

# ADOPTED RULES

Adopted rules include new rules, amendments to existing rules, and repeals of existing rules. A rule adopted by a state agency takes effect 20 days after the date on which it is filed with the Secretary of State unless a later date is required by statute or specified in the rule (Government Code, §2001.036). If a rule is adopted without change to the text of the proposed rule, then the *Texas Register* does not republish the rule text here. If a rule is adopted with change to the text of the proposed rule, then the final rule text is included here. The final rule text will appear in the Texas Administrative Code on the effective date.

## TITLE 1. ADMINISTRATION

### PART 8. TEXAS JUDICIAL COUNCIL

#### CHAPTER 174. INDIGENT DEFENSE

##### POLICIES AND STANDARDS

##### SUBCHAPTER B. CONTRACT DEFENDER PROGRAM REQUIREMENTS

##### DIVISION 2. APPLICATION OF STANDARDS AND CONTRACTING PROCEDURES

###### 1 TAC §174.11

The Texas Indigent Defense Commission (TIDC) is a permanent Standing Committee of the Texas Judicial Council. TIDC adopts the amendment to §174.11, concerning Contract Defender Program Requirements. The amended section is adopted without changes to the proposed text as published in the July 18, 2025 issue of the *Texas Register* (50 TexReg 4079). The rule will not be republished.

###### EXPLANATION OF AMENDMENT

The adopted amendment to §174.11 requires the court or courts to specify the maximum annual appointed caseloads or workloads for contract defender programs of one week or less in the indigent defense plan. The amendment is adopted because the TIDC finds recurring short-term contracts, often called term assignment systems, to a small number of attorneys lead to an uneven distribution of appointments among available attorneys, as well as excessive caseloads. The adopted amendment is intended to reduce excessive attorney caseloads and lead to a fairer distribution of appointments.

The following comments were received regarding the adoption of the amendments.

Comment: The Deason Criminal Justice Reform Center at SMU's Dedman School of Law supported the proposed amendment. The Center further recommended TIDC go further than the proposed amendment and set uniform statewide maximum attorney caseloads based on the Texas Weighted Caseload Guidelines, rather than leaving limits to individual counties. The Center referred to the fact that TIDC already requires counties accepting certain TIDC grants to follow the caseload limits in the Texas Weighted Caseload Guidelines.

Response: TIDC notes the commenters support for the proposed amendment and also TIDC's intention to research the impact of establishing rules for caseload standards for all contract systems and other indigent defense systems.

Comment: The National Association for Public Defense (NAPD) supported the proposed amendment. NAPD further recom-

mended TIDC to adopt the amendment with a specific cap of 128 felony cases per year, as used by the Harris County Public Defender's Office, to better protect clients' rights and ensure ethical representation.

Response: TIDC notes the commenters support for the proposed amendment and also TIDC's intention to research the impact of establishing rules for caseload standards for all contract systems and other indigent defense systems.

Comment: Stephen Hanlon commented that TIDC should go beyond the proposed amendment and instead adopt the National Public Defense Workload Standards to impose maximum workload standards statewide in all appointed cases with a multi-year phase in.

Response: TIDC intends to research the impact of establishing rules for caseload standards for all contract systems and other indigent defense systems.

###### STATUTORY AUTHORITY

The amendment is adopted under Texas Government Code §79.034(a-1)(8), which authorizes TIDC to develop policies and standards for providing legal representation to indigent defendants under a contract defender program.

No other statutes, articles, or codes are affected by the adopted amendment.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 15, 2025.

TRD-202503263

Wesley Shackelford

Deputy Director

Texas Judicial Council

Effective date: October 5, 2025

Proposal publication date: July 18, 2025

For further information, please call: (737) 279-9208



## TITLE 16. ECONOMIC REGULATION

### PART 8. TEXAS RACING COMMISSION

#### CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION

## SUBCHAPTER C. PROCEEDINGS BY STEWARDS AND RACING JUDGES

### 16 TAC §307.67

The Texas Racing Commission (TXRC) adopts Texas Administrative Code, Title 16, Part 8, Chapter 307, Subchapter C, Proceedings by Stewards, and Racing Judges, §307.67. Appeal to the Commission. This rule is adopted with changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4156) and will be republished. The rule is being adopted with changes to fix a minor typographical error.

#### EXPLANATION AND JUSTIFICATION FOR THE AMENDMENT

The purpose of this rule amendment is to change the procedures, timeline and fine required by a licensee when appealing a ruling to the Commission.

#### PUBLIC COMMENTS

The 30-day comment period ended on August 24, 2025. TXRC drafted and distributed the proposed rule to persons both internal and external to the agency. The proposed rule was published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4157). During this period, the agency received no comments regarding this proposed rule change.

#### COMMISSION ACTION

At its meeting on September 10, 2025, the Commission adopted the proposed rule change as recommended by the Commission at the June 11, 2025 meeting and the Rules Committee meeting, held on March 27, 2025.

#### ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT

The Commission is exempt and not required to take further action under Texas Government Code §2001.0045. The Commission is specifically exempt under Texas Government Code §2001.0045(c)(7).

#### STATUTORY AUTHORITY

The amendments are proposed under Texas Occupations Code §2025.001.

The statutory provisions affected by the adopted rule amendment are those set forth in Texas Occupations Code §2025.001.

#### §307.67. *Appeal to the Commission.*

(a) Right to Appeal. A person aggrieved by a ruling of the stewards may appeal to the Commission. A person who fails to file an appeal by the deadline and in the form required by this section waives the right to appeal the ruling.

(b) Filing Procedure.

(1) An appeal must be in writing in a form prescribed by the executive director. An appeal from a ruling of the stewards must be filed not later than 5:00 p.m. of the third calendar day after the day the person is informed by the stewards of the ruling. An appeal from the modification of a penalty by the executive director must be filed not later than 5:00 p.m. of the fifth calendar day after the person is informed of the penalty modification. The appeal must be post marked by the fifth day after the person is informed of the penalty modification and mailed to: Texas Racing Commission, 1801 N. Congress Ave., Suite 7.600, Austin, Texas 78701.

(2) Record of Stewards' hearing. On notification by the executive director that an appeal has been filed, the stewards shall forward

to the Commission the record of the proceeding being appealed. A person appealing a stewards' ruling may request a copy of the record of the hearing.

(c) Hearing Procedure. A hearing on an appeal from a ruling by the stewards is a contested case and shall be conducted by SOAH in accordance with the Rules regarding contested cases. In an appeal, the appellant has the burden to prove that the stewards' decision was clearly in error.

(d) Effect of Appeal on Fine Payment. If a person against whom a fine has been assessed appeals the ruling that assesses the fine, the person shall pay the fine in accordance with the Rules. The executive director shall place the fine amount into the agency suspense account until such time that the appeal is final. If the appeal is disposed of in favor of the appellant, the executive director shall refund the amount of the fine.

(e) Effect of Appeal on Purse Payment. If a ruling that affects the outcome of a race is appealed, the portion of the purse that is involved in the appeal shall be withheld and not distributed. The stewards may distribute the portion of the purse that is not involved in or affected by the outcome of the appeal.

(f) Effect of Appeal on Horse Eligibility. If an appeal involves the official order of finish in a horse race, all horses finishing first or declared to be the winner by the stewards carry all penalties of eligibility until the winner is determined through the final resolution of the appeal.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 18, 2025.

TRD-202503308

Amy F. Cook

Executive Director

Texas Racing Commission

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Proposal publication date: July 25, 2025

For further information, please call: (512) 833-6699



## TITLE 22. EXAMINING BOARDS

### PART 17. TEXAS STATE BOARD OF PLUMBING EXAMINERS

#### CHAPTER 363. EXAMINATION AND REGISTRATION

##### 22 TAC §363.4

The Texas State Board of Plumbing Examiners (Board) adopts the amendment to 22 Texas Administrative Code (TAC), Chapter 363, §363.4 which qualifies a journeyman plumber to take the examination for a master plumber's license with two years of journeyman work experience.

The rule is adopted without changes to the proposed text published in the July 11th, 2025, issue of the *Texas Register* (50 TexReg 3985.) The rule will not be republished.

#### REASONED JUSTIFICATION FOR THE RULE

The Texas Occupations Code, Chapter 1301 (Plumbing License Law or PLL) was amended by House Bill 3214 (H.B. 3214), 89th Texas Legislature, Regular Session, 2025. The proposed rule implements a statutory change made by H.B. 3214.

H.B. 3214 amended the Plumbing License Law to reduce the minimum required work experience as a journeyman plumber to qualify for a master plumber license. Under this bill, a journeyman plumber may qualify to take the examination for a master plumber's license with two years of journeyman work experience. The bill addressed a shortage of skilled plumbers in Texas by streamlining the path to becoming a master plumber, allowing capable professionals to advance more quickly and meet growing demand in the plumbing industry.

#### SECTION-BY-SECTION SUMMARY

The proposed rule amends the existing rule by reducing the years of experience a journeyman plumber must hold a license to qualify to take the master plumber's licensing exam from four years to two years.

#### SUMMARY OF COMMENT

No comment was received on the published rule amendment.

#### STATUTORY AUTHORITY

The rule is adopted under the authority of House Bill 3214 (H.B. 3214), 89th Texas Legislature, Regular Session, 2025 which amended the Plumbing License Law to reduce the minimum required work experience as a journeyman plumber from four years to two years in order to qualify for a master plumber license, and §1301.251(2) of the Occupations Code, which requires the Board to adopt and enforce rules necessary to administer and enforce the Plumbing License Law.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 22, 2025.

TRD-202503391

Patricia Latombe

General Counsel

Texas State Board of Plumbing Examiners

Effective date: October 12, 2025

Proposal publication date: July 11, 2025

For further information, please call: (512) 936-5216



## PART 22. TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

### CHAPTER 511. ELIGIBILITY

#### SUBCHAPTER C. EDUCATIONAL REQUIREMENTS

##### 22 TAC §511.51

The Texas State Board of Public Accountancy adopts an amendment to §511.51 concerning Educational Definitions, with changes to the proposed text as published in the July 25,

2025 issue of the *Texas Register* (50 TexReg 4175) and will be republished.

Some schools use the term "upper level accounting or business courses" and others use the term "upper division accounting or business courses". This amendment makes it clear that both are accepted as having the same meaning in the Board's rules.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

#### §511.51. Educational Definitions.

(a) The following words and terms extracted from rules promulgated by the Texas Higher Education Coordinating Board, shall have the following meanings for this chapter, unless the context clearly indicates otherwise.

(1) "Accelerated courses" means courses delivered in shortened semesters which are expected to have the same number of contact hours and the same requirement for out-of-class learning as courses taught in a normal semester.

(2) "Contact hour" means a time unit of instruction used by institutions of higher education consisting of 60 minutes, of which 50 minutes must be direct instruction.

(3) "Non-traditionally-delivered course" means a course that is offered in a non-traditional way and does not meet the definition of contact hours.

(4) "Semester" means and normally shall include 15 weeks for instruction and one week for final examination or a total of 16 weeks instruction and examination combined.

(5) "Semester credit hour" means a unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction, over a 15-week period in a semester system or a 10-week period in a quarter system.

(6) "Traditionally-delivered three semester-credit-hour course" or "traditional course" means a course containing 15 weeks of instruction (45 contact hours) plus a week for final examinations so that such a course contains 45-48 contact hours depending on whether there is a final exam.

(b) The following words and terms shall have the following meanings.

(1) "Recognized community college" means a Texas community college or campus of the community college that holds the designation 'Qualifying Educational Credit for the CPA Examination' awarded by the board.

(2) "Extension and correspondence school" means a program within an institution that offers courses that are not equivalent to courses offered in an academic department at the institution and the courses are not listed on an official transcript from the institution.

(3) "Institution" or "Institution of Higher Education" means any U.S. public or private senior college or university which confers a baccalaureate or higher degree to its students completing a program of study required for the degree.

(4) "Independent study" means academic work selected or designed by the student with the pre-approval of the appropriate depart-

ment or a college or university under faculty supervision. This work typically occurs outside of the regular classroom structure.

(5) "Internship" means faculty pre-approved and appropriately supervised short-term work experience, usually related to a student's major field of study, for which the student earns academic credit.

(6) "Proprietary organization" means a CPA review course provider.

(7) "Quarter credit hour" is the unit of measurement based upon an institution of higher education system that divides the academic year into three equal sessions of 10 to 11 weeks. A quarter credit hour represents proportionately less work than a semester hour because of the shorter session and is counted as 2/3 of a semester credit hour for each hour of credit.

