall:

(1) maintain records of each motor vehicle that will be dismantled, scrapped, or destroyed, as provided by §217.191(d) of this title (relating to Record of Purchases, Sales, and Inventory); and

(2) store all unexpired license plates and registration validation stickers removed from those vehicles in a secure location.

(c) The department will issue the person a receipt with surrender of the report and ownership documents.

(d) License plates and registration validation stickers removed from vehicles reported under subsection (a)(1) of this section may be destroyed upon receipt of the acknowledged report from the department.

(e) The department will place an appropriate notation on motor vehicle records for which ownership documents have been surrendered to the department.

(f) Not later than 60 days after the motor vehicle is dismantled, scrapped, or destroyed, the person shall report to the department and provide evidence that the motor vehicle has been dismantled, scrapped, or destroyed.

§217.87. Rights of Holder of Non-repairable or Salvage Motor Vehicle Documents.

(a) The owner of a motor vehicle for which a salvage certificate or a non-repairable or salvage certificate of title was issued prior to September 1, 2003, or a salvage vehicle title issued on or after September 1, 2003:

(1) may:

(A) possess, transport, dismantle, scrap, or destroy, the motor vehicle;

(B) sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle as provided by §217.88 of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle); or

(C) repair, rebuild, or reconstruct the motor vehicle; and

(2) may not operate or permit operation of the motor vehicle on the public highways until a rebuilt salvage certificate of title is issued.

(b) The owner of a motor vehicle for which a non-repairable vehicle title was issued on or after September 1, 2003:

(1) may:

(A) possess, transport, dismantle, scrap, or destroy, the motor vehicle; or

(B) sell, transfer, or release ownership of the motor vehicle or used part from the motor vehicle as provided by §217.88; and

(2) may not:

(A) repair, rebuild, or reconstruct the motor vehicle;

(B) retitle or register the motor vehicle; and

(C) operate or permit operation of the motor vehicle on the public highways.

§217.88. Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle.

(a) With a non-repairable or salvage motor vehicle title. The ownership of a motor vehicle for which a non-repairable or salvage vehicle title has been issued, including a motor vehicle that has a "Flood Damage" notation on the title, may be sold, transferred, or released to anyone, except that an insurance company may sell, transfer, or release ownership of a motor vehicle for which a non-repairable or salvage vehicle title has been issued, only to:

(1) a salvage vehicle dealer;

(2) an out-of-state buyer;

(3) a buyer in a casual sale; or

(4) a metal recycler.

(b) Without a non-repairable or salvage motor vehicle title. If a non-repairable or salvage vehicle title or comparable out-of-state ownership document has not been issued for a non-repairable or salvage motor vehicle, only a salvage vehicle dealer, metal recycler, or governmental entity may sell, transfer, or otherwise release ownership of the

motor vehicle. A salvage vehicle dealer, metal recycler, or governmental entity may only sell, transfer, or otherwise transfer ownership of a motor vehicle to which this subsection applies to:

(1) a salvage vehicle dealer;

(2) a metal recycler;

(3) a governmental entity;

(4) an insurance company; or

(5) an out-of-state buyer.

(c) Sale of self-insured non-repairable or salvage motor vehicle. The owner of a self-insured non-repairable or salvage motor vehicle that has been damaged and removed from normal operation shall obtain a non-repairable or salvage vehicle title before selling or otherwise transferring ownership of the motor vehicle.

(d) Casual sales. A salvage vehicle dealer, salvage pool operator, or insurance company may sell up to five non-repairable or salvage motor vehicles, for which non-repairable or salvage vehicle titles have been issued, to a person in a casual sale during a calendar year.

(e) Records of casual sales.

(1) A salvage vehicle dealer, salvage pool operator, or insurance company must maintain records of each casual sale made during the previous 36 months, in accordance with Transportation Code, §501.105, that at a minimum contain:

(A) the date of sale;

(B) the sales price;

(C) the name and address of the purchaser;

(D) a legible photocopy of the purchaser's government-issued photo identification;

(E) the form of identification provided, the identification document number, and the name of the jurisdiction that issued the identification document;

(F) the description of the motor vehicle, including the vehicle identification number, model year, make, body style, and model;

(G) a photocopy of the front and back of the properly assigned ownership document provided to the purchaser; and

(H) the purchaser's certification, on a form provided by the department, that the purchase of motor vehicles in a casual sale is not intended to circumvent the provisions of Transportation Code, Chapter 501 (relating to Certificates of Title) and Occupations Code, Chapter 2302 (relating to Salvage Vehicle Dealers).

(2) Records may be maintained on a form provided by the department or in an electronic format.

(3) Records must be maintained on the business premises of the seller, and shall be made available for inspection upon request.

(f) Export-only sales.

(1) In accordance with Transportation Code, §501.099, only a licensed salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or governmental entity may sell a non-repairable or salvage motor vehicle to a person who resides outside the United States, and only:

(A) when a non-repairable or salvage vehicle title has been issued for the motor vehicle prior to offering it for export-only sale; and

(B) prior to the sale, the seller obtains a legible photocopy of a government-issued photo identification of the purchaser that can be verified by law enforcement, issued by the jurisdiction in which the purchaser resides that may consist of:

- (i) a passport;
- (ii) a driver's license;
- (iii) consular identity document;
- (iv) national identification certificate or identity document; or
- (v) other government-issued identification that includes the name of the jurisdiction issuing the document, the purchaser's full name, foreign address, date of birth, photograph, and signature.

(2) The seller must obtain the purchaser's certification, on a form prescribed by the department, that the purchaser will remove the motor vehicle from the United States and will not return the motor vehicle to any state of the United States as a motor vehicle titled or registered under its manufacturer's vehicle identification number.

(3) The seller must provide the buyer with a properly assigned non-repairable or salvage vehicle title.

(4) The seller must stamp FOR EXPORT ONLY and the seller's salvage vehicle dealer license number or the governmental entity's name, whichever applies, on the face of the title and on any unused reassignments on the back of the title.

(g) Records of export-only sales.

(1) A salvage vehicle dealer or governmental entity that sells a non-repairable or salvage motor vehicle for export-only must maintain records of all export-only sales.

(2) Records of each sale must include:

(A) a legible copy of the stamped and properly assigned non-repairable or salvage vehicle title;

(B) the buyer's certified statement required by subsection (f)(2) of this section;

(C) a legible copy of the buyer's photo identification document;

(D) a legible copy of any other documents related to the sale of the motor vehicle; and

(E) a listing of each motor vehicle sold for export-only that states the:

- (i) date of sale;
- (ii) name and address of the seller;
- (iii) name and address of the purchaser;
- (iv) purchaser's identification document number;
- (v) name of the country that issued the identification document;
- (vi) the form of identification provided by the purchaser; and
- (vii) description of the motor vehicle that includes the year, make, model, and vehicle identification number of the motor vehicle.

(3) The listing required by paragraph (2)(E) of this subsection must be maintained either on a form provided by the department or in an electronic format approved by the department.

(4) The salvage vehicle dealer or governmental entity shall submit the listing prescribed by paragraph (2)(E) of this subsection to the department within 30 days from the date of sale.

(5) Upon receipt of the listing prescribed by paragraph (2)(E) of this subsection, the department will place an appropriate notation on the motor vehicle record to identify it as a motor vehicle sold for export-only that may not be operated, retitled, or registered in this state.

§217.89. Rebuilt Salvage Motor Vehicles.

(a) Filing for title. When a salvage motor vehicle or a non-repairable motor vehicle for which a non-repairable vehicle title was issued prior to September 1, 2003, has been rebuilt, the owner shall file a certificate of title application, as described in §217.4 of this title (relating to Initial Application for Title), for a rebuilt salvage certificate of title.