(8) "Reporting institution" means the institution of higher education in the state that serves as the clearinghouse for educational institutions of higher education in Texas. Currently, the University of Texas-Austin is the reporting institution for the state of Texas.

(9) "SACS" means the Southern Association of Colleges and Schools-Commission on Colleges.

(10) "THECB" means the Texas Higher Education Coordinating Board.

(11) "Transcript," "Official Transcript" or "Official Educational Document" means a document prepared by an institution that contains a record of the academic coursework offered by an academic department that a student has taken, grades and credits earned, and degrees awarded. The document is printed on paper bearing a watermark specific to the institution and is embossed with the institution's seal, date and the signature of the Registrar who is responsible for certifying coursework and degrees. The document may be provided electronically from the institution or its authorized agent.

(12) "UCPAE" means the Uniform Certified Public Accountant Examination prepared and graded by the American Institute of Certified Public Accountants.

(13) "Upper Division Accounting Course" or "Upper Level Accounting Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

(14) "Upper Division Business Course" or "Upper Level Business Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

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J. Randel (Jerry) Hill  
General Counsel  
Texas State Board of Public Accountancy  
Effective date: October 9, 2025  
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For further information, please call: (512) 305-7842

## 22 TAC §511.52

The Texas State Board of Public Accountancy adopts an amendment to §511.52 concerning Recognized Institutions of Higher Education, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4177). The rule will not be republished.

The amendment is a grammatical change.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## 22 TAC §511.53

The Texas State Board of Public Accountancy adopts an amendment to §511.53 concerning Evaluation of International Education Documents, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4178) and will be republished.

The amendment relocates Board Rule §511.59 to Rule §511.56 for a better fit, eliminates Board Rule §511.60 which is outdated and no longer effective, and revises Board Rule §511.59 to provide for the 120-semester credit hour path-way to certification.

As a result of comments received eliminating 511.60 and the revision to 511.59 the title was required to be corrected.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

§511.53. *Evaluation of International Education Documents.*

(a) It is the responsibility of the board to confirm that education obtained at colleges and universities outside of the United States (international education) is equivalent to education earned at board-recognized institutions of higher education in the U.S.

(b) The board shall use, at the expense of the applicant, the services of the University of Texas at Austin, Graduate and International Admissions Center, to validate, review, and evaluate international education documents submitted by an applicant to determine if the courses taken and degrees earned are substantially equivalent to those offered by the board-recognized institutions of higher education

located in the U.S. The evaluation shall provide the following information to the board:

(1) Degrees earned by the applicant that are substantially equivalent to those conferred by a board-recognized institution of higher education in the U.S. that meets §511.52 of this chapter (relating to Recognized Institutions of Higher Education);

(2) The total number of semester hours or quarter hour equivalents earned that are substantially equivalent to those earned at U.S. institutions of higher education;

(3) The total number of semester hours or quarter hour equivalents earned in accounting coursework that meets §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE);

(4) An analysis of the title and content of courses taken that are substantially equivalent to courses listed in §511.57 of this chapter; and

(5) The total number of semester hours or quarter hour equivalents earned in business coursework that meets §511.58 of this chapter (relating to Related Business Subjects).

(c) The University of Texas at Austin, Graduate and International Admissions Center, may use the American Association of Collegiate Registrars and Admissions Officers (AACRAO) material, including the Electronic Database for Global Education (EDGE), in evaluating international education documents.

(d) Other evaluation or credentialing services of international education are not accepted by the board.

(e) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

- (1) American College Education (ACE);
- (2) Prior Learning Assessment (PLA);
- (3) Defense Activity for Non-Traditional Education Support (DANTES);
- (4) Defense Subject Standardized Test (DSST); and
- (5) StraighterLine.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TRD-202503366

J. Randel (Jerry) Hill

General Counsel

Texas State Board of Public Accountancy

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For further information, please call: (512) 305-7842



## 22 TAC §511.54

The Texas State Board of Public Accountancy adopts an amendment to §511.54 concerning Recognized Texas Community Colleges, with changes to the proposed text as published in the July

25, 2025 issue of the *Texas Register* (50 TexReg 4180) and will be republished.

The amendment eliminates the no longer effective Board Rule §511.60, incorporates the statutory language "Courses in an Accounting Concentration to take the UCPAE" for certification, and incorporates the three semester hour ethics course offered at community colleges for individuals studying to become certified through the 120-hour pathway.

These changes were made in response to comments which required clarification of the standards affected.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

### §511.54. *Recognized Texas Community Colleges.*

(a) An applicant who has completed a baccalaureate or higher degree from a board recognized institution of higher education based on the requirements of §511.52 of this chapter (relating to Recognized Institutions of Higher Education), may enter into a course of study at a board recognized Texas community college to complete the educational requirements of §§511.57, and 511.58 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects).

(b) The board recognizes and accepts Texas community colleges that meet board standards for a comprehensive academic program based on the educational requirements of §§511.57, and 511.58 of this chapter.

(c) Effective August 1, 2015, the standards include at a minimum all, but are not limited to, the following:

(1) The Texas community college must be accredited by SACS.

(2) Academic accounting and business courses recognized as meeting §§511.57, and 511.58 of this chapter are deemed by the board as equivalent to upper level coursework at an institution of higher education and must contain a rigorous curriculum that is similar to courses offered in a baccalaureate degree program at a university. Accounting, business, and ethics courses must be developed by a group of full time accounting faculty members and approved by the board prior to offering to students. Modifications to an approved course must be reconsidered by the board prior to offering to students.

(3) Academic courses meeting §§511.57, and 511.58 of this chapter must be taken after completing a baccalaureate degree.

(4) The Texas community college must offer at least:

(A) 30 semester hours of academic accounting courses meeting §511.57 of this chapter; and

(B) 24 semester hours of academic business courses meeting §511.58 of this chapter.

(5) The Texas community college designates an accounting faculty member(s) who is responsible for:

(A) managing the comprehensive academic program at all campuses;

(B) selecting and training qualified faculty members to teach the program courses and regularly evaluating their effectiveness in the classroom;

(C) establishing and maintaining a rigorous program curriculum;

(D) establishing and maintaining a process for advising and guiding students through the program; and

(E) providing annual updates to the board on the status of the academic program.

(6) Faculty members at a community college recognized and accepted by the board must have the following credentials to teach academic courses meeting §§511.57, and 511.58 of this chapter:

(A) Doctorate or master's degree in the teaching discipline; or

(B) Master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline).

(7) At least three-fourths of the faculty members who are responsible to teach academic courses meeting §511.57 of this chapter must hold a current CPA license.

(8) Faculty members will comply with the established educational definitions in §511.51 of this chapter (relating to Educational Definitions).

(9) The Texas community college will provide ongoing professional development for its faculty as teachers, scholars, and CPA practitioners.

(10) The Texas community college will make available to students a resource library containing current online authoritative literature to support the academic courses meeting §§511.57, and 511.58 of this chapter, and will incorporate the online authoritative literature in accounting courses.

(d) A community college recognized and accepted by the board under this provision must be reconsidered by the board on the fifth-year anniversary of the approval. Information brought to the attention of the board by a student or faculty member of the Texas community college that indicates non-compliance with the standards may cause the board to accelerate reconsideration.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Texas State Board of Public Accountancy

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For further information, please call: (512) 305-7842



## 22 TAC §511.56

The Texas State Board of Public Accountancy adopts an amendment to §511.56 concerning Educational Qualifications under the Act to take the UCPAE, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4181) and will be republished.

The amendment publishes the criteria for certification through July 31, 2026 and the criteria for the additional pathway created in the Public Accountancy Act effective August 1, 2026.

Comments were received regarding a better understanding of the standards. The revisions clarify the requirements of certification with a bachelor's degree.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

§511.56. *Educational Qualifications under the Act to take the UCPAE.*

(a) An applicant for the UCPAE under the current Act shall meet the following educational requirements in order to qualify to take the examination:

(1) hold a baccalaureate or graduate degree conferred by an institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) recognized by the board; and

(2) complete at least 120 semester hours or quarter-hour equivalents of courses consisting of:

(A) effective through July 31, 2026, at least 21 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE);

(B) effective August 1, 2026, at least 24 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter; and

(C) at least 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Related Business Subjects).

(b) An individual holding a baccalaureate degree conferred by a board-recognized institution of higher education, as defined by §511.52 of this chapter, and who has not completed the requirements of this section shall meet the requirements by taking coursework in one of the following ways:

(1) complete upper level or graduate courses at a board-recognized institution of higher education as defined in §511.52 of this chapter that meets the requirements of subsection (a)(2)(A) and (B) of this section; or

(2) enroll in a board-recognized community college as defined in §511.54 of this chapter (relating to Recognized Texas Community Colleges) and complete board approved accounting or business courses that meet the requirements of subsection (a)(2)(A) and (B) of this section. Only specified accounting and business courses that are approved by the board will be accepted as not all courses offered at a community college are accepted.

(c) The following courses, courses of study, certificates, and programs may not be used to meet the 120-semester hour requirement:

(1) remedial or developmental courses offered at an institution of higher education; and

(2) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

- (A) American College Education (ACE);
- (B) Prior Learning Assessment (PLA);
- (C) Defense Activity for Non-Traditional Education Support (DANTES);
- (D) Defense Subject Standardized Test (DSST); and
- (E) StraighterLine.

(d) The hours from a course that has been repeated will be counted only once toward the requirements of subsection (a)(2) of this section.

(e) An applicant for the UCPAE who met the educational requirements of §511.57 and §511.58 of this chapter that were in effect at the time of examination shall continue to be examined under those requirements unless the applicant elects to meet the current education requirements of the rules, in effect on August 1, 2026.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

TRD-202503368

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Texas State Board of Public Accountancy

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For further information, please call: (512) 305-7842



## 22 TAC §511.57

The Texas State Board of Public Accountancy adopts an amendment to §511.57 concerning Qualified Accounting Courses to take the UCPAE, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4183) and will be republished.

The amendment eliminates the no longer effective Board Rule §511.60 and incorporates the dates for existing criteria for certification and the added criteria for the new pathway toward certification. It also makes it clear that the effective date for certification with a baccalaureate degree is effective beginning after July 31, 2026.

A comment was received questioning the requirement of 21 hours to sit for the exam. The proposed revision makes it clear that there must be at least 21 hours to sit for the exam and that an individual that had initially applied to sit for the exam at 150 hours could sit.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

*§511.57. Courses in an Accounting Concentration to Take the UC-PAE.*

(a) Effective through July 31, 2026, an applicant shall meet the board's accounting course requirements in one of the following ways:

(1) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) and present official transcript(s) from board-recognized institution(s) that show degree credit for at least 21 semester credit hours of upper division accounting courses as defined in subsections (d) and (e) of this section; or

(2) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter, and after obtaining the degree, complete the requisite 21 semester credit hours of upper division accounting courses, as defined in subsections (d) and (e) of this section, from four-year degree granting institutions, or accredited community colleges, provided that all such institutions are recognized by the board as defined by §511.52 or §511.54 of this chapter (relating to Recognized Texas Community Colleges).

(b) Credit for hours taken at board-recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit received under the quarter system.

(c) The board will accept at least 21 semester credit hours of accounting courses from the courses listed in subsections (d) and (e) of this section. The hours from a course that has been repeated will be counted only once toward the required 21 semester hours. The courses must meet the board's standards by containing sufficient accounting knowledge and application to be useful to candidates taking the UC-PAE. A board-recognized institution of higher education must have accepted the courses for purposes of obtaining a baccalaureate or higher degree or its equivalent, and they must be shown on an official transcript.

(d) The subject-matter content should be derived from the UC-PAE Blueprint. A minimum of 12 semester hours with at least three semester hours in each of the following accounting course content areas is required:

- (1) financial accounting and reporting for business organizations or intermediate accounting;
- (2) financial statement auditing;
- (3) taxation; and
- (4) accounting information systems or accounting data analytics.

(e) A minimum of 9 hours in any of the following accounting course content areas is required:

- (1) up to 6 semester credit hours of additional financial accounting and reporting for business organizations or intermediate accounting;
- (2) advanced accounting;
- (3) accounting theory;
- (4) managerial or cost accounting (excluding introductory level courses);
- (5) auditing and attestation services;
- (6) internal accounting control and risk assessment;
- (7) financial statement analysis;
- (8) accounting research and analysis;
- (9) up to 9 semester credit hours of taxation (including tax research and analysis);

(10) financial accounting and reporting for governmental and/or other nonprofit entities;

(11) up to 9 semester credit hours of accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;

(12) up to 9 semester credit hours of accounting data analytics, provided the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting; business data analytics may be considered provided the courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting; (while data analytics tools may be taught in the courses, application of the tools should be the primary objective of the courses);

(13) fraud examination;

(14) international accounting and financial reporting;

(15) mergers and acquisitions;

(16) financial planning;

(17) at its discretion, the board may accept up to three semester hours of credit of accounting course work with substantial merit in the context of a career in public accounting, provided the course work is predominantly accounting or auditing in nature but not included in paragraphs (1) - (16) of this subsection. For any course submitted under this provision, the Accounting Faculty Head or Chair must affirm to the board in writing the course's merit and content; and

(18) at its discretion, the board may accept up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision. The curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed.

(f) The following types of introductory courses do not meet the accounting course definition in subsections (d) and (e) of this section:

(1) elementary accounting;

(2) principles of accounting;

(3) financial and managerial accounting;

(4) introductory accounting courses; and

(5) accounting software courses.

(g) Any CPA review course offered by an institution of higher education or a proprietary organization shall not be used to meet the accounting course definition.

(h) CPE courses shall not be used to meet the accounting course definition.

(i) An ethics course required in §511.58(c) of this chapter (relating to Related Business Subjects) shall not be used to meet the accounting course definition in subsections (d) and (e) of this section.

(j) Accounting courses completed through an extension school of a board recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(k) The board may review the content of accounting courses and determine if they meet the requirements of this section.

(l) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) Straighterline.

(m) Effective August 1, 2026, to take the UCPAE, a minimum of 12 semester hours of upper level accounting courses, with at least three semester hours from each of subparagraphs (1) through (4) of this subsection, must be completed at a board-recognized institution of higher education and shown on an official transcript from the institution:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) financial statement auditing;

(3) taxation; and

(4) accounting information systems or accounting data analytics.

(n) In addition to subsection (m) of this section, a minimum of 12 hours in any of the following upper level accounting course content areas must be completed at a board-recognized institution of higher education and shown on an official transcript from the institution, provided the course was not used to meet subsection (m) of this section:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) advanced accounting;

(3) accounting theory;

(4) managerial or cost accounting (excluding introductory level courses);

(5) auditing and attestation services;

(6) internal accounting control and risk assessment;

(7) financial statement analysis;

(8) accounting research and analysis;

(9) taxation (including tax research and analysis);

(10) financial accounting and reporting for governmental and/or other nonprofit entities;

(11) accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;

(12) accounting data analytics;

(13) fraud examination;

(14) international accounting and financial reporting;

(15) mergers and acquisitions;

(16) financial planning; and



(17) up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision. The curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed.

(o) The board may review the content of accounting courses to determine if they meet the requirements of subsections (m) and (n) of this section, and to determine if courses contain sufficient accounting knowledge and application to be useful to candidates taking the UC-PAE.

(p) A course that was repeated will be counted only once to meet the requirements of subsections (m) and (n) of this section.

(q) Credit for hours taken at board-recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit received under the quarter system.

(r) The board may accept up to three semester hours of credit of accounting course if:

(1) the course work has substantial merit in the context of a career in public accounting;

(2) the course work is predominantly accounting or auditing in nature but not included in subsections (m) and (n) of this section; and

(3) the merit and content of the course submitted under this subsection is affirmed by the Accounting Faculty Head or Chair at the educational institution where the course was completed.

(s) The following types of courses do not meet the accounting course definition in subsections (m), (n) and (r) of this section:

(1) elementary accounting;

(2) principles of accounting;

(3) financial and managerial accounting;

(4) introductory accounting courses;

(5) accounting software courses;

(6) any CPA review course offered by an institution of higher education or a proprietary organization;

(7) CPE courses; and

(8) an ethics course required in §511.58 of this chapter.

(t) Accounting courses completed through an extension school of a board-recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(u) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) Straighterline.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## 22 TAC §511.58

The Texas State Board of Public Accountancy adopts an amendment to §511.58 concerning Definitions of Related Business Subjects to take the UCPAE, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4186) and will be republished.

The amendment changes the rule to require at least 21 hours of upper level courses to sit for the UCPAE with no more than six credit hours in any of the listed subjects and a course that is repeated may only be counted as once toward the 21-hour requirement.

Two comments were received supporting the proposed revision.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

§511.58. *Related Business Subjects.*

(a) Related business courses are those business courses that a board recognized institution of higher education accepts for a business baccalaureate or higher degree by that educational institution.

(b) The board will accept a minimum of 21 credit hours of upper level courses (for the purposes of this subsection, economics and statistics at any college level will count as upper level courses) as related business subjects, taken at a recognized educational institution shown on official transcripts or accepted by a recognized educational institution for purposes of obtaining a baccalaureate degree or its equivalent, in the following areas.

(1) business law, including study of the Uniform Commercial Code;

(2) economics;

(3) management;

(4) marketing;

(5) business communications;

(6) statistics and quantitative methods;

(7) information systems or technology;

(8) finance and financial planning;

(9) data analytics, data interrogation techniques, cyber security and/or digital acumen in the accounting context;

(10) no more than 6 credit semester hours of upper level business or accounting internship taken at a Board recognized educational institution of higher education; and

(11) other areas related to accounting.

(c) The Board requires a three semester hour accounting or business ethics course that includes a framework of ethical reasoning, including the core values of integrity, objectivity, and independence, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession and shall include the ethics rules of the AICPA and the SEC. The course may be taken to meet the education requirements of §511.56 of this chapter (related to Educational Qualifications under the Act to take the UCPAE); or the certification requirements of §511.59 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours); or §511.164 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 150 Semester Hours).

(d) The board may review the content of business courses and determine if they meet the requirements of this section.

(e) Credit for hours taken at recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.

(f) A course that was repeated will be counted only once to meet the requirements of this section.

(g) Related business courses completed through and offered by an extension school, correspondence school, or continuing education program of a board recognized educational institution may be accepted by the board, provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(h) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

- (1) American College Education (ACE);
- (2) Prior Learning Assessment (PLA);
- (3) Defense Activity for Non-Traditional Education Support (DANTES);
- (4) Defense Subject Standardized Test (DSST); and
- (5) StraighterLine.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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22 TAC §511.59

The Texas State Board of Public Accountancy adopts an amendment to §511.59 concerning Definitions of 120 Semester Hours to take the UCPAE, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4187) and will be republished.

The amendment establishes the criteria for certification with the 120-hour pathway effective August 1, 2026. It requires 27 upper level hours of accounting courses and a three-semester hour board-approved standalone course in accounting or business ethics taken at a board-recognized educational institution.

One comment recommended the addition of the 3-hour ethics requirement to become licensed. The proposed rule does not propose an additional 3-hour ethics course as proposed.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

*§511.59. Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours.*

(a) Effective August 1, 2026, an applicant who meets the education requirements of §§511.56, 511.57 and 511.58 of this chapter (relating to Educational Qualifications under the Act to take the UCPAE, Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects), may elect to qualify for CPA certification by completing the requirements in subsections (b) and (c) of this section.

(b) An applicant for CPA certification under this section shall complete upper level accounting courses as defined by §511.57 of this chapter equal to or in excess of 27 semester hours or quarter-hour equivalents of upper level accounting courses.

(c) The work experience shall be at least two years of full time, non-routine accounting experience as defined by §511.122 and §511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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22 TAC §511.60

The Texas State Board of Public Accountancy adopts a repeal to §511.60 concerning Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4189) and will not be republished.

The repeal deletes Board Rule §511.60 which automatically expired by board rule on January 1, 2024.

No comments were received regarding adoption of the amendment.

The repeal is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

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## SUBCHAPTER H. CERTIFICATION

### 22 TAC §511.164

The Texas State Board of Public Accountancy adopts an amendment to §511.164 concerning Definition of 150 Semester Hours to Qualify for Issuance of a Certificate, with changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4190). The rule will be republished.

These revisions clarify the criteria for certification with 150 approved semester hours and the criteria effective beginning August 1, 2026.

A comment was received that did not support the addition of a three-hour ethics course. The board has clarified that the rule does not require an additional 3-hour ethics course.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

*§511.164. Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours.*

(a) To qualify for the issuance of a CPA certificate, an applicant must hold at a minimum a baccalaureate degree, conferred by a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education), and have completed the board-recognized coursework identified in paragraphs (1), or (2), and (3) - (5) this section:

(1) effective through July 31, 2026, at least 27 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE) to include a minimum of two semester credit hours in research and analysis;

(2) effective August 1, 2026, at least 30 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter;

(3) no fewer than 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Related Business Subjects);

(4) although not required to meet subsection (a)(5) of this section, the board may accept not more than six hours or quarter hour equivalents of CPA review coursework completed at a board-recognized institution of higher education; and

(5) academic coursework at an institution of higher education as defined by §511.52 of this chapter, when combined with paragraphs (1) - (4) of this subsection meets or exceeds 150 semester hours. An applicant who has met paragraphs (1) - (3) of this subsection may use a maximum of 9 total semester credit hours of undergraduate or graduate independent study and/or internships as defined in §511.51(b)(4) or §511.51(b)(5) of this chapter (relating to Educational Definitions) to meet this paragraph. The courses shall consist of:

(A) a maximum of three semester credit hours of independent study courses; and

(B) a maximum of six semester credit hours of accounting/business course internships including the coursework used to meet §511.58 of this chapter (relating to Related Business Subjects).

(b) The following courses, courses of study, certificates, and programs may not be used to meet the 150 semester hour requirement:

(1) remedial or developmental courses offered at an educational institution; and

(2) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirement of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(c) The hours from a course that has been repeated will be counted only once toward the required semester hours.

(d) The work experience shall be at least one year of full time non-routine accounting experience as defined by §511.122 and §511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 512. CERTIFICATION BY RECIPROCITY

### 22 TAC §512.1

The Texas State Board of Public Accountancy adopts an amendment to §512.1 concerning Certification as a Certified Public Accountant by Reciprocity, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4191) and will not be republished.

The National Qualifications Appraisal Services (NQAS) of NASBA has had the responsibility to determine if another jurisdiction has substantially equivalent licensing requirements as Texas. That responsibility has been removed from the Texas Public Accountancy Act during the recent legislative session by SB 522. The revisions to §512.1 reflect that legislative revision.

No comments were received on 512.1.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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### 22 TAC §512.2

The Texas State Board of Public Accountancy adopts a repeal to §512.2 concerning NASBA Verified Substantially Equivalent Jurisdictions, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4193) and will not be republished.

The Board is adopting the language in §512.2 that addresses the role of the National Qualifications Appraisal Services to be repealed since that responsibility has been removed by the Texas Legislature.

No comments were received regarding repeal of the amendment.

The repeal is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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### 22 TAC §512.4

The Texas State Board of Public Accountancy adopts an amendment to §512.4 concerning Application for Certification by Reciprocity, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4194) and will not be republished.

With the removal of the responsibility of determining the substantial equivalency of out of state regulatory programs from the National Qualifications Appraisal Services, language is being removed from §512.4 to reflect that legislative directive.

One comment was received that supported the proposed revision to §512.4.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

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## CHAPTER 513. REGISTRATION SUBCHAPTER B. REGISTRATION OF CPA FIRMS

## 22 TAC §513.11

The Texas State Board of Public Accountancy adopts an amendment to §513.11 concerning Qualifications for Non-CPA Owners of Firm License Holders, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4195). The rule will not be republished.

The Board is amending §513.11 to make it clear that a non-CPA firm owner must be a Texas resident. This is a statutory requirement.

One comment was received regarding language in the preamble that stated a non-CPA firm owner must be a Texas Resident. The preamble was revised to correct that statement.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 515. LICENSES

### 22 TAC §515.8

The Texas State Board of Public Accountancy adopts an amendment to §515.8 concerning Retired or Disability Status, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4197) and will not be republished.

A licensee taking retired status may not be associated with the practice of public accountancy. The adopted rule makes it clear, however, that a retired CPA may verify the work experience requirement of a candidate to become a CPA if the experience was received when the retired CPA was not retired.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

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## CHAPTER 517. PRACTICE BY CERTAIN OUT OF STATE FIRMS AND INDIVIDUALS

### 22 TAC §517.2

The Texas State Board of Public Accountancy adopts an amendment to §517.2 concerning Practice by Certain Out of State Individuals, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4198). The rule will not be republished.