(b) Place of application. An application for a rebuilt salvage certificate of title shall be filed with the county tax assessor-collector in the county in which the applicant resides or in the county in which the motor vehicle was purchased or is encumbered.

(c) Fee for rebuilt salvage certificate of title. In addition to the statutory fee for a title application and any other applicable fees, a \$65 rebuilt salvage fee must accompany the application, unless the applicant provides the evidence described in subsection (d)(3)(B) of this section.

(d) Accompanying documentation. The application for a certificate of title for a rebuilt non-repairable or salvage motor vehicle must be supported, at a minimum, by the following documents:

(1) evidence of ownership, properly assigned to the applicant, as described in subsection (e) of this section;

(2) a rebuilt statement, on a form prescribed by the department that includes:

(A) a description of the motor vehicle, which includes the motor vehicle's model year, make, model, identification number, and body style;

(B) an explanation of the repairs or alterations made to the motor vehicle;

(C) a description of each major component part used to repair the motor vehicle and showing the identification number required by federal law to be affixed to or inscribed on the part;

(D) the name and address of the owner;

(E) a statement by the owner that the owner is the legal and rightful owner of the vehicle, the vehicle is rebuilt, repaired, reconstructed, or assembled and that the vehicle identification number disclosed on the rebuilt affidavit is the same as the vehicle identification number affixed to the vehicle;

(F) the signature of the owner, or the owner's authorized agent; and

(G) a statement by the rebuilder that the vehicle has been rebuilt, repaired, or reconstructed by the rebuilder and that all component parts used were obtained in a legal and lawful manner;

(3) evidence of inspection submitted by the person who repairs, rebuilds, or reconstructs a non-repairable or salvage motor vehicle in the form of:

(A) disclosure on the rebuilt statement of the vehicle inspection sticker number, and date of expiration, issued by an authorized state safety inspection station after the motor vehicle was rebuilt, if the motor vehicle will be registered at the time of application; or

(B) a written statement, executed by a specially trained commissioned officer of the Department of Public Safety prior to September 1, 2003, certifying that the rebuilt non-repairable or salvage motor vehicle's parts and identification numbers have been inspected and that the vehicle complies with state safety standards;

(4) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if applicable;

(5) proof of financial responsibility in the title applicant's name, as required by Transportation Code, §502.153, unless otherwise exempted by law;

(6) the identification certificate required by Transportation Code, §548.256, and Transportation Code, §501.030, if the motor vehicle was last titled and registered in another state or country, unless otherwise exempted by law; and

(7) a release of any liens, unless there is no transfer of ownership and the same lienholder is being recorded as is recorded on the surrendered evidence of ownership.

(e) Evidence of ownership of a rebuilt salvage motor vehicle:

(1) may include:

(A) a Texas Salvage Vehicle Title;

(B) a Texas Non-repairable Certificate of Title issued prior to September 1, 2003;

(C) a Texas Salvage Certificate; or

(D) a comparable salvage certificate or salvage certificate of title issued by another jurisdiction, except that this ownership document will not be accepted if it indicates that the motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; but

(2) may not include:

(A) a Texas non-repairable vehicle title issued on or after September 1, 2003;

(B) an out-of-state ownership document that indicates that the motor vehicle is non-repairable, junked, for parts or dismantling only, or the motor vehicle may not be rebuilt in the jurisdiction that issued the ownership document; or

(C) a certificate of authority to dispose of a motor vehicle issued in accordance with Transportation Code, Chapter 683.

(f) Rebuilt salvage certificate of title issuance. Upon receiving a completed certificate of title application for a rebuilt salvage motor vehicle, along with the applicable fees and required documentation, the transaction will be processed and a rebuilt salvage certificate of title will be issued. The certificate of title will include a "Rebuilt Salvage" notation and a description or disclosure of the motor vehicle's former condition on its face.

(g) Issuance of rebuilt salvage certificate of title to a motor vehicle from another jurisdiction. On proper application, as prescribed by §217.4, by the owner of a motor vehicle that is brought into this state from another jurisdiction and for which a certificate of title issued by the other jurisdiction contains a "Rebuilt," "Salvage," or analogous title remark, the department will issue the applicant a certificate of title or

other appropriate document for the motor vehicle. A certificate of title or other appropriate document issued under this subsection will show on its face:

(1) the date of issuance;

(2) the name and address of the owner;

(3) any registration number assigned to the motor vehicle;

(4) a description of the motor vehicle as determined by the department; and

(5) any title remark the department considers necessary or appropriate.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405855

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER E. TITLE LIENS AND CLAIMS

43 TAC §§217.101 - 217.106

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.101. Landowner's Lien.

(a) Filing of lien. Pursuant to Property Code, Chapter 70, Subchapter F, a landowner may file a lien against the motor vehicle of a person who damages the landowner's fence with the motor vehicle upon issuance of a court ordered judgment.

(b) Perfection. The landowner's lien must be perfected in accordance with Transportation Code, Chapter 501, Subchapter F. The applicant must file an application for certificate of title through a county tax assessor-collector on a form prescribed by the department. The application must be accompanied by an original or certified copy of the court order and the statutory fee for a title application.

(c) Release of Lien. Upon receipt of the final payment, the landowner must provide the vehicle owner with a discharge of lien in accordance with §217.106 of this title (relating to Discharge of Liens).

§217.102. Child Support Liens.

Pursuant to Family Code, Chapter 157, a child support lien arises by operation of law through court ordered payment of past due child support.

(1) A child support lien must be perfected in accordance with Transportation Code, Chapter 501.

(2) The person filing the lien must provide the department with the obligor's evidence of motor vehicle ownership, as described in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership), and an application for a certificate of title for the same vehicle, and

(A) a certified copy of the child support lien notice containing the information required by Family Code, §157.313 which has been filed with the county clerk's office; or

(B) an abstract of judgment for past due child support.

(3) The lien is perfected when the department has issued a subsequent title disclosing that the vehicle is subject to a child support lien.

§217.103. Restitution Liens.

(a) Purpose. Pursuant to the Code of Criminal Procedure, Article 42.22, the victim or an attorney for the state may file a lien on any interest in a motor vehicle of a person convicted of a criminal offense to secure payment of restitution or fines or costs. This section establishes the procedures to perfect the filing and the removal of the lien on any interest of the defendant in a motor vehicle whether then owned or after-acquired.

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

(1) Department--The Texas Department of Motor Vehicles.

(2) Restitution lien--A lien placed against a defendant's motor vehicle in order to recoup a judgment or fines or costs.

(3) State--The State of Texas and all its political subdivisions.

(4) Victim--A close relative of a deceased victim, guardian of a victim, or victim, as those terms are defined by the Code of Criminal Procedure, Article 56.01.

(c) Persons who may file a restitution lien. The following persons may file a restitution lien:

(1) a victim of a criminal offense to secure the amount of restitution to which the victim is entitled under the order of a court in a criminal case; and

(2) an attorney of the state to secure the amount of fines or costs entered against a defendant in a judgment in a felony criminal case.

(d) Perfection of a restitution lien. A restitution lien against any interest in a motor vehicle must be perfected in accordance with Transportation Code, Chapter 501, and in the name of the court which established the restitution lien, in care of the court clerk. The victim or the attorney representing the state must file an application for certificate of title with a county tax-assessor collector to perfect the restitution lien. The application must be on a form prescribed by the department as described in §217.4 of this title (relating to Initial Application for Title), and shall be supported by, at a minimum, the following documents:

(1) evidence of motor vehicle ownership, as described in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership), which is properly assigned to or issued in the name of the defendant;

(2) an original or certified copy of the court order or judgment establishing the restitution lien and requiring the defendant to pay restitution, fines, or costs; and

(3) an affidavit to perfect a restitution lien which must include, at a minimum:

(A) the name and birth date of the defendant whose interest in the motor vehicle is subject to the lien;

(B) the residence or principal place of business of the person named in the lien, if known;

(C) the criminal proceeding giving rise to the lien, including the name of the court, the name of the case, and the court's file number for the case;

(D) the name and address of the attorney representing the state and the name and address of the person entitled to restitution;

(E) a statement that the notice is being filed pursuant to Code of Criminal Procedure, Article 42.22;

(F) the amount of restitution, fines, and costs the defendant has been ordered to pay by the court;

(G) a statement that the amount of restitution owed at any one time may be less than the original balance and that the outstanding balance is reflected in the records of the clerk of the court hearing the criminal proceeding giving rise to the lien;

(H) the vehicle description (year, make, and vehicle identification number) of the motor vehicle for which the restitution lien is to be perfected; and

(I) the signature of the attorney representing the state or a magistrate.

(e) Fees. The applicant will be required to pay a \$5.00 restitution lien filing fee, in addition to a title application fee in accordance with Transportation Code, §501.138, and any other applicable fees required by Transportation Code, Chapters 501, 502, and 520.

(f) Recording a restitution lien. Upon receiving a completed application for certificate of title, the required supporting documents and any applicable fees, the department or its designated agent will process and issue a certificate of title recording the restitution lien. The original certificate of title shall be mailed to the first lienholder, in accordance with Transportation Code, §501.027.

(g) Release of perfected restitution liens. The clerk of the court recorded as the lienholder will receive payments from the defendant and maintain a record of the outstanding balance of restitution, fines, or costs owed by the defendant. Upon satisfaction of the lien, the clerk of the court shall execute the release of lien as described in §217.106 of this title (relating to Discharge of Liens). The release of lien must be provided to the owner or owner's designee. A photocopy of the release of lien shall be forwarded to the department for filing.

§217.104. Electronic Lien Title Program.

(a) The Electronic Lien Title (ELT) Program provides an electronic method for the department to exchange lien and title information with lienholders. Lienholder participation in this program is voluntary.

(b) To participate in the ELT Program, a lienholder must enter into a contract with the department. The contract must contain all terms and conditions necessary to implement the ELT Program, as agreed on by the department and the participating lienholder.

(c) An application for title recording an electronic lien must be filed in the usual manner with a county tax assessor-collector.

(1) The department will notify the lienholder electronically of the date the lien was recorded. The notification will include a request for verification of the lien and vehicle information.

(2) The participating lienholder shall verify the lien and vehicle information in the message and electronically notify the department whether the information is correct.

(3) The lienholder shall send an error message electronically to the department if any information in the notification is incorrect. The department will then verify the lien and vehicle information submitted by the applicant in the title application. Any error will be corrected, and if necessary, the department will send a new notification to the lienholder with corrected information. If it is found that the title applicant submitted incorrect lienholder or vehicle information, the transaction will be rejected and returned to the county tax assessor-collector.

(d) When a lien is satisfied, the lienholder shall electronically notify the department within 10 days. The ELT remark and the lien will be removed from the record and a title will be printed in the name of the owner of record and mailed to the address specified by the lienholder.

(e) When requested by a lienholder, the department will remove the ELT remark from a vehicle record and provide the lienholder with a paper title.

(f) When requested by a lienholder, the department will reassign a lien electronically to a new lienholder if the new lienholder meets all requirements for participation in the ELT Program.

(g) The department will not issue a certified copy of a title with an ELT remark.

§217.105. Insurance Company Claims.

(a) Place of application. A title application for an original title must be filed with the county tax assessor-collector along with any required documentation and the required fee.

(b) Information to be included on application. An insurance company must file an application on a form prescribed by the department.

(c) Evidence of motor vehicle ownership.

(1) Evidence of motor vehicle ownership properly assigned to the insurance company must accompany the application for a title, except as provided by paragraph (2) of this subsection. Evidence must include documentation sufficient to show ownership of the motor vehicle, such as:

(A) a Texas Title;

(B) a certified copy of a Texas Title;

(C) a manufacturer's certificate of origin;

(D) a comparable ownership document issued by another jurisdiction; and

(E) evidence indicating that the insurance company is:

(i) licensed to do business in Texas; or

(ii) not licensed to do business in Texas, but has paid a loss claim for the motor vehicle in this state.

(2) An insurance company that acquires ownership, or possession of a motor vehicle through payment of a claim may apply for a title to be issued in the insurance company's name without obtaining an ownership document or if it received an ownership document without the proper assignment of the owner on the motor vehicle ownership document if:

(A) the company is unable to obtain a title in accordance with paragraph (1) of this subsection;

(B) the application is not made earlier than the 30th day after the date of payment of the claim; and

(C) the application includes:

(i) a statement that the insurance company has provided at least two written notices to the owner and any lienholder of record, attempting to obtain the title or proper assignment of title for the motor vehicle; and

(ii) a copy of the payment document indicating the insurance company has made payment of a claim involving the motor vehicle.

(d) Insurance claims concerning salvage or non-repairable vehicle titles are provided for in §217.84 of this title (relating to Application for Non-repairable or Salvage Vehicle Title).

§217.106. Discharge of Lien.

A lienholder shall provide the owner, or the owner's designee, a discharge of the lien after receipt of the final payment within the time limits specified in Transportation Code, Chapter 501. The lienholder shall submit one of the following documents:

(1) the title including an authorized signature in the space reserved for release of lien;

(2) a release of lien form prescribed by the department, with the form filled out to include the:

(A) title or document number, or a description of the motor vehicle including, but not limited to, the motor vehicle:

(i) year;

(ii) make;

(iii) vehicle identification number; and

(iv) license plate number, if the motor vehicle is subject to registration under Transportation Code, Chapter 502;

(B) printed name of lienholder;

(C) signature of lienholder or an authorized agent;

(D) printed name of the authorized agent if the agent's signature is shown;

(E) telephone number of lienholder; and

(F) date signed by the lienholder;

(3) signed and dated correspondence submitted on company letterhead that includes:

(A) a statement that the lien has been paid;

(B) a description of the vehicle as indicated in paragraph (2)(A) of this subsection;

(C) a title or document number; or

(D) lien information;

(4) any out-of-state prescribed release of lien form, including an executed release on a lien entry form;

(5) out-of-state evidence with the word "Paid" or "Lien Satisfied" stamped or written in longhand on the face, followed by the name of the lienholder, countersigned or initialed by an agent, and dated; or

(6) original security agreements or copies of the original security agreements if the originals or copies are stamped "Paid" or "Lien Satisfied" with a company paid stamp or if they contain a state-

ment in longhand that the lien has been paid followed by the company's name.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405857

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER F. MOTOR VEHICLE RECORD INFORMATION

43 TAC §§217.121 - 217.124

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.121. Purpose and Scope.

It is the policy of the Texas Department of Motor Vehicles to protect the confidentiality of motor vehicle record information.

§217.122. Definitions.

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

(1) Department--Texas Department of Motor Vehicles.

(2) Motor vehicle record information--Information regarding the titling or registration of motor vehicles, which may include the make, vehicle identification number, year, model, body style, license number of a motor vehicle, and the name, address, and social security number of an owner or lienholder.

(3) Personal information--Information that identifies an individual, including an individual's photograph or computerized image, social security number, driver identification number, personal identification certificate number, name, telephone number, medical or disability information, license plate number, or address other than the postal routing code.

(4) Service agreement--A contractual agreement that allows individuals, businesses, or governmental agencies or institutions to access the department's motor vehicle records.

(5) Written request--A request made in writing, including electronic mail, electronic media, and facsimile transmission.

§217.123. Access to Motor Vehicle Records.