The Board Amends the rule to:

1. delete the reference to the National Qualifications Appraisal Services, which language the legislature removed from the Act;
2. clarify that the Board will allow licensees to practice in Texas without a reciprocal license, in order to provide for "mobility", so long as the state they are licensed in has substantially the same licensing requirements as Texas;
3. reflect that if an out of state licensee held the substantially equivalent out of state license on December 31, 2024, the licensee would be permitted to practice under mobility without a reciprocal license. This protects those licensed out of state on that date, if the state they were originally licensed in, is subsequently determined to not have substantially equivalent licensing requirements.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 523. CONTINUING PROFESSIONAL EDUCATION  
SUBCHAPTER B. CONTINUING PROFESSIONAL EDUCATION RULES FOR INDIVIDUALS

**22 TAC §523.112**

The Texas State Board of Public Accountancy adopts an amendment to §523.112 concerning Required CPE Participation, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4200) and will not be republished.

The Board revises Board §523.112 to clarify that an applicant for reinstatement must have at least 120 hours of CPE within the last 36 months from the date of the application for reinstatement with 20 of those continuing professional education (CPE) hours having been completed within the 12 months preceding the application for reinstatement.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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**22 TAC §523.113**

The Texas State Board of Public Accountancy adopts an amendment to §523.113 concerning Exemptions from CPE, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4201) and will not be republished.

The Board is amending §523.113 to clarify that a faculty member is not considered to be in the practice of public accountancy when the faculty member only provides instruction in accounting courses. The faculty member loses this exemption from continuing professional education (CPE) and licensing when holding out to be a CPA when providing his expertise as a CPA while not providing instruction in accounting outside of the educational course work setting.

One comment was received stating that faculty members institutions of higher education should not be exempted from CPE.

The board is required to exempt faculty members of institutions of higher by Section 901.003 of the Texas Public Accountancy Act.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

TRD-202503381  
J. Randel (Jerry) Hill  
General Counsel  
Texas State Board of Public Accountancy  
Effective date: October 9, 2025  
Proposal publication date: July 25, 2025  
For further information, please call: (512) 305-7842



**22 TAC §523.118**

The Texas State Board of Public Accountancy adopts an amendment to §523.118 concerning Limitations of Courses, without changes to the proposed text as published in the July 25, 2025 issue of the *Texas Register* (50 TexReg 4203) and will not be republished.

The adopted rule revision limits the total number of hours a licensee may apply toward one certification program to 20 hours. (An example of a certification program is Certified Financial Planner). It also limits the total number of continuing professional education (CPE) credits from a certification program to no more than 50 per cent of the total CPE credits applied in a three-year reporting period.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by the adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

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J. Randel (Jerry) Hill  
General Counsel  
Texas State Board of Public Accountancy  
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Proposal publication date: July 25, 2025  
For further information, please call: (512) 305-7842

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## TITLE 25. HEALTH SERVICES

### PART 1. DEPARTMENT OF STATE HEALTH SERVICES

#### CHAPTER 97. COMMUNICABLE DISEASES

##### SUBCHAPTER B. IMMUNIZATION REQUIREMENTS IN TEXAS ELEMENTARY AND SECONDARY SCHOOLS AND INSTITUTIONS OF HIGHER EDUCATION

###### 25 TAC §97.62, §97.64

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Department of State Health Services (DSHS), adopts amendments to §97.62, concerning Exclusions from Compliance and §97.64, concerning Required Vaccinations and Exclusions for Students Enrolled in Health-related and Veterinary Courses in Institutions of Higher Education.

Section 97.62 is adopted with changes to the proposed text as published in the August 15, 2025, issue of the *Texas Register* (50 TexReg 5300). This rule will be republished.

Section 97.64 is adopted without changes to the proposed text as published in the August 15, 2025, issue of the *Texas Register* (50 TexReg 5300). This rule will not be republished.

###### BACKGROUND AND JUSTIFICATION

The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by House Bill (HB) 1586, 89th Legislature, Regular Session, which requires the department to develop a blank affidavit form to be used by a person claiming an exemption from a required immunization and make the affidavit form available on the DSHS website. DSHS has posted a blank affidavit form on the website for a person to download and submit to their child-care facility, school, or institution of higher education, including students enrolled in health-related and veterinary courses.

The amendments allow individuals to print these documents themselves (or request that DSHS send them a blank affidavit, which does not need to be printed on the security sealed paper).

To comply with HB 1586 implementation guidelines beginning with the 2025-2026 school year, a proposal was published in the July 4, 2025, issue of the *Texas Register* (50 TexReg 3854). DSHS withdrew that rule proposal to ensure the language from HB 1586 and related statutes were properly reflected in the Texas Administrative Code. The notice stating the withdrawal was published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4411). A revised proposal was published in the August 15, 2025, issue of the *Texas Register* (50 TexReg 5300). DSHS now adopts these amendments.

###### COMMENTS

The 14-day comment period ended August 29, 2025.

During this period, DSHS received comments from 96 commenters regarding the proposed rule amendments, including one from The Immunization Partnership (TIP), two from Texans for Vaccine Choice (TFVC), one from Ector County Health

Department, one from Andrews County Health Department, two from Pfizer, one from American Samoa Government Department of Health, two from Cherokee County Public Health, one from District Nurse at Sabinal Independent School District (ISD), one from Elementary School Nurse at Cypress-Fairbanks ISD, one from ProAction/Immunize El Paso, one from Houston Health Department, and 82 from individuals. A summary of comments relating to §97.62 and §97.64 and DSHS's responses follows.

**Comment:** Concerning §97.62, 71 commenters requested DSHS to require parents and individuals aged 18 years and older to acknowledge viewing a clear and fact-based information web page about the risks of not vaccinating before they can download the exemption form.

**Response:** DSHS has reviewed the comments and has decided not to incorporate such an amendment at this time. DSHS provides a Benefits and Risks of Vaccination information sheet with the blank exemption affidavit form. Parents, legal guardians, or individuals aged 18 years and older sign the exemption affidavit stating they have read and understand the Benefits and Risks of Vaccination information sheet. No change was made as a result of this comment.

**Comment:** Concerning §97.62(2)(A), one commenter requested DSHS to require parents and individuals aged 18 years and older to acknowledge viewing a clear and fact-based information web page about the risks of not vaccinating before they can download the exemption form. The stakeholder requests DSHS limit the visibility of the exemption affidavit link and ensure the fact-based information page is included with the link. The stakeholder requests DSHS facilitates education and outreach to health-related and veterinary courses stakeholders.

**Response:** DSHS has reviewed the comment and has decided not to incorporate such an amendment at this time. DSHS provides a Benefits and Risks of Vaccination information sheet with the blank exemption affidavit form. Parents, legal guardians, or individuals aged 18 years and older sign the exemption affidavit stating they have read and understand the Benefits and Risks of Vaccination information sheet. No change was made as a result of this comment.

**Comment:** Concerning §97.62, one commenter believes childhood disease is putting the health of the country at risk.

**Response:** The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No change was made as a result of this comment.

**Comment:** Concerning §97.62, one commenter requested DSHS to keep vaccine policies.

**Response:** The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No change was made as a result of this comment.

**Comment:** Concerning §97.62, one commenter requested DSHS to require a more rigorous process.

**Response:** DSHS has reviewed the comment and has decided not to incorporate such an amendment at this time. DSHS provides a Benefits and Risks of Vaccination information sheet with the blank exemption affidavit form. Parents, legal guardians, or individuals aged 18 years and older sign the exemption affidavit stating they have read and understand the Benefits and Risks of

Vaccination information sheet. No change was made as a result of this comment.

Comment: Concerning §97.62, one commenter requested DSHS to require school vaccines.

Response: The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No change was made as a result of this comment.

Comment: Concerning §97.62, one commenter stated parents are using the exemption form for convenience of missing one vaccine rather than conscience. The stakeholder requests DSHS to require parents and individuals aged 18 years and older to acknowledge viewing a clear and fact-based information web page about the risks of not vaccinating before they can download the exemption form.

Response: DSHS has reviewed the comment and has decided not to incorporate such an amendment at this time. The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. DSHS provides a Benefits and Risks of Vaccination information sheet with the blank exemption affidavit form. Parents, legal guardians, or individuals aged 18 years and older sign the exemption affidavit stating they have read and understand the Benefits and Risks of Vaccination information sheet. No change was made as a result of this comment.

Comment: Concerning §97.62, one commenter stated requiring a name and telephone number exceeds the requirement and legislative intent of HB 1586.

Response: DSHS has reviewed the comment and has amended language to clarify that required information only pertains to requests for a mailed form submitted via online, fax, mail, or hand-delivered. The amendments are necessary for DSHS to contact requestors who have issues with their address or if the mailed packet gets returned via USPS. DSHS removes the information once the request is processed.

Comment: Concerning §97.62, five commenters neither supported nor opposed the rules; however, they emphasized support for immunization policies.

Response: The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No changes were made as a result of these comments.

Comment: Concerning §97.62, one commenter neither supported nor opposed the rules; however, they emphasized their support for school vaccination requirements and requested DSHS provide vaccine education.

Response: The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No change was made as a result of this comment.

Comment: Concerning §97.62, eight commenters supported the new language.

Response: DSHS has reviewed the comment. No changes were made as a result of these comments.

Comment: Concerning House Bill 1586, two commenters requested DSHS reject HB 1586.

Response: The amendments are necessary to comply with Texas Health and Safety Code §161.0041, as amended by HB 1586, 89th Legislature, Regular Session. No changes were made as a result of these comments.

Comment: Concerning the proposed rules, one commenter submitted a statement that they were interested in submitting a comment.

Response: No response. No comment was received.

Comment: Concerning vaccinating kids, one commenter submitted a statement in the subject line "vaccinate kids."

Response: No response. No comment was received.

#### STATUTORY AUTHORITY

The amendments are adopted under Texas Health and Safety Code §161.004 and §161.0041, which authorize the executive commissioner to adopt rules necessary to administer statewide immunization of children and exceptions; and Texas Government Code §524.0151 and Texas Health and Safety Code §1001.075, which authorize the executive commissioner of HHSC to adopt rules for the operation and provision of health and human services by DSHS and for the administration of Texas Health and Safety Code Chapter 1001.

#### *§97.62. Exclusions from Compliance.*

Exclusions from compliance are allowable on an individual basis for medical contraindications, reasons of conscience, including a religious belief, and active duty with the armed forces of the United States. Children and students seeking enrollment in schools, child-care facilities, or institutions of higher education, including students enrolled in health-related and veterinary courses, must submit evidence for exclusion from compliance as specified in the Health and Safety Code §161.004(d), Health and Safety Code §161.0041, Education Code Chapter 38, Education Code §51.933(d), Human Resources Code Chapter 42, and §97.64 of this subchapter (relating to Required Vaccinations and Exclusions for Students Enrolled in Health-related and Veterinary Courses in Institutions of Higher Education).

(1) To claim an exclusion for medical reasons, the child or student must present an exemption statement to the school or child-care facility, dated and signed by a physician (M.D. or D.O.), properly licensed and in good standing in any state in the United States who has examined the child or student. The statement must state that, in the physician's opinion, the vaccine required is medically contraindicated or poses a significant risk to the health and well-being of the child or student or any member of the child's or student's household. Unless it is written in the statement that a lifelong condition exists, the exemption statement is valid for only one year from the date signed by the physician.

(2) To claim an exclusion for reasons of conscience, including a religious belief, the child's parent, legal guardian, or a student 18 years of age or older must present to the school or child-care facility a completed, signed, and notarized affidavit on a form provided by the department stating that the child's parent, legal guardian, or the student declines vaccinations for reasons of conscience, including because of the person's religious beliefs. The affidavit will be valid for a two-year period from the date of notarization. A child or student, who has not received the required immunizations for reasons of conscience, including religious beliefs, may be excluded from school in times of emergency or epidemic declared by the commissioner of the department.

(A) A person claiming exclusion for reasons of conscience, including a religious belief, from a required immunization may only obtain the affidavit form from the department by:



(i) downloading the affidavit form from the department's internet website, or

(ii) submitting a request (via online, fax, mail, or hand-delivery) to the department.

(B) A request for a mailed affidavit submitted online, fax, mail, or hand-delivery must include the following information:

(i) complete mailing address, including name, address, and telephone number; and

(ii) number of requested affidavit forms.