(a) Request for records. A person seeking motor vehicle record information shall submit a written request on the form required

by the department. Information will be released in accordance with Title 18 U.S.C. §2721 et seq., Transportation Code, Chapter 730, and Government Code, §552.130. A completed and properly executed form must include, at a minimum:

(1) the name and address of the requestor;

(2) the Texas license number, title or document number, or vehicle identification number of the motor vehicle about which information is requested;

(3) a photocopy of the requestor's identification;

(4) a statement that the requested information may only be released if the requestor is the subject of the record, if the requestor has written authorization for release from the subject of the record, or if the intended use is for a permitted use as indicated on the form;

(5) a certification that the statements made on the form are true and correct; and

(6) the signature of the requestor.

(b) Identification required. A person may not apply for receipt of personal information unless the person presents current photo identification containing a unique identification number. The identification document must be a:

(1) driver's license or state identification certificate issued by a state or territory of the United States;

(2) United States or foreign passport;

(3) United States military identification card; or

(4) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document.

(c) Electronic access. The department may make motor vehicle record information available under the terms of a written service agreement.

(1) Agreement with business or individuals. The written service agreement with a business or individual must contain:

(A) the specified purpose of the agreement;

(B) an adjustable account, if applicable, in which an initial deposit and minimum balance is maintained in the amount of:

(i) \$200 for an on-line access account; or

(ii) \$1,000 for a prepaid account for batch purchase of motor vehicle record information;

(C) termination and default provisions;

(D) service hours for access to motor vehicle records for on-line access;

(E) the contractor's signature;

(F) a statement that the use of motor vehicle record information obtained by virtue of a service agreement is conditional upon its being used:

(i) in accordance with 18 U.S.C. §2721 et seq., Transportation Code, §502.008, and Transportation Code, Chapter 730; and

(ii) only for the purposes defined in the agreement;

and

(G) the statements required by subsection (a) of this section.

(2) Agreements with governmental agencies.

(A) The written service agreement with an agency must contain:

(i) the specified purpose of the agreement;

(ii) method of payment;

(iii) notification regarding the charges;

(iv) a statement that the use of motor vehicle record information obtained by virtue of a service agreement is conditional upon its being used in accordance with 18 U.S.C. §2721 et seq., Transportation Code, §502.008, and Transportation Code, Chapter 730, and only for the purposes defined in the agreement;

(v) the statements required by subsection (a) of this section;

(vi) the signature of an authorized official; and

(vii) an attached statement citing the agency's authority to obtain social security number information, if applicable.

(B) Texas Law Enforcement Telecommunication System access is exempt from the payment of fees.

(d) Ineligibility to receive personal information. The department may prohibit a person, business, or agency from receiving personal information if the department finds a violation of a term or condition of the agreement entered into in accordance with subsection (c) of this section.

§217.124. Cost of Motor Vehicle Records.

(a) Standard costs. The department will charge fees in accordance with Government Code, Chapter 552 and the cost rules promulgated by the Office of the Attorney General in 1 Texas Administrative Code, Chapter 70 (relating to Cost of Copies of Public Information).

(b) Motor vehicle record costs. The cost for motor vehicle information will be:

(1) Title and registration verification (record search) - \$2.30;

(2) Title history - \$5.75;

(3) Online access to motor vehicle records database - \$23 per month plus \$.12 per record entry;

(4) Motor vehicle registration and title database - \$5,000 plus \$.38 per 1,000 records copied to media;

(5) Weekly updates to motor vehicle registration and title database, with media provided by the department - \$135; and

(6) Batch inquiry to motor vehicle records database - \$23 per computer run plus \$.12 per record searched.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405860

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665

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SUBCHAPTER G. INSPECTIONS

43 TAC §§217.141 - 217.143

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.141. Purpose and Scope.

It is the policy of the Texas Department of Motor Vehicles to protect the public by requiring inspection of street rods and custom vehicles.

§217.142. Definitions.

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

(1) "Custom vehicle" means a motor vehicle, or a reproduction thereof, that is:

(A) at least 25 years old and of a model year after 1948 or a model year after 1948 that resembles a vehicle 25 years or older; and

(B) materially altered or modified by the removal, addition or substitution of at least one major component part.

(2) "Major component part" has the meaning assigned by §501.091, Transportation Code.

(3) "Street rod" means a motor vehicle:

(A) manufactured before 1949, or after 1948 to resemble a vehicle manufactured before 1949; and

(B) that has been materially altered or modified by the removal, addition or substitution of at least one major component part.

§217.143. Inspection Requirements.

(a) On initial registration, including registration at the time of title transfer, of a custom vehicle or street rod, the applicant must provide proof, on a form provided by the department, of a safety inspection performed by an Automotive Service Excellence (ASE) technician with valid certification as a Certified Master Automobile and Light Truck Technician.

(b) The inspection must certify that the vehicle:

(1) is structurally stable;

(2) meets the necessary conditions to be operated safely on the roadway; and

(3) is equipped and operational with all equipment required by statute as a condition of sale during the year the vehicle was manufactured or resembles.

(c) A custom vehicle or street rod is not required to be equipped with a specific piece of equipment unless the specific piece of equipment was required by statute as a condition of sale during the year listed as the model year on the certificate of title.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405861

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER H. DEPUTIES

43 TAC §217.161

STATUTORY AUTHORITY

The new section is proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.161. Deputies.

(a) A county assessor-collector with the approval of the commissioners court of the county may deputize a person to perform the services authorized under former Transportation Code, §§520.008, 520.009, 520.0091, and 520.0092, as amended by Acts 2011, 82nd Leg., ch. 1296 (H.B. 2357), effective January 1, 2012.

(b) A deputy appointed under Transportation Code, §520.0091, may perform the services authorized under former Transportation Code, §§520.008, 520.009, 520.0091, and 520.0092, as amended by Acts 2011, 82nd Leg., ch. 1296 (H.B. 2357), effective January 1, 2012.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405862

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665



SUBCHAPTER I. SALVAGE VEHICLE DEALERS

43 TAC §§217.181 - 217.192

STATUTORY AUTHORITY

The new sections are proposed under Transportation Code, §1002.001, which provides the board of the Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department under the Transportation Code.

CROSS REFERENCE TO STATUTE

Transportation Code, §502.0023, §502.047, and Chapters 551, 643, 645, 646, and 648.

§217.181. Purpose and Scope.

Occupations Code, Chapter 2302, provides that a person may not act as salvage vehicle agent, salvage vehicle dealer, or salvage vehicle re-builder, including storing or displaying vehicles as an agent or escrow agent of an insurance company, unless the department issues that person a salvage vehicle dealer license or agent license. This subchapter describes procedures by which a person may obtain a license to act as a salvage vehicle dealer or salvage vehicle agent, conditions under which a licensee must operate the facility, and the procedures by which the department will administer this subchapter.

§217.182. Definitions.

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

(1) Casual sale--The sale by a salvage vehicle dealer, insurance company, or salvage pool operator of not more than five non-repairable or salvage motor vehicles to the same person during a calendar year. The term does not include a sale to a salvage vehicle dealer or the sale of an export-only motor vehicle to a person who is not a resident of the United States.

(2) Component part--A major component part defined by paragraph (5) of this section or a minor component part defined by paragraph (7) of this section.

(3) Department--The Texas Department of Motor Vehicles.

(4) Director--The director of the department's Vehicle Titles and Registration Division.

(5) Major component part--A motor vehicle part that means one of the following parts of a motor vehicle:

(A) the engine;

(B) the transmission;

(C) the frame;

(D) a fender;

(E) the hood;

(F) a door allowing entrance to or egress from the passenger compartment of the motor vehicle;

(G) a bumper;

(H) a quarter panel;

(I) a deck lid, tailgate, or hatchback;

(J) the cargo box of a one-ton or smaller truck, including a pickup truck;

(K) the cab of a truck;

(L) the body of a passenger motor vehicle;

(M) the roof or floor pan of a passenger motor vehicle, if separate from the body of the motor vehicle.