(C) Requests for mailed affidavit forms must be submitted to the department through one of the following methods:

(i) written request through the United States Postal Service (or other commercial carrier) to the department at: DSHS Immunization Branch, Mail Code 1946, P.O. Box 149347, Austin, Texas 78714-9347;

(ii) by fax to (512) 776-7544;

(iii) by hand-delivery to the department's physical address at 1100 West 49th Street, Austin, Texas 78756; or

(iv) via the department's Immunization program website (at [www.ImmunizeTexas.com](http://www.ImmunizeTexas.com)).

(D) The department will mail the requested affidavit forms to the specified mailing address.

(E) The department may not maintain a record of the personally identifiable information of individuals who request an affidavit and must return the original documents (when applicable) with the requested affidavit forms.

(3) To claim an exclusion for armed forces, persons who can prove active duty service with the armed forces of the United States are exempted from the requirements in these sections.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 18, 2025.

TRD-202503297

Cynthia Hernandez

General Counsel

Department of State Health Services

Effective date: October 8, 2025

Proposal publication date: August 15, 2025

For further information, please call: (512) 776-6319



## **TITLE 26. HEALTH AND HUMAN SERVICES**

### **PART 1. HEALTH AND HUMAN SERVICES COMMISSION**

#### **CHAPTER 511. LIMITED SERVICES RURAL HOSPITALS**

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts amendments to §511.2, concerning Definitions, and §511.12, concerning Application and

Issuance of Initial License; and new §511.79, concerning Workplace Violence Prevention.

Amended §511.2 and §511.12, and new §511.79, are adopted without changes to the proposed text as published in the June 6, 2025, issue of the *Texas Register* (50 TexReg 3416). These rules will not be republished.

#### **BACKGROUND AND JUSTIFICATION**

The new section is necessary to implement Senate Bill (SB) 240, 88th Legislature, Regular Session, 2023. SB 240 added new Texas Health and Safety Code (THSC) Chapter 331 which requires certain facilities, including limited services rural hospitals, to establish a workplace violence prevention committee or authorize an existing facility committee to develop the workplace violence prevention plan. THSC Chapter 331 also requires facilities to adopt, implement, and enforce a written workplace violence prevention policy and plan and to respond to workplace violence incidents.

The new section requires limited services rural hospitals to establish a workplace violence prevention committee or authorize an existing facility committee to develop the workplace violence prevention plan. The new section specifies the required membership for a committee. The new section requires a hospital to adopt, implement, and enforce a written workplace violence prevention policy and plan to protect health care providers and employees from violent behavior and threats of violent behavior occurring at the hospital. The new section requires the committee to annually evaluate the written workplace violence prevention plan and report the results of the evaluation to the hospital's governing body. The new section requires each hospital to make a copy of the hospital's workplace violence prevention plan available to each hospital health care provider or employee while providing protection from the release of information in the plan that would pose a security threat if made public.

The new section establishes minimum requirements for a hospital to respond to workplace violence incidents and creates protections for individuals with respect to reporting incidents of workplace violence.

The amended sections are necessary to add a definition of the term "facility" to the chapter and to correct a cross reference for the qualified rural hospital definition.

#### **COMMENTS**

The 31-day comment period ended July 7, 2025.

During this period, HHSC received comments regarding the proposed rules from two individuals. A summary of comments relating to the rules and HHSC responses follows.

Comment: A commenter suggested revising §511.79 to require the workplace violence prevention committee to include a person employed by local law enforcement if no limited service rural hospital employee who provides security services is available.

Response: HHSC declines to revise the rules as suggested because the rules are consistent with THSC §331.002(b).

Comment: A commenter expressed support of §511.79 because it helps protect healthcare workers, especially in underserved rural communities.

Response: HHSC acknowledges this comment.

#### **SUBCHAPTER A. GENERAL PROVISIONS**

##### **26 TAC §511.2**

## STATUTORY AUTHORITY

The amendment section is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies; THSC §241.302, which provides that the executive commissioner of HHSC shall adopt rules to establish minimum standards for limited services rural hospitals; and THSC Chapter 331, which requires licensed hospitals to adopt a workplace violence prevention policy and adopt and implement a workplace violence prevention plan in accordance with that chapter.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

TRD-202503312

Karen Ray

Chief Counsel

Health and Human Services Commission

Effective date: October 9, 2025

Proposal publication date: June 6, 2025

For further information, please call: (512) 834-4591



## SUBCHAPTER B. LICENSING REQUIREMENTS

### 26 TAC §511.12

#### STATUTORY AUTHORITY

The amendment section is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies; THSC §241.302, which provides that the executive commissioner of HHSC shall adopt rules to establish minimum standards for limited services rural hospitals; and THSC Chapter 331, which requires licensed hospitals to adopt a workplace violence prevention policy and adopt and implement a workplace violence prevention plan in accordance with that chapter.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

TRD-202503313

Karen Ray

Chief Counsel

Health and Human Services Commission

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Proposal publication date: June 6, 2025

For further information, please call: (512) 834-4591



## SUBCHAPTER C. OPERATIONAL REQUIREMENTS

### 26 TAC §511.79

#### STATUTORY AUTHORITY

The new section is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies; THSC §241.302, which provides that the executive commissioner of HHSC shall adopt rules to establish minimum standards for limited services rural hospitals; and THSC Chapter 331, which requires licensed hospitals to adopt a workplace violence prevention policy and adopt and implement a workplace violence prevention plan in accordance with that chapter.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TRD-202503314

Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 834-4591



## TITLE 34. PUBLIC FINANCE

## PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

### CHAPTER 3. TAX ADMINISTRATION

#### SUBCHAPTER NN. FIREWORKS TAX

### 34 TAC §3.1281

The Comptroller of Public Accounts adopts the repeal of §3.1281, concerning fireworks tax, without changes to the proposed text as published in the August 15, 2025, issue of the *Texas Register* (50 TexReg 5340). The rule will not be republished.

The comptroller repeals this section following the passage of Senate Bill 761, 84th Legislature, 2015, effective September 1, 2015, which repealed Tax Code, Chapter 161 (Fireworks Tax).

After filing the report and paying the fireworks tax, due August 20, 2015, fireworks sellers are no longer required to file a report and pay this tax. This period is now outside the four-year statute of limitations for assessments and refund claims. See Tax Code, §111.107(a) (When Refund or Credit Is Permitted) and §111.201 (Assessment Limitation).

The comptroller did not receive any comments regarding adoption of the amendment.

This repeal is adopted under Tax Code, §111.002 (Comptroller's Rules; Compliance; Forfeiture), which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating

to the administration and enforcement of the provisions of Tax Code, Title 2 (State Taxation), as well as taxes, fees, and other charges that the comptroller administers under other law.

This adoption implements the repeal of Tax Code Chapter 161 (Fireworks Tax).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 18, 2025.

TRD-202503305

Jenny Burleson

Director, Tax Policy Division

Comptroller of Public Accounts

Effective date: October 8, 2025

Proposal publication date: August 15, 2025

For further information, please call: (512) 475-2220



## TITLE 37. PUBLIC SAFETY AND CORRECTIONS

### PART 11. TEXAS JUVENILE JUSTICE DEPARTMENT

#### CHAPTER 380. RULES FOR STATE-OPERATED PROGRAMS AND FACILITIES

##### SUBCHAPTER A. ADMISSION, PLACEMENT, RELEASE, AND DISCHARGE

The Texas Juvenile Justice Department (TJJD) adopts amendments to 37 TAC §380.8501, Definitions; §380.8555, Program Completion for Non-Sentenced Offenders; and §380.8557, Release Review Panel, with minor capitalization changes to the proposed text as published in the August 1, 2025, issue of the *Texas Register* (50 TexReg 5040). The rules will be republished.

#### SUMMARY OF CHANGES

Amendments to §380.8501 include modifying the definition of *committing offense* to make it clear that only conduct that a child is adjudicated for and committed to TJJD for may be considered the child's committing offense.

Amendments to §380.8555 include: (1) removing the requirement for a youth without a determinate sentence to complete the extension length of stay assigned by the Release Review Panel in order to be meet program completion criteria; (2) establishing a process to determine when a youth who has completed the minimum length of stay but not the extension length of stay has met program completion criteria; and (3) establishing that if the youth loses release eligibility within 30 days before completion of the extension length of stay, the youth's case is referred to the Release Review Panel.

Amendments to §380.8557 include: (1) clarifying the definition of *clear and convincing evidence*; (2) modifying the definition of *extension length of stay* to be consistent with the change that youth are not required to complete it in order to meet program completion release criteria; (3) removing the definition of *Release Review Panel* as unnecessary and instead including an explanation

of the purpose of the panel; (4) removing portions of the rule that restate statute; (5) removing portions of the rule that create processes that the executive director is responsible for establishing in policy; (6) adding a provision requiring the executive director to adopt such policies; (7) clarifying that extension lengths of stay may be assigned only when consistent with statute (i.e., if there is clear and convincing evidence that the youth is in need of additional rehabilitation from TJJD and a residential placement will provide the most suitable environment for that rehabilitation); (8) specifying that, consistent with statute, if the panel does not extend the youth's stay, the youth shall be released under supervision or discharged from TJJD; (9) adding language explaining the purpose of a request for reconsideration; (10) replacing the term *representative* with the term *designated advocate*, with regard to who may request a reconsideration of a panel decision, in keeping with statutory language; (11) adding a provision allowing the executive director to specify additional persons who may request a reconsideration; and (12) clarifying that the panel's discretion to accept late requests for reconsideration is limited to instances in which good cause is shown for the delay.

#### PUBLIC COMMENTS

TJJD received no public comments on the proposed rulemaking action.

### DIVISION 1. DEFINITIONS

#### 37 TAC §380.8501

##### STATUTORY AUTHORITY

The amended section is adopted under §242.003, Human Resources Code, which requires the board to adopt rules appropriate to the proper accomplishment of TJJD's functions and to adopt rules for governing TJJD schools, facilities, and programs.

##### §380.8501. Definitions.

As used in this chapter, the following words and terms shall have the following meanings unless the context clearly indicates otherwise.

(1) **Assessment Rating--A** score derived from evidence-based criminogenic factors in a youth's history used to assess the danger a youth poses to the community.

(2) **Committing Offense--**The most serious of the relevant offenses for which the youth was adjudicated and committed to TJJD, to include offenses for which the youth was committed directly to TJJD and offenses for which the youth was on probation if the probation was modified to commit the youth to TJJD. If a committing offense is a violation of a federal statute, the offense will be treated as a violation of a state statute which prohibits the same conduct as the relevant federal offense.

(3) **Community Reentry/Transition Plan--**An individual case plan that includes conditions of parole or placement for youth who are moving to a less restrictive environment. The community reentry/transition plan summarizes the youth's progress, identifies risk factors and protective factors, provides referrals to community services and supports, and identifies objectives for the youth to complete at the next placement.

(4) **Conditional Placement--**A trial living arrangement at a lower restriction level without changing the youth's currently assigned placement. Conditional placements may be to medium-restriction facilities or approved home placements. Continued placement at the lower restriction level is dependent on meeting pre-established conditions.

(5) **Determinate Sentence Review**--A review conducted for youth with determinate sentences who have not met program completion criteria in which staff determines the appropriate action (e.g., request a transfer hearing under §54.11, Family Code, transfer to TDCJ parole).

(6) **Discharge**--An action that ends the jurisdiction of the Texas Juvenile Justice Department (TJJD) over a youth.

(7) **Final Decision Authority**--The TJJD executive director or a staff member designated by the executive director in writing (e.g., via operational manual, administrative directive).

(8) **High Restriction and Medium Restriction**--See definitions in §380.8527 of this chapter.

(9) **Home Placement**--A placement in the home of the parent, other relative or individual acting in the role of parent, managing conservator, or guardian or in an independent living arrangement (excluding contract independent living programs).

(10) **Home Substitute Placement**--A program placement in the community that is not high restriction for youth who have earned parole status.

(11) **Initial Placement**--A placement to which youth are assigned upon being committed to TJJD. This definition does not include a youth's placement at the orientation and assessment unit.

(12) **Minimum Length of Stay**--The predetermined minimum period of time established by TJJD that a youth will be assigned to live in a high- or medium-restriction placement before being placed on parole status.

(13) **Minimum Period of Confinement**--The predetermined minimum period of time established by law that a youth committed to TJJD on a determinate sentence must remain confined in a high-restriction placement.

(14) **Most Serious of the Relevant Offenses**--The offense that carries the most severe consequences, which are, from most to least severe:

(A) an offense which carries a determinate sentence;

(B) the offense for which the designated minimum length of stay will produce the longest time in the physical custody of TJJD;

(C) the offense which requires the highest facility restriction level;

(D) the offense which carries the most severe criminal penalty; and

(E) the most recently adjudicated offense.

(15) **Non-Sentenced Offender**--A youth who is committed to TJJD for an indeterminate period of time, not to exceed age 19.

(16) **Offense Severity**--A rating of high, moderate, or low based on the degree of the committing or revocation offense as defined by the Penal Code or relevant federal statute and any of the following applicable aggravating factors:

(A) sex offense as identified in §62.001, Code of Criminal Procedure;

(B) felony against a person;

(C) possession or use of a weapon or firearm during the commission of the committing offense.

(17) **Parole Status**--A status assigned to a youth when program completion criteria have been met or the Release Review Panel has ordered the youth's release under supervision. Parole status qualifies the youth for placement in the home or a home substitute and ensures that the youth may not be moved to a high-restriction placement without the highest level of due process afforded to TJJD youth.

(18) **Program Completion Criteria**--Specific requirements established by rule that entitle a youth to parole when met.

(19) **Program Completion Review**--A review in which staff determines whether a youth appears to meet program completion criteria.

(20) **Release under Supervision (or Release)**--The act of placing a youth on parole status under TJJD supervision.

(21) **Revocation Offense**--The offense on which a youth's minimum length of stay is based following a parole revocation hearing. It is the most serious of the relevant offenses found at the hearing.

(22) **Risk and Protective Factors**--Risk factors are aspects of a youth's environment, behavior, and mental processes that contribute to potential for further delinquent activity. Protective factors are positive aspects of individual youth situations that keep a youth away from delinquent activity.

(23) **Risk Level**--A level derived from the risk assessment tool used to assess the danger a youth poses to the community.

(24) **Sentenced Offender**--A youth committed to TJJD pursuant to §54.04(d)(3) or §54.05(f), Family Code, with a fixed sentence assigned by the committing court. Depending on the length of the sentence, a youth may be transferred to the Texas Department of Criminal Justice (TDCJ) to complete the sentence.

(25) **Transfer**--A movement of a sentenced offender to the TDCJ - Correctional Institutions Division or TDCJ - Parole Division.

(26) **Transition**--The act of moving a youth from a high-restriction facility to a medium-restriction facility based on the youth's progress in the rehabilitation program. Transition does not result in the youth being placed on parole status.

(27) **Transition Review**--A review in which staff determines whether a youth meets criteria for transition under §380.8545 of this chapter.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 16, 2025.

TRD-202503272

Jana Jones

General Counsel

Texas Juvenile Justice Department

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For further information, please call: (512) 490-7278



## **DIVISION 5. PROGRAM COMPLETION AND RELEASE**

**37 TAC §380.8555, §380.8557**

## STATUTORY AUTHORITY

The amended sections are adopted under §242.003, Human Resources Code, which requires the board to adopt rules appropriate to the proper accomplishment of TJJD's functions and to adopt rules for governing TJJD schools, facilities, and programs. The amended sections are also proposed under §245.101, Human Resources Code, which requires the Board to establish a panel whose function is to determine whether a youth who has completed a minimum length of stay should be discharged, released under supervision, or remain in custody for an additional period of time.

### *§380.8555. Program Completion for Non-Sentenced Offenders.*

(a) Purpose. The purpose of this rule is to establish criteria and the approval process for release of youth upon program completion.

(b) Applicability.

(1) This rule does not apply to sentenced offenders.

(2) This rule does not apply to decisions by the Release Review Panel. See §380.8557 of this chapter for more information on the Release Review Panel.

(c) General Provisions. A detainer or bench warrant is not an automatic bar to earned release. The Texas Juvenile Justice Department (TJJD) releases youth to authorities pursuant to a warrant.

(d) Program Completion Criteria. Youth in high- or medium-restriction facilities are eligible for release to TJJD parole when the following criteria have been met:

(1) no major rule violations proven at a Level II due process hearing within 30 days before the program completion review or during the approval process; and

(2) completion of the minimum length of stay; and

(3) participation in or completion of assigned specialized treatment programs or curriculum as required under §380.8751 of this chapter; and

(4) completion of the following rehabilitation program requirements:

(A) for TJJD-operated facilities, assignment to the highest stage in the assigned rehabilitation program as described in §380.8703 of this chapter; or

(B) for facilities operated under contract with TJJD, completion of requirements for release to parole as defined in the TJJD-approved rehabilitation program; and

(5) participation in or completion of any statutorily required rehabilitation programming, including but not limited to:

(A) participation in a reading improvement program for identified youth to the extent required under §380.9155 of this chapter;

(B) participation in a positive behavior support system to the extent required under §380.9155 of this chapter; and

(C) completion of at least 12 hours of a gang intervention education program, if required by court order.

(e) Review and Approval Process.

(1) Program Completion Review.

(A) Before the expiration of a youth's initial or revocation minimum length of stay and before the expiration of an extension length of stay, a program completion review is conducted to determine whether the youth appears to meet program completion criteria.

(B) If it is determined the youth does not meet program completion criteria, the youth's case is referred to the Release Review Panel. Staff will discuss with the youth the reasons for the decision to refer the youth's case to the panel.

(C) If it is determined the youth appears to meet program completion criteria, the youth's case is referred to the final decision authority.

(2) Final Decision Authority for Approval of Release.

(A) The final decision authority shall confirm whether the youth meets all release criteria and ensure the community reentry/transition plan adequately addresses risk factors prior to approving the release.

(B) If the final decision authority approves the release, the youth must be placed on parole or parole status no later than 15 calendar days after the minimum length of stay date.

(C) If the final decision authority does not approve the release, the youth's case is referred to the Release Review Panel.

(3) Program Completion Prior to Expiration of the Extension Length of Stay.

(A) This paragraph applies to a youth who is not subject to review under paragraph (1) of this subsection.

(B) A youth with an extension length of stay is not required to complete the extension in order to meet program completion criteria. As soon as a youth with an extension length of stay appears to meet the program completion criteria in subsection (d) of this section, a program completion review is conducted.

(C) If it is determined the youth appears to meet program completion criteria, the youth's case is referred to the final decision authority.

(D) If the final decision authority approves the release, the youth must be placed on parole or parole status no later than 15 calendar days after the extension length of stay date.

(E) If the final decision authority does not approve the release, the youth remains in the facility and is reviewed again under this paragraph or paragraph (1) of this subsection, as appropriate.

(f) Loss of Release Eligibility.

(1) Except as provided by paragraph (2) of this subsection, if a youth loses release eligibility after the program completion review and before release to parole, the youth's case is referred to the Release Review Panel.

(2) If a youth approved for release under subsection (e)(3) of this section loses release eligibility, the youth's case is referred to the Release Review Panel only if the youth has completed the extension length of stay or will do so within 30 days.

(g) Active Warrants. At least ten calendar days before the youth's release, TJJD notifies any entity that has issued an active warrant for the youth.

### *§380.8557. Release Review Panel.*

(a) Purpose. This rule establishes a Release Review Panel to determine whether a youth who has completed the minimum length of stay should be discharged from the custody of the Texas Juvenile Justice Department (TJJD), released under supervision, or given an extended length of stay. This rule also establishes a process to request reconsideration of an order issued by the Release Review Panel.

(b) Applicability. This rule applies to all youth committed to TJJD without a determinate sentence who have completed the mini-

minimum length of stay or extension length of stay and have not been approved for release under §380.8555 of this chapter.

(c) Definitions. Except as specified in this subsection, see §380.8501 of this chapter for definitions of terms used in this rule. The following terms, as used in this rule, have the following meanings unless the context clearly indicates otherwise.

(1) Clear and Convincing Evidence--A standard of proof meaning that the thing that must be proven is highly probable or reasonably certain to exist; more than a preponderance of the evidence but less than beyond a reasonable doubt.

(2) Extension Length of Stay--A period of time in addition to the minimum length of stay that a youth is assigned to remain in residential placement unless the youth meets release criteria before the time has expired.

(3) Major Rule Violation--A violation in the most serious category of rule violations for residential facilities, as listed in §380.9503 of this chapter.

(4) Residential Placement--A high- or medium-restriction facility, as defined in §380.8527 of this chapter.

(5) Victim--Any victim who has requested notification of release or discharge proceedings.

(d) General Provisions.

(1) Purpose of the Panel. The purpose of the panel is to review youth committed to TJJD without a determinate sentence who have completed the minimum length of stay or extension length of stay but have not been approved for release under TJJD policy.

(2) Panel Members. Panel members are appointed by the executive director in accordance with state law and policies adopted by the executive director.

(3) Executive Director Policies.

(A) The executive director shall adopt policies that ensure the transparency, consistency, and objectivity of the panel's composition, procedures, and decisions.

(B) The policies must allow the panel to review any information relevant to the youth's progress and rehabilitation, irrespective of the form of the information.

(C) The policies must ensure the youth, parents/guardians, victims, attorneys for youth, and other relevant individuals are given the opportunity to provide information for the panel's consideration.

(4) Extension Length of Stay.

(A) An extension length of stay may be assigned only if the panel determines by majority vote that there is clear and convincing evidence that:

(i) the youth is in need of additional rehabilitation from TJJD; and

(ii) a residential placement will provide the most suitable environment for that rehabilitation.

(B) If the panel extends the length of a youth's stay, the panel shall specify the length of the extension length of stay.

(C) If the panel does not extend the length of a youth's stay, the youth must be released under supervision or discharged from TJJD.

(e) Request for Reconsideration of an Extension Order.

(1) The purpose of a request for reconsideration is to request that a decision by the panel be reconsidered and changed.

(2) A request for reconsideration of an extension order may be submitted by:

(A) the youth;

(B) the youth's parent/guardian;

(C) an attorney or designated advocate for the youth;

(D) the youth's victim(s);

(E) a TJJD employee;

(F) an employee of a TJJD contractor;

(G) a person who provides volunteer services at a TJJD facility;

(H) the TJJD ombudsman; or

(I) any other person designated by the executive director.

(3) The request for reconsideration must be in writing and must be received by the panel no later than 15 calendar days after the date of the written notice explaining the reason for the extension. Requests for reconsideration received after that time may be considered at the discretion of the panel if good cause is shown for the delay.

(4) The youth may request assistance from any TJJD staff member or volunteer in completing a request for reconsideration.

(5) The person submitting the request for reconsideration must state in the request the reason for the request. The request should relate to the reasons given for the extension or be based on relevant information concerning the youth's programming and treatment progress.

(6) Upon receipt of a request for reconsideration that is timely filed or that is accepted late by the panel as provided in paragraph (3) of this subsection, the panel:

(A) shall reconsider an extension order that extends the youth's stay in TJJD custody by six months or more or that, when combined with previous extension orders, results in an extension of the youth's stay in TJJD custody by six months or more; and

(B) may, at its discretion, reconsider extension orders that extend a youth's stay in TJJD custody by a length of time not addressed in subparagraph (A) of this paragraph.

(7) The panel must complete the reconsideration no later than 15 days after receipt of the request. The panel shall provide the youth, the youth's parent/guardian, the attorney or designated advocate of the youth, and the person who submitted the request for reconsideration with a written explanation of the panel's decision. The explanation shall include an indication that the panel has considered the information submitted in the request. If the reconsideration results in a decision to release or discharge the youth, any victims shall be notified.

(8) A reconsideration decision by the panel exhausts all administrative remedies regarding release after expiration of the minimum length of stay.

(f) Request for Reconsideration of a Release or Discharge Order.

(1) For youth in a high-restriction facility, a release or discharge order is considered conditional until the youth has been physically released from the facility.

(2) For youth in a medium-restriction facility, including a halfway house:

(A) a release order is considered conditional until the youth's status has been changed from institutional to parole status; and

(B) a discharge order is considered conditional until the youth has been physically released from the facility.

(3) The executive director, the chief inspector general, the general counsel, the deputy executive director for state services, the chief of staff, the facility administrator, appropriate contract-care monitoring staff, staff designated by the executive director, or the TJJD ombudsman may request a reconsideration of a release or discharge order as long as the release or discharge order is still conditional, as provided by paragraphs (1) and (2) of this subsection.

(4) If, while the release or discharge order is still conditional, the youth is alleged to have committed a major rule violation or new information becomes available that indicates the youth is likely in need of further rehabilitation at a TJJD facility, staff designated by the executive director must request reconsideration of the release or discharge order.