(6) Metal recycler--A person who:

(A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous metal solely for use as raw material in the production of new products.

(7) Minor component part--A motor vehicle part that includes:

(A) an interior component part that includes a seat or radio of a motor vehicle;

(B) a special accessory part that includes a tire, wheel, tailgate, or removable glass top of a motor vehicle; or

(C) a motor vehicle part that displays or should display one or more of the following:

(i) a federal safety certificate, as described by Occupations Code, §2302.001(4);

(ii) a motor number;

(iii) a serial number or a derivative; or

(iv) a manufacturer's permanent vehicle identification number or a derivative.

(8) Motor vehicle--A vehicle described by Transportation Code, §501.002(14).

(9) Non-repairable motor vehicle--A motor vehicle, regardless of the year model, that is wrecked, damaged, or burned to the extent that the only residual value of the motor vehicle is as a source of parts or scrap metal, or that comes into this state under a title or other ownership document that indicates that the motor vehicle is non-repairable, junked, or for parts or dismantling only.

(10) Non-repairable vehicle title--A document that evidences ownership of a non-repairable motor vehicle.

(11) Out-of-state buyer--A person who is licensed by another state or jurisdiction in an automotive business if the department has listed the holders of that license as permitted purchasers of salvage motor vehicles or non-repairable motor vehicles based on substantially similar licensing requirements and on whether salvage vehicle dealers licensed in Texas are permitted to purchase salvage motor vehicles or non-repairable motor vehicles in the other state or jurisdiction.

(12) Out-of-state ownership document--A negotiable document issued by another jurisdiction that the department considers sufficient to prove ownership of a non-repairable or salvage motor vehicle and to support issuance of a comparable Texas certificate of title for the motor vehicle. The term does not include a title issued by the department, including:

(A) a regular certificate of title;

(B) a non-repairable vehicle title;

(C) a salvage vehicle title;

(D) a Texas salvage certificate;

(E) a Certificate of Authority to Demolish a Motor Vehicle; or

(F) any other ownership document issued by the department.

(13) Person--An individual, partnership, corporation, trust, association, or other private legal entity.

(14) Rebuilder--A person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway three or more salvage motor vehicles in a calendar year.

(15) Salvage motor vehicle--A motor vehicle, regardless of the year model:

(A) that is:

(i) damaged to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage; or

(ii) damaged and comes into this state under an out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation, and is not an out-of-state ownership document with a "rebuilt," "prior salvage," or similar notation, or a non-repairable motor vehicle; and

(B) does not include a motor vehicle for which an insurance company has paid a claim for:

(i) repairing hail damage; or

(ii) theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage.

(16) Salvage vehicle agent--A person who acquires, sells, or otherwise deals in non-repairable or salvage motor vehicles or used parts in this state as directed by the salvage vehicle dealer under whose license the person operates, but does not include:

(A) a licensed salvage vehicle dealer;

(B) a partner, owner, or officer of a business entity that holds a salvage vehicle dealer license;

(C) an employee of a licensed salvage vehicle dealer; or

(D) a person that only transports salvage motor vehicles for a licensed salvage vehicle dealer.

(17) Salvage vehicle dealer--A person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in non-repairable motor vehicles or salvage motor vehicles or used parts, and includes a person who is in the business of a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year.

(18) Salvage vehicle title--A document issued by the department that evidences ownership of a salvage motor vehicle.

(19) Used part--A part that is salvaged, dismantled, or removed from a motor vehicle for resale as is or as repaired. The term includes a major component part, but does not include a rebuildable or rebuilt core, including an engine, block, crankshaft, transmission, or other core part that is acquired, possessed, or transferred in the ordinary course of business.

§217.183. Classifications of Salvage Vehicle Dealer Licenses.

(a) Applicability. A person who acts as a salvage vehicle dealer or salvage vehicle rebuilder, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company, must obtain a salvage vehicle dealer license in accordance with Occupations Code, Chapter 2302, and the provisions of this subchapter.

(b) Classification of licenses. The department will classify salvage vehicle dealers according to the type of activity performed by the dealer. A salvage vehicle dealer may not engage in activities of a particular classification as indicated in this subsection unless the salvage vehicle dealer holds a license authorizing business under that classification. An applicant shall apply for a salvage vehicle dealer license in one or more of the following classifications:

(1) new automobile dealer, defined as a person whose primary business is selling new motor vehicles, but who may also buy non-repairable and salvage motor vehicles to repair and sell;

(2) used automobile dealer, defined as a person whose primary business is selling used motor vehicles, but who may also buy salvage and non-repairable motor vehicles to repair and sell;

(3) used vehicle parts dealer, defined as a person who is engaged in the business of acquiring, possessing, or transferring used parts in the ordinary course of business;

(4) salvage pool operator, defined as a person who is engaged in the business of selling non-repairable motor vehicles or salvage motor vehicles;

(5) salvage vehicle broker, defined as a person who buys, sells, or exchanges salvage and non-repairable motor vehicles with other licensed salvage vehicle dealers; or

(6) salvage vehicle rebuilder, defined as a person who acquires and repairs, rebuilds, or reconstructs for operation on a public highway three or more salvage motor vehicles in a calendar year.

(c) Exemptions. The provisions of this subchapter do not apply to:

(1) a person who purchases not more than five non-repairable or salvage motor vehicles at casual sale in a calendar year from:

- (A) a salvage vehicle dealer;
- (B) a salvage pool operator; or
- (C) an insurance company;

(2) a metal recycler, as described by §217.182(6) of this title (relating to Definitions) unless a motor vehicle is sold, transferred, released, or delivered to the metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts, and is used for that purpose;

(3) a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year;

(4) a person who is a non-United States resident who purchases non-repairable or salvage motor vehicles for export only;

(5) an agency of the United States, an agency of this state, or a local government;

(6) a financial institution or other secured party that holds a security interest in a motor vehicle and is selling that motor vehicle in the manner provided by law for the forced sale of a motor vehicle;

(7) a receiver, trustee, administrator, executor, guardian, or other person appointed by or acting pursuant to the order of a court;

(8) a person selling an antique passenger car or truck that is at least 25 years old or a collector selling a special interest motor vehicle as defined in Transportation Code, §683.077, if the special interest vehicle is at least 12 years old; and

(9) a licensed auctioneer who, as a bid caller, sells or offers to sell property to the highest bidder at a bona fide auction under the following conditions:

(A) neither legal nor equitable title passes to the auctioneer;

(B) the auction is not held for the purpose of avoiding a provision of Occupations Code, Chapter 2302, or this subchapter; and

(C) an auction is conducted of motor vehicles owned, legally or equitably, by a person who holds a salvage vehicle dealer's license and the auction is conducted at a location for which a salvage vehicle dealer's license has been issued to that person or at a location approved by the department under §217.187(a) of this title (relating to Place of Business).

§217.184. Salvage Vehicle Dealer License.

(a) Assumed name. An applicant who will operate as a salvage vehicle dealer under a name other than the name of that applicant must use the name under which that applicant is authorized to do business, as filed with the secretary of state or county clerk, and the assumed name of that legal entity must be recorded on the application form using the letters "DBA." If an assumed name will be used, the applicant must submit a copy of an assumed name certificate on file with the secretary of state or county clerk at the time the application form is submitted.

(b) Initial application. An applicant for a salvage vehicle dealer license must apply on a form prescribed by the department.