(5) The youth shall be provided a copy of the request for reconsideration before the panel makes its decision regarding the reconsideration. The youth shall be given the opportunity to provide information to the panel concerning the reason(s) for the request. If the youth is represented by an attorney or other representative, that person shall also be provided with a copy of the request for reconsideration and given an opportunity to provide information to the panel.

(6) The panel must complete the reconsideration no later than 15 days after the receipt of the request. The panel shall provide the youth, the youth's parent/guardian, the requestor, and facility staff with a written explanation of the panel's decision. The reply shall include an indication that the panel has considered the information submitted in the request. If the reconsideration results in a change in the original panel decision, any victims shall be notified.

(7) If reconsideration of a release or discharge order results in a decision to extend the youth's length of stay, a person listed in subsection (g) of this section may request reconsideration according to the process established in that subsection. That reconsideration decision exhausts all administrative remedies.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## **TITLE 43. TRANSPORTATION**

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

#### **CHAPTER 211. CRIMINAL HISTORY OFFENSE AND ACTION ON LICENSE**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code, (TAC) §211.1 and §211.2; repeal of §§211.3 - 211.6; and new sections §§211.10 - 211.13. The amendments, repeals, and new sections are necessary to organize the rules into two subchapters for consistency with other chapters in TAC Title 43, to clarify the types of licenses to which the chapter applies, to clarify which crimes relate to the duties and responsibilities of these license holders, to delete duplicative language found in statute, to conform rule language with statutory changes; to clarify existing requirements, and to modernize language and improve readability. Adopted language implements Senate Bill (SB) 2587, 89th Legislature, Regular Session (2025), which clarified the persons from whom the department could require a fingerprint-based criminal history background check; and SB 1080, 89th Legislature, Regular Session (2025), which added circumstances in which a state agency is required to revoke a license upon imprisonment of the license holder. Adopted language also conforms with SB 224, 88th Legislature, Regular Session (2023), which amended the Penal Code to add felony offenses involving damage to motor vehicles during the removal or attempted removal of a catalytic converter.

The department adopts amendments to §211.1 and §211.2 and new §§211.10 - 211.12 without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4349) and is not republishing these rules. The department adopts §211.13 with changes at adoption and is republishing this rule. In conjunction with this adoption, the department is adopting the repeal of §§211.3 - 211.6 without changes, as published in the July 25, 2025, issue of the *Texas Register*. The repealed rules will not be republished.

**REASONED JUSTIFICATION.** The department is conducting a review of its rules under Chapter 211 in compliance with Government Code, §2001.039. As a part of the review, the department is adopting necessary amendments, repeals, and new sections as detailed in the following paragraphs.

Occupations Code, Chapter 53 and §§2301.651, 2302.104, 2302.105, and 2302.108, and Transportation Code, §503.034 and §503.038 authorize the department and its board to investigate and act on a license application, or on a license, when a person has committed a criminal offense. Chapter 211 allows the department to maintain fitness standards for license holders with prior criminal convictions while implementing the legislature's stated statutory intent in Occupations Code, §53.003 to enhance opportunities for a person to obtain gainful employment after the person has been convicted of an offense and discharged the sentence for that offense.

The department must follow the requirements of Occupations Code, Chapter 53 to determine whether a person's past criminal history can be considered in evaluating the person's fitness for licensing.

Occupations Code, §53.021 gives a licensing authority the power to suspend or revoke a license, to disqualify a person from receiving a license, or to deny a person the opportunity to take a licensing examination on the grounds that the person has been convicted of: (1) an offense that directly relates to the duties and responsibilities of the licensed occupation; (2) an offense listed in Article 42A.054, Code of Criminal Procedure; or (3) a sexually violent offense, as defined by Article 62.001, Code of Criminal Procedure. The department's evaluation of past criminal history applies to all license applications. Under Occupations Code, §53.021(a)(1), the department is responsi-

ble for determining which offenses directly relate to the duties and responsibilities of a particular licensed occupation.

Occupations Code, §53.022 sets out criteria for consideration in determining whether an offense directly relates to the duties and responsibilities of the licensed occupation. Based on those criteria, the department has determined that certain offenses directly relate to the duties and responsibilities of an occupation licensed by the department. However, conviction of an offense that directly relates to the duties and responsibilities of the licensed occupation or is listed in Occupations Code, §53.021(a)(2) and (3) is not an automatic bar to licensing; the department must also consider the factors listed under Occupations Code, §53.023 in making its fitness determination. The factors include, among other things, the person's age when the crime was committed, rehabilitative efforts, and overall criminal history. The department is required to publish guidelines relating to its practice under this chapter in accordance with Occupations Code, §53.025.

#### Adopted New Subchapter A, General Provisions

Prior to the adoption of these revisions, Chapter 211 contained only one subchapter. The adopted amendments divide Chapter 211 into two subchapters. An adopted amendment retitles Subchapter A "General Provisions," consistent with the organization and naming conventions found in Chapters 215 and 221 of this title. This adopted amendment provides consistency and improves readability because Chapter 211 applies to the same applicants and license holders as Chapters 215 and 221. Sections 211.1 and 211.2 are adopted for inclusion in retitled Subchapter A for consistency and ease of reference.

An adopted amendment to the title of §211.1 adds "Purpose and" to the section title to indicate that adopted amendments to this section include the purpose for the chapter in addition to definitions. This adopted change places the chapter purpose description in the same subchapter and in the same order as similar language in Chapters 215 and 221 of this title for improved understanding and readability. Adopted new §211.1(a) describes the purpose of Chapter 211 by incorporating existing language from repealed §211.3(a). The adopted amendments add, at the end of the paragraph, the obligation for the department to review criminal history of license applicants before issuing a new or renewal license and the option for the department to act on the license of an existing license holder who commits an offense during the license period, consistent with Occupations Code, Chapter 53 and §§2301.651, 2302.104, 2302.105, and 2302.108, Transportation Code, §503.034 and §503.038, and existing department procedures.

An adopted amendment to §211.1 reorganizes the definitions into a subsection (b). Adopted amendments to §211.1(2) delete references to "registration or authorization," including any related punctuation. Other adopted amendments add an "or" to §211.1(2)(B), delete an "or" and add sentence punctuation in §211.1(2)(C), and delete §211.1(2)(D). These adopted amendments clarify that Chapter 211 only applies to licenses issued by the department under Transportation Code, Chapter 503 and Occupations Code, Chapters 2301 and 2302, and does not apply to registrations the department may issue under the authority of another Transportation Code chapter. Registrations or permits that the department issues under other Transportation Code chapters do not currently require a review of an applicant's criminal history. Adopted amendments to §211.1(3) delete the list of specific retail license types and define the term "retail" by listing only those license types that are not considered to be retail. This adopted amendment shortens the sentence to improve readability

without changing the meaning or scope of the definition. Additionally, this adopted amendment eliminates the need to update the rule if a future statutory change creates a new type of vehicle, changes the name of an existing vehicle type, or creates a new retail license type.

An adopted amendment to the title of §211.2 substitutes "Chapter" for "Subchapter" for consistency with the rule text. An adopted amendment in §211.2(b) adds a comma after Occupations Code for consistency in punctuation.

The remaining sections in Subchapter A are adopted for repeal as each of these sections are adopted for inclusion in new Subchapter B.

#### Adopted New Subchapter B, Criminal History Evaluation

An adopted amendment adds a new subchapter, Subchapter B. Criminal History Evaluation Guidelines and Procedures. Adopted for inclusion in new Subchapter B are new sections §§211.10 - 211.13. These adopted new sections contain the rule language previously found in repealed §§211.3 - 211.6, with the addition of the adopted changes described below.

Adopted new §211.10 includes the rule text of repealed §211.3 with changes as follows. The repealed text of §211.3(a) is not incorporated into adopted new §211.10 because that language has been incorporated into adopted new §211.1(a), which describes the purpose of Chapter 211. Adopted new §211.10(a) incorporates the language of repealed §211.3(b), except for the two paragraphs at the end of that subsection which duplicate a statutory requirement in Occupations Code, §53.022 and do not need to be repeated in rule. Adopted new §211.10(b) recodifies language from repealed §211.3(c), except for §§211.3(c)(1) and (2), which were redundant and unnecessary statutory references.

Adopted new §211.10(c) incorporates §211.3(d) with the following changes. Adopted new §211.10(c) adds a comma to correct missing punctuation after "Occupations Code" and deletes three sentences that specify which offenses apply to a license type. Adopted new §211.10(c) includes clarifying paragraph numbers: paragraph (1) identifies offenses that apply to all license types, and paragraph (2) separates and identifies additional offenses that apply only to retail license types. The adopted new language adds clarity and improves readability by dividing the offense categories from repealed §211.3(d)(1) - (16) between the new paragraphs as relettered subparagraphs of §§211.10(c)(1) and (2). Adopted new §211.10(c)(1)(B), incorporates language from repealed §211.3(d)(2) and adds language to clarify that offenses involving forgery, falsification of records, or perjury include the unauthorized sale, manufacturing, alteration, issuance, or distribution of a license plate or temporary tag. This adopted clarifying language provides additional notice to applicants and license holders that the department considers forging or falsification of license plates or temporary tags to be a serious and potentially disqualifying offense.

Adopted new §211.10(c)(1)(E) incorporates language from repealed §211.3(d)(5) and adds possession and dismantling of motor vehicles to the list of felony offenses under a state or federal statute or regulation that could potentially be disqualifying. Adopted new §211.10(c)(1)(E) also includes "motor vehicle parts" to clarify that disqualifying felony offenses include crimes related to motor vehicle parts as well as to motor vehicles. These adopted clarifications are important due to the increasing frequency of motor vehicle parts theft targeting catalytic converters, tailgates, batteries, wheel rims, and tires. Adopted



new §211.10(c)(1)(G) incorporates language from repealed §211.3(d)(7) and clarifies that an offense committed while engaged in a licensed activity or on a licensed premises includes falsification of a motor vehicle inspection required by statute. This clarification is important because emissions inspections in certain counties are required by law and harm the health and safety of Texas citizens if not performed.

Adopted new §211.10(c)(1)(I) adds that offenses of attempting or conspiring to commit any of the foregoing offenses are potentially disqualifying offenses because the person intended to commit an offense. This adopted new language incorporates language from repealed §211.3(d)(16) and is necessary to add because the offenses that apply to all license holders and the additional offenses that only apply to retail license types are adopted to be reorganized into separate paragraphs to improve readability, so the language regarding conspiracies or attempts to commit the offenses must be repeated in each paragraph to provide notice of these potentially disqualifying offenses.

Adopted new §211.10(c)(2)(E) makes felony offenses under Penal Code, §28.03 potentially disqualifying when a motor vehicle is damaged, destroyed, or tampered with during the removal or attempted removal of a catalytic converter. This new amendment aligns with Senate Bill (SB) 224, 88th Legislature, Regular Session (2023), which amended Penal Code, §28.03 to create new felony offenses based on the damage caused by the removal or attempted removal of a catalytic converter from a motor vehicle. Adopted new §211.10(c)(2)(D) incorporates §211.3(d)(12) and adds two additional offenses against the family: Penal Code, §25.04 and §25.08. Penal Code, §25.04 includes offenses involving the enticement of a child away from the parent or other responsible person, and Penal Code, §25.08 includes offenses related to the sale or purchase of a child. These offenses are relevant to the retail professions licensed by the department because parents frequently bring children to a dealership when considering a vehicle purchase, and a retail license holder may have unsupervised access to a child while a parent test drives a vehicle or is otherwise engaged in viewing or inspecting a vehicle offered for sale. License holders also have access to the parent's motor vehicle records, including the family's home address. A person with a predisposition to commit these types of crimes have the opportunity to engage in further similar conduct.

Adopted new §211.10(c)(2)(F) incorporates the language of repealed §211.3(d)(13), and clarifies that the department considers any offense against the person to potentially be disqualifying, adds a reference to Penal Code, Title 5, and further clarifies that an offense in which use of a firearm resulted in fear, intimidation, or harm of another person is included in the list of potentially disqualifying crimes. Additionally, adopted new §211.10(c)(2)(F) clarifies that a felony offense of driving while intoxicated which resulted in harm to another person may also be potentially disqualifying. The department considers these offenses to be related to the occupations of retail license holders because these license holders have direct contact with members of the public during vehicle test drives or other settings in which no one else is present, and retail license holders have access to an individual's motor vehicle records, including the individual's home address. A person with a predisposition for violence or committing personal harm would have the opportunity in these situations to engage in further similar conduct. These adopted amendments further clarify which offenses against a person the department considers directly related to the licensed occupation and therefore potentially disqualifying. The department's consideration

of these crimes is subject to certain limitations in Occupations Code, Chapter 53.