(1) Form of application for salvage vehicle dealer license. The application form must be signed by the applicant, be accompanied by the application fee, and include:

(A) the legal name, each business address, and each business telephone number of the applicant;

(B) the name under which the applicant will do business;

(C) the location, by number, street, and municipality, of each office from which the applicant will conduct business;

(D) a statement indicating whether the applicant has previously applied for a salvage vehicle dealer license under this section, the result of the previous application, and whether the applicant has ever been the holder of a salvage vehicle dealer license that was revoked or suspended;

(E) an affidavit containing a statement that the applicant has never been convicted of a felony or that it has been at least three years since the termination of the applicant's sentence, parole, mandatory supervision, or probation for a felony conviction;

(F) three business association references;

(G) the applicant's date of birth;

(H) the applicant's federal tax identification number, if any;

(I) the applicant's state sales tax number;

(J) the applicant's social security number if the applicant is an individual;

(K) each classification of license for which the form is being submitted; and

(L) a legible copy of the applicant's driver license.

(2) Corporate salvage vehicle dealer license. If a salvage vehicle dealer license applicant intends to engage in business through a corporation, the applicant must apply on a form prescribed by the department.

(A) Form of application. The form must indicate the name of the corporation, as it appears on file with the secretary of state, be signed by the applicant, be accompanied by the application fee, and include:

(i) the name, each business address, and each business telephone number of the corporation;

(ii) the name under which the corporation will do business;

(iii) the location, by number, street, and municipality, of each office from which the corporation will conduct business;

(iv) the state of incorporation;

(v) a statement indicating whether any employee, officer, or director has previously applied for a salvage vehicle dealer license under this section, the result of the previous application, and whether an employee, officer, or director has ever been the holder of a salvage vehicle dealer license that was revoked or suspended;

(vi) an affidavit containing a statement that no officer or director has ever been convicted of a felony or that it has been at least three years since the termination of any officer or director's sentence, parole, mandatory supervision, or probation for a felony conviction;

(vii) three business association references;

(viii) the applicant's federal tax identification number, if any;

(ix) the applicant's state sales tax number;

(x) the legal name, address, date of birth, and social security number of each of the principal officers and directors of the corporation;

(xi) a legible copy of the driver's license of each principal officer and director of the corporation; and

(xii) each classification of license for which the form is being submitted.

(B) Verification of corporate franchise taxes. At the time the application is submitted, the corporation must also provide verification that all corporate franchise taxes have been paid.

(3) Partnership salvage vehicle dealer license. If a salvage vehicle dealer license applicant intends to engage in business through a partnership, the applicant must apply on a form prescribed by the department. The form must be signed by the applicant, be accompanied by the application fee, and include:

(A) the name, each business address, and each business telephone number of the partnership;

(B) the name under which the partnership will do business;

(C) the location, by number, street, and municipality, of each office from which the partnership will conduct business;

(D) a statement indicating whether an owner, partner, or employee has previously applied for a salvage vehicle dealer license under this section, the result of the previous application, and whether an owner, partner, or employee has ever been the holder of a salvage vehicle dealer license that was revoked or suspended;

(E) an affidavit containing a statement that no owner or partner has ever been convicted of a felony or it has been at least three years since the termination of any owner or partner's sentence, parole, mandatory supervision, or probation for a felony conviction of each owner or partner;

(F) three business association references;

(G) the partnership's federal tax identification number, if any;

(H) the partnership's state sales tax number;

(I) the legal name, address, date of birth, and social security number of each owner and partner;

(J) a legible copy of the driver's license of each owner or partner; and

(K) each classification of license for which the form is being submitted.

(c) Fee. The fee for each salvage vehicle dealer license is \$95. §217.185. Salvage Vehicle Agent License.

A person who acts as a salvage vehicle agent, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company, must obtain an agent license in accordance with Occupations Code, Chapter 2302, and the provisions of this subchapter. A person may obtain a salvage vehicle agent license by applying to the department and paying the required fee.

(1) Authorization of agents. The holder of a salvage vehicle dealer license may authorize not more than five persons to operate as salvage vehicle agents under the dealer's license. An agent may acquire, sell, or otherwise deal in non-repairable or salvage motor vehicles or used parts in this state as directed by the dealer under whose license the person operates.

(2) Initial application. An applicant who is authorized to operate as an agent for a salvage vehicle dealer must apply on a form prescribed by the department. The application form must be signed by the applicant, be accompanied by the application fee, and include:

(A) the name of the applicant;

(B) the name, business address, and business telephone number of the salvage vehicle dealer authorizing the applicant as a salvage vehicle agent;

(C) the name under which the salvage vehicle dealer will do business;

(D) the location, by number, street, and municipality, of each office from which the applicant will conduct business;

(E) a statement indicating whether the applicant has previously applied for a salvage vehicle dealer or agent license under this section, the result of the previous application, and whether the applicant has ever been the holder of a salvage vehicle dealer or agent license that was revoked or suspended;

(F) an affidavit containing a statement that the applicant has never been convicted of a felony or that it has been at least three years since the termination of the applicant's sentence, parole, mandatory supervision, or probation for a felony conviction;

- (G) three business association references;
 - (H) the applicant's federal tax identification number, if any;
 - (I) the applicant's state sales tax number; and
 - (J) the applicant's social security number.
- (3) Fee. The fee for each salvage vehicle agent license is \$95.

§217.186. Investigation, Report by the Department, and Issuance of License.

(a) Investigation. The department will not grant a salvage vehicle dealer or an agent a license until the department completes an investigation of the applicant's qualifications and references in accordance with Occupations Code, §2302.105. The investigation will be conducted not later than the 15th day after the date the application is received by the department, and may include a criminal background check.

(b) Report by the department. On completion of the investigation, the department will provide each applicant with a written notification of the results of the investigation in the form of issuance of a license to a qualified applicant or a letter advising of denial of the application. If the application is denied the applicant may appeal the decision as specified in §217.192 of this title (relating to Administrative Sanctions and Procedures).

(c) License issuance. The department will issue a license to an applicant who meets all the license qualifications of §217.184 of this title (relating to Salvage Vehicle Dealer License) or §217.185 of this title (relating to Salvage Vehicle Agent License), as applicable, and pays the required fees.

(1) The license will be issued for a 12-month period.

(2) A license will not be issued in a fictitious name that may be confused with or is similar to that of a governmental entity or that is otherwise deceptive or misleading to the public.

(3) A person whose license has been revoked in accordance with §217.192 will not be issued a new license before the first anniversary of the date of the revocation.

§217.187. Place of Business.

(a) Registration of business locations.

(1) A license applicant who intends to operate as a salvage vehicle dealer at more than one location within a county must:

(A) list each location in the application;

(B) notify the department when acquiring additional locations within that specific county; and

(C) not authorize more than five salvage dealer agents per salvage vehicle dealer license.

(2) A licensed applicant who intends to operate as a salvage vehicle dealer with additional locations in another county will be required to obtain a separate license.

(3) A licensed applicant with additional locations that are operated under a different name will be required to obtain a separate license for each location.

(4) Before moving a place of business or opening an additional place of business, a salvage vehicle dealer must register the new location with the department within 10 days prior to the opening or relocation of the business establishment.

(b) Off-site sales. A salvage vehicle dealer or agent is not permitted to sell or offer for sale salvage or non-repairable vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department.

§217.188. Change of Licensee's Status.

(a) Licensee name change. A licensed salvage vehicle dealer shall notify the department in writing within 10 days if there is a licensee name change. Upon notification of a name change, the department shall indicate the change on the dealer's file. The dealer shall retain the same salvage vehicle dealer license number.

(b) Change of ownership. A salvage vehicle dealer shall notify the department in writing within 10 days if there is any change of ownership. Upon notification of a complete change of ownership, the department will cancel the existing salvage vehicle dealer license. The new owner must qualify for a new salvage vehicle dealer license by submission to the department of a completed application for the new Texas salvage vehicle dealer, and any agents operating under the new salvage vehicle dealer's license.

(c) Change of operating status. A salvage vehicle dealer shall notify the department in writing within 10 days of the closing of any dealer location.

(d) Termination of agent. A salvage vehicle dealer shall notify the department in writing within 10 days of the termination of an agent who was authorized to operate under the salvage vehicle dealer's license.

§217.189. License Renewal.

(a) License expiration. A salvage vehicle dealer license or agent license expires on the first anniversary of the date of issuance. The license may be renewed annually on or before the expiration date with payment of the required renewal fee of \$85.

(b) Renewal application. The department will notify a salvage vehicle dealer or agent at least 30 days before expiration of a license. The notice will be in writing and sent to the person's last known address according to the records of the department.

(c) Non-renewal. If the license is not renewed before the expiration date, a salvage vehicle dealer or agent may not engage in the activities that require the license until the license has been renewed.

(d) Renewal of expired license. An expired license may be renewed under the following conditions.

(1) A license holder may renew a license by paying a renewal fee of \$127.50 if 90 days or fewer have elapsed since the license expired.

(2) A license holder may renew a license by paying a renewal fee of \$170 if more than 90 days have elapsed since the license expired.

(3) A license holder may renew a license by paying a renewal fee of \$170 if the license holder:

(A) resides in another state and has been doing business as a salvage vehicle dealer in that state for at least two years;

(B) provides a certificate or other official document issued by that state that demonstrates the license holder is doing business as a salvage vehicle dealer in that state; and

(C) furnishes the expired Texas license number.

(4) If a license has been expired for a period of one year or longer, the license holder must apply for a new license in the same manner as an applicant for an initial license, except as provided in paragraph (3) of this subsection.

§217.190. Licensee Duties.

(a) Evidence of ownership.

(1) A salvage vehicle dealer must receive a properly assigned certificate of title when acquiring ownership of a non-repairable or salvage motor vehicle.

(2) A salvage vehicle dealer licensed as a used vehicle parts dealer may not receive a motor vehicle unless the dealer first obtains a certificate of authority, sales receipt, or transfer document in accordance with Transportation Code, Chapter 683, or a certificate of title showing that there are no liens on the motor vehicle or that all recorded liens have been released.

(b) Dismantled, scrapped, or destroyed motor vehicle.

(1) A salvage vehicle dealer that acquires ownership of a non-repairable or salvage motor vehicle for the purpose of dismantling, scrapping, or destroying the motor vehicle, shall, not later than the 30th day after the motor vehicle is acquired, submit to the department:

(A) a report, on a form prescribed by the department:

(i) stating that the motor vehicle will be dismantled, scrapped, or destroyed; and

(ii) certifying that all unexpired license plates and registration validation stickers have been removed from the motor vehicle, in accordance with Occupations Code, §2302.252; and

(B) surrender to the department the properly assigned ownership document.

(2) Not later than 60 days after the motor vehicle is dismantled, scrapped, or destroyed, the salvage vehicle dealer shall report to the department and provide evidence that the motor vehicle has been dismantled, scrapped, or destroyed.

(3) The salvage vehicle dealer shall:

(A) maintain records of each motor vehicle that is dismantled, scrapped or destroyed, as provided by §217.191(d) of this title (relating to Record of Purchases, Sales, and Inventory); and

(B) store all unexpired license plates and registration validation stickers removed from those vehicles in a secure location.

(4) The salvage vehicle dealer may destroy the license plates and registration validation stickers to the vehicles reported under paragraph (1)(A) of this subsection upon receipt of the acknowledged report from the department.

(c) Unique inventory number.

(1) A salvage vehicle dealer shall assign a unique inventory number to each transaction in which the dealer purchases or takes delivery of one or more component parts. The unique inventory number shall incorporate:

(A) the salvage vehicle dealer's license number;

(B) the day, month, and year of the purchase or delivery;

and

(C) a sequential log number.

(2) The salvage vehicle dealer shall attach a unique inventory number to the motor vehicle. If a component part is removed, the salvage vehicle dealer shall also attach to that part the unique inventory number of the motor vehicle from which the part was removed. The unique inventory number may not be removed from the component part while the part remains in the inventory of the salvage vehicle dealer.

(3) The salvage vehicle dealer who originally purchases a component part shall retain that part in its original condition on the dealer's business premises. The component part shall be retained for at least three calendar days, excluding Sundays.

(4) The provisions of paragraphs (1) and (2) of this subsection do not apply to a nonoperational engine, transmission, or rear axle assembly purchased by one salvage vehicle dealer from another salvage vehicle dealer or from an automotive-related business.

(5) The provisions of this subsection do not apply to:

(A) interior used component parts or special accessory parts on a motor vehicle more than 10 years of age; or

(B) used component parts delivered by commercial freight lines or commercial carriers.

(d) Sale restrictions.

(1) Water-damaged motor vehicles. A motor vehicle that is classified as a non-repairable motor vehicle or salvage motor vehicle based solely on flood damage may be sold or transferred only as provided by this subsection.

(2) Sale, transfer, or release of non-repairable or salvage motor vehicle. A salvage vehicle dealer or agent may sell, transfer, or release a non-repairable motor vehicle or salvage motor vehicle if a non-repairable or salvage vehicle title or a comparable out-of-state ownership document:

(A) has been issued for the motor vehicle to anyone; or

(B) has not been issued for the motor vehicle, but only to:

(i) an insurance company;

(ii) a governmental entity;

(iii) a licensed salvage vehicle dealer;

(iv) an out-of-state buyer; or

(v) a metal recycler.

(3) Casual sales. A salvage vehicle dealer, including a salvage pool operator who sells motor vehicles, may sell up to five non-repairable or salvage motor vehicles in a casual sale to a person in a calendar year and shall maintain records of each casual sale as provided by §217.191(e).

(4) Export-only sales. A salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, may sell a non-repairable or salvage motor vehicle to a person who resides in a jurisdiction outside the United States only as provided by §217.88(f) of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle) and shall maintain records of each export-only sale as provided by §217.191(f).

§217.191. Record of Purchases, Sales, and Inventory.

(a) Maintenance of records. A salvage vehicle dealer shall maintain a record of each motor vehicle and each used part purchased or sold by the dealer or held in inventory in accordance with Occupations Code, §§2302.202, 2302.252, 2302.254 and 2302.256, Transportation Code, §501.099 and §501.105, and the provisions of this section.

(b) Form of records. Records shall be maintained in a bound book or electronically. If records are maintained electronically, the salvage vehicle dealer shall print paper copies and keep those copies in a secure file. Records shall be maintained for a five-year period. Records shall include:

(1) the date of purchase for the motor vehicle or part;

(2) the name and address of the person selling the motor vehicle or part to the dealer;

(3) a description of the motor vehicle or part, including the model, year, make, and vehicle identification number or part number, if applicable;

(4) the motor vehicle's ownership document number and state of issuance, if applicable;

(5) a copy of the front and back of the ownership document for the motor vehicle or part unless the model year is more than 10 model years older than the current model year;

(6) the date the ownership document was surrendered to the department;

(7) any evidence indicating that the motor vehicle was dismantled, scrapped, or destroyed;

(8) the date of sale; and

(9) the name and address of the person purchasing the motor vehicle or part from the dealer.

(c) Used vehicle parts dealers. A salvage vehicle dealer licensed as a used vehicle parts dealer shall keep, in addition to records required to be kept under subsection (b) of this section, an accurate and legible inventory of each used component part purchased by or delivered to the dealer.

(1) The parts inventory shall include:

(A) the date of purchase or delivery for the part;

(B) the name, age, address, sex, and driver's license number of the seller and a legible photocopy of the seller's driver's license;

(C) the license number of the motor vehicle used to deliver the used component part;

(D) a complete description of the item purchased, including the type of material and, if applicable, the make, model, color, and size of the item; and

(E) the vehicle identification number of the motor vehicle from which the used component part was removed.

(2) Instead of the information required in paragraph (1) of this subsection, a salvage vehicle dealer may record:

(A) the name of the person from which the motor vehicle or part is purchased and the Texas certificate of inventory number or federal taxpayer identification number of the person; or

(B) a record of the motor vehicle from which the part was obtained.

(3) A salvage vehicle dealer is not required to keep records under this subsection for:

(A) interior component parts or special accessory parts on a motor vehicle more than 10 years of age; or

(B) used component parts delivered by commercial freight lines or commercial carriers.

(4) A record of a used component part shall be kept on a form prescribed by the department. A salvage vehicle dealer shall maintain two copies of each record. The copies shall be maintained for one year after the date on which the dealer sells or disposes of the item.

(d) Records of vehicles dismantled, scrapped, or destroyed. A salvage vehicle dealer shall keep, on the dealer's business premises, a

record of each vehicle that is dismantled, scrapped or destroyed, and a photocopy of front and back of any out-of-state evidence of ownership surrendered to the department, until the third anniversary of the date the report was filed with the department in accordance with §217.190(b) of this title (relating to Licensee Duties).

(e) Records of casual sales.

(1) A salvage vehicle dealer must maintain records of each casual sale made during the previous 36 months, as provided by §217.88(e) of this title (relating to Sale, Transfer, or Release of Ownership of a Non-repairable or Salvage Motor Vehicle).

(2) The records must be maintained on the business premises of the salvage vehicle dealer, and the salvage vehicle dealer must make those records available for inspection upon request.

(f) Records of export-only sales.

(1) A salvage vehicle dealer who sells a motor vehicle for export-only shall maintain records of each export-only sale, as provided by §217.88(g), for three years from the date of sale.

(2) The records must be maintained on the business premises of the salvage vehicle dealer, and the salvage vehicle dealer must make those records available for inspection upon request.

§217.192. Administrative Sanctions and Procedures.

(a) Denial of salvage vehicle dealer or agent license. The department shall deny issuance of a salvage vehicle dealer license, if:

(1) all the information required on the application is not complete;

(2) the applicant or any of its owners, officers, or directors made a false statement or material misrepresentation on the application;

(3) the affidavit and business references required by §217.184 of this title (relating to Salvage Vehicle Dealer License) are inadequate due to incomplete information being provided or misrepresentation of applicant's reputation or character;

(4) the applicant or any of its owners, officers, or directors have been convicted of a felony for which less than three years have elapsed since the termination of the sentence, parole, mandatory supervision, or probation;

(5) the applicant's or any of its owners', officers', or directors' previous salvage vehicle dealer or agent license was revoked and the first anniversary of the date of revocation has not occurred; or

(6) the applicant is an immediate family member, such as a spouse, child, parent, grandparent, niece, nephew, uncle, or aunt, of a previously licensed salvage vehicle dealer whose license has been revoked, and the business location is the same as the location of the revoked salvage vehicle dealer.

(b) Suspension or revocation. The department may suspend or revoke a salvage vehicle dealer or agent license if the dealer, including officers and directors if a corporate license, or agent:

(1) fails to maintain purchase, sales, and inventory records as provided in §217.191 of this title (relating to Record of Purchases, Sales, and Inventory);

(2) refuses to permit or fails to comply with a request by a representative of the department or a peace officer to examine, during normal working hours, or while the premises are occupied, the purchase, sales, and inventory records and ownership documents for non-repairable or salvage motor vehicles or used parts owned by that dealer or under that dealer's control;

(3) holds one or more classifications of salvage vehicle dealer or agent licenses and is found to be dealing in another classification for which a license has not been issued to the dealer or agent;

(4) fails to notify the department of a change of address within 10 days after such change;

(5) fails to notify the department of a dealer's name or ownership change within 10 days after such change;

(6) fails to notify the department of the termination of an agent who was authorized to operate under the salvage vehicle dealer's license within 10 days after such termination;

(7) fails to follow the restriction of the sale, transfer, or release of a non-repairable or salvage motor vehicle as provided in §217.190(d) of this title (relating to Licensee Duties);

(8) fails to meet the timeframes and requirements provided in §217.187 of this title (relating to Place of Business);

(9) fails to remain regularly and actively engaged in the business for which the salvage vehicle dealer or agent license is issued;

(10) sells more than five non-repairable or salvage motor vehicles to the same person in a casual sale during a calendar year;

(11) uses or allows use of the dealer's or agent's license or location for the purpose of avoiding the provisions of the salvage vehicle dealer law;

(12) sells or offers for sale non-repairable or salvage motor vehicles or used parts from any location other than a licensed salvage vehicle dealer's business location that has been approved by the department;

(13) is convicted of a felony after initial issuance or renewal of the salvage vehicle dealer or agent license or less than three years have elapsed since the termination of the sentence, parole, mandatory supervision, or probation for a felony conviction of the applicant;

(14) makes a false statement or material misrepresentation in any application or other information filed with the department;

(15) fails to remit payment for administrative penalties imposed by the department under Occupations Code, §2302.354, Administrative Penalty; or

(16) violates any of the provisions of Transportation Code, Chapter 501, Occupations Code, Chapter 2302, or any provisions of this subchapter.

(c) Administrative penalties. The department may impose an administrative penalty on a licensee as authorized in Occupations Code §2302.354 for violations of Chapter 2302 or a rule or order adopted under that chapter.

(d) Suspension or refusal to renew due to failure to pay court ordered child support.

(1) On receipt of a final order suspending a license, issued under Family Code, §232.008, the department will suspend or refuse to renew a dealer's or agent's license issued under this subchapter.

(2) The department will charge an administrative fee of \$10 to a dealer or agent who is the subject of an order suspending license.

(e) Proceedings relating to administrative sanctions. Administrative sanctions may include license denial, suspension, revocation and the imposition of administrative penalties.

(1) Upon determination that a dealer or agent license should be denied, suspended, or revoked, or an administrative penalty

imposed upon a dealer or agent licensee, the department shall mail a Notice of Department Decision to the licensee or license applicant to the last known address of the dealer, agent or license applicant by certified mail.

(A) The Notice of Department Decision shall include:

(i) the reason for each sanction;

(ii) a brief summary of and legal basis for the alleged violation or grounds for denial;

(iii) the effective date of the sanction;

(iv) the right of the dealer, agent or license applicant to request an administrative hearing;

(v) a statement that a suspension or revocation shall also apply to licensed salvage vehicle dealer agents authorized by the dealer;

(vi) a statement as to the procedure for requesting a hearing and rehearing, including the period during which a request must be made; and

(vii) a statement that the proposed sanctions will take effect on the date specified in the Notice of Department Decision if the licensee or license applicant fails to request a hearing.

(B) A request for an administrative hearing under this section must be made in writing and received by the department within 26 days of the date the Notice of Department Decision is mailed by the department.

(2) If timely requested, the department shall set an administrative hearing and give notice of the hearing to the licensee or license applicant. The hearing shall be conducted by an administrative law judge of the State Office of Administrative Hearings.

(3) If the licensee or license applicant does not make a request for hearing or enter into a settlement agreement before the 27th day after the date the Notice of Department Decision is mailed, the matter becomes final in accordance with Government Code, Chapter 2001 (Administrative Procedure Act).

(f) Re-application after revocation of license. A person whose license is revoked may not apply for a new license before the first anniversary of the date of the revocation.

(g) Refund of fees. The department will not refund fees paid by a salvage vehicle dealer or agent if the license is revoked or suspended.

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

Filed with the Office of the Secretary of State on December 8, 2014.

TRD-201405863

David D. Duncan

General Counsel

Texas Department of Motor Vehicles

Earliest possible date of adoption: January 18, 2015

For further information, please call: (512) 465-5665

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