Adopted new §211.11 incorporates language from repealed §211.4, with the addition of adopted new §211.11(a), which clarifies that the department will deny a pending application if an applicant or an applicant's representative as defined in §211.2(a)(2) is imprisoned. Occupations Code, §53.021(b) requires an agency to revoke a license holder's license on the license holder's imprisonment following a felony conviction, felony community supervision revocation, revocation of parole, or revocation of mandatory supervision. Because the department also determines licensure eligibility based on individuals serving as representatives for the license holder, the department also considers the effect of imprisonment of those persons on a license holder. Because the revocation for a felony conviction is mandatory in Occupations Code, §53.021(b), the department must also deny a pending application. An applicant who is imprisoned may reapply once the applicant is no longer imprisoned and an applicant whose application is denied based on an imprisoned individual serving in a representative capacity may choose a different representative and reapply for licensure. Adopted new §211.11(b) substitutes "of" for "or" to correct a typographical error made at adoption of §211.4. Adopted new §211.11(b) implements SB 1080, 89th Legislature (2025), which amended Occupations Code, §53.021 to require the department to revoke a license if the license holder is imprisoned following a felony conviction for an offense that directly relates to the duties and responsibilities of the licensed occupation, an offense in Code of Criminal Procedure, Article 42A.054, or a sexually violent offense in Code of Criminal Procedure, Article 62.001. Adopted amendments to new §211.11(b) also incorporate the existing language from current §211.4(c) as phrased in Occupations Code, §53.021(b). Adopted new §211.11(c) incorporates language from repealed §211.4(d). Adopted new §211.11(d) incorporates language from repealed §211.4(c).

Adopted new §211.12 incorporates without change the language in repealed §211.5 that addresses the procedure for a person to obtain a criminal history evaluation letter from the department. This process allows a person to request an evaluation prior to applying for a license if the person so desires.

Adopted new §211.13(a) incorporates the repealed language of §211.6(a) and clarifies that fingerprint requirements apply to "an applicant for a new or renewal license" to improve readability without changing meaning. Adopted §211.13(b) moves the introductory phrase "Unless previously submitted for an active license issued by the department," to adopted §211.13(c) to improve readability and to allow the department to further clarify submission requirements in §211.13(c). Adopted new §211.13(b)(1) incorporates the language of current §211.6(b)(1). At adoption, the phrase describing the various types of persons who may apply was deleted as unnecessary, because the type of persons who apply and may be fingerprinted is in Government Code, §411.12511(a) and does not need to be repeated in rule. These adopted amendments implement Government Code, §411.12511, as amended by SB 2587, 89th Regular Session (2025). Adopted new §211.13(b)(2) incorporates the language of current §211.6(b)(2) and clarifies that a person acting in a representative capacity includes an officer, director, manager, trustee, principal, manager of business affairs, or other employee whose act or omission in the course or scope of the representation would be cause for denying, revoking, or suspending a license. The adopted language recognizes that many license holders are small businesses that may employ

only one or a few employees and may assign or delegate key management tasks such as administering the license plate system for the license holder, and that a principal may be a representative and not necessarily an owner of the applicant. These adopted amendments implement Government Code, §411.12511, as amended by SB 2587, 89th Regular Session (2025). Adopted new §211.13(c) incorporates the current language of §211.6(c) and the introductory phrase from §211.6(b), and further clarifies that the department will not require a person to submit fingerprints if the person previously submitted a complete and acceptable set of fingerprints, and the person remains fully enrolled in the Texas Department of Public Safety's (DPS) criminal history clearinghouse and validly subscribed in the federal criminal history database maintained by the Federal Bureau of Investigation (FBI). This clarification is important as DPS or the FBI may change the enrollment or subscription status of a person previously fingerprinted if, for example, a court expunges a crime from a person's criminal history record. If DPS or the FBI change a person's enrollment or subscription status, the department must require the person to be fingerprinted again, or the department will not be able to access that person's criminal history records for use in evaluating the license application.

#### SUMMARY OF COMMENTS.

The department received no comments on the adopted amendments within the public comment period, which ended on August 25, 2025.

### SUBCHAPTER A. GENERAL PROVISIONS

#### 43 TAC §211.1, §211.2

**STATUTORY AUTHORITY.** The department adopts amendments to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations

Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

**CROSS REFERENCE TO STATUTE.** The adopted amendments implement Government Code, Chapter 411; Occupations Code, Chapters 53, 2301 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5; and Code of Criminal Procedure, Article 42A and 62.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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#### 43 TAC §§211.3 - 211.6

**STATUTORY AUTHORITY.** The department adopts repeals to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302;

Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code, §1002.001, which authorizes the board to adopt or rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The adopted repeals implement Government Code, Chapter 411; Occupations Code, Chapters 53, 2301 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5; and Code of Criminal Procedure, Article 42A and 62.

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## SUBCHAPTER B. CRIMINAL HISTORY EVALUATION GUIDELINES AND PROCEDURES

### 43 TAC §§211.10 - 211.12

STATUTORY AUTHORITY. The department adopts new sections to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or

insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The adopted new sections implement Government Code, Chapter 411; Occupations Code, Chapters 53, 2301 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5; and Code of Criminal Procedure, Article 42A and 62.

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### 43 TAC §211.13

STATUTORY AUTHORITY. The department adopts new sections to Chapter 211 under Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, to revoke or suspend a license, to place on probation, or to reprimand a license holder if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or

insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

**CROSS REFERENCE TO STATUTE.** The adopted new sections implement Government Code, Chapter 411; Occupations Code, Chapters 53, 2301 and 2302; Transportation Code, Chapters 503 and 1002; Penal Code, Chapters 25, 28, 43, 49 and Title 5; and Code of Criminal Procedure, Article 42A and 62.

*§211.13. Fingerprint Requirements for Designated License Types.*

(a) The requirements of this section apply to an applicant for a new or renewal license for the license types designated in Chapter 215 or Chapter 221 of this title as requiring fingerprints for licensure.

(b) The following persons may be required to submit a complete and acceptable set of fingerprints to the Texas Department of Public Safety and pay required fees for purposes of obtaining criminal history record information from the Texas Department of Public Safety and the Federal Bureau of Investigation:

(1) a person applying for a new license, license amendment due to change in ownership, or license renewal; and

(2) a person acting in a representative capacity for an applicant or license holder who is designated as an authorized representative on a licensing application, including an officer, director, manager, trustee, principal, manager of business affairs, or other employee whose act or omission in the course or scope of the representation would be cause for denying, revoking, or suspending a license.

(c) After reviewing a licensure application and licensing records, the department will notify the applicant or license holder of which persons in subsection (b) of this section are required to submit fingerprints to the Texas Department of Public Safety. The department will not require a person to submit fingerprints if the person previously submitted a complete and acceptable set of fingerprints for a currently active license issued by the department, and the person remains fully enrolled in the Texas Department of Public Safety's criminal history clearinghouse and validly subscribed in the federal criminal history database maintained by the Federal Bureau of Investigation.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 215. MOTOR VEHICLE DISTRIBUTION

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B. Licenses, Generally, §215.83 and adopts new §215.91; adopts amendments to Subchapter D, General Distinguishing Numbers and In-Transit Licenses, §§215.133, 215.140, 215.141, 215.144, 215.150 - 215.152, 215.155, and 215.158; and adopts new §215.163. These amendments and new sections are necessary to implement House Bill (HB) 718, 88th Legislature, Regular Session (2023), Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025), HB 5629, 89th Legislature, Regular Session (2025), and SB 1818, 89th Legislature, Regular Session (2025). HB 5629 and SB 1818 amended Occupations Code, Chapter 55, effective September 1, 2025, to change state agency licensing requirements for military service members, military veterans, and military spouses. Because these requirements apply to all licenses issued by the department, a new rule setting out the licensure requirements and procedures for military service members, military veterans, and military spouses, §215.91 is adopted in Subchapter B, Licenses, Generally, which applies to all licenses issued by the department under Occupations Code, Chapter 2301, and Transportation Code, Chapter 503. Adopted amendments to §215.83 prevent any conflict or confusion with adopted new §215.91.

HB 718 amended Transportation Code, Chapter 503, to end the use of temporary tags when purchasing a motor vehicle and replaced these tags with categories of license plates, effective July 1, 2025. HB 718 requires the department to determine new distribution methods, systems, and procedures, and set certain fees. Section 34 of HB 718 grants the department authority to adopt rules necessary to implement or administer these changes in law and required the department to adopt related rules by December 1, 2024. The department did so by publishing proposed rules in the April 26, 2024, issue of the *Texas Register* (49 TexReg 2717), and publishing adopted rules in the November 8, 2024, issue of the *Texas Register* (49 TexReg 8953). HB 718 required a Texas dealer, beginning July 1, 2025, to ensure that an assigned general issue license plate or set of license plates stayed with the vehicle if that vehicle is later sold to another Texas buyer.

However, SB 1902 changed that process to require a dealer to transfer a removed license plate to another vehicle of the same class within 10 days or dispose of the license plate according to department rules. SB 1902, effective July 1, 2025, requires the department to adopt implementing rules by October 1, 2025. The department adopts amendments to §§215.140, 215.141, 215.150 - 215.152, 215.155, and 215.158 to implement SB 1902.

In §215.151, the department adopts amendments to implement HB 718 to address circumstances in which the department will permit a dealer to mail or deliver a license plate or set of license plates to a buyer or a converter for attachment to a vehicle. These amendments are necessary because in prior rulemaking the department did not address circumstances in which a person other than a dealer should be able to affix a license plate to a lawfully-sold vehicle when the vehicle is not at the dealer's location.

Adopted new §215.163, implements both HB 718 and SB 1902 to address license plate disposition when a license holder offers a vehicle for sale at auction or on consignment. This new rule

is necessary because the department did not address disposition of license plates for these types of sales in prior rulemaking. During the rulemaking process, license holders raised questions about disposition of license plates when motor vehicles are sold at auctions or on consignment based on concerns that the department may require operational changes that would increase business costs. In November 2024, the department provided an early draft of this adopted new rule to the Motor Vehicle Industry Regulation Advisory Committee (MVIAC). Committee members voted on formal motions and provided informal comments. The department incorporated input from this committee as well as comments from license holders that regularly hold or participate in motor vehicle auctions. In adopting this rule, the department sought to minimize opportunities for license plate fraud related to auction and other consignment sales and to eliminate any unnecessary operational or cost impacts to license holders.

In June 2025, the MVIAC reviewed drafts of the proposed revisions to §§215.141, 215.150, 215.151, 215.152, 215.155, 215.158, and 215.163 and provided the department with comments on those provisions. The department incorporated the feedback from the committee into these adopted rules.

The department adopts nonsubstantive amendments to §215.133 and §215.144 to improve readability by using consistent terminology.

The following amended sections are adopted without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will not be republished: §§215.91, 215.133, 215.140, 215.144, and 215.150 - 215.152.

The following sections are adopted with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4356) and will be republished: §§215.83, 215.141, 215.155, 215.158, and 215.163.

#### REASONED JUSTIFICATION.

##### §215.83

Adopted amendments to §215.83 delete subsection (i) and amend subsection (h) to replace specific requirements with a cross-reference to adopted new §215.91. These adopted amendments ensure that the licensure requirements for military service members, military spouses and military veterans are consolidated into adopted new §215.91 to avoid any confusion or conflict between §215.83 and adopted new §215.91. At adoption, a reference in §215.83(k) was corrected to refer to the adopted relettered §215.83(j).

##### §215.91

Adopted new §215.91(a) implements Occupations Code, §55.002, which exempts an individual that holds a license from incurring a penalty for failing to renew a license in a timely manner because the individual was on active duty. Adopted new §215.91(b) implements Occupations Code, §55.0041(a) and §55.0041(b), as amended by HB 5629, which require a state agency to issue a license to a military service member or military spouse within ten days if the member or spouse holds a current license issued by another state that is similar in the scope of practice to Texas requirements and is in good standing, or held the same Texas license within the past five years, if a military service member or military spouse submits an application and other required documents described in Occupations Code, §55.0041(b). Adopted new §215.91(b)(1) describes the application and the documents the military service member or military spouse must submit to the department. Adopted

new §215.91(b)(2) describes the department's review process after receiving an application and related documents, including confirming licensure and good standing in the other state and comparing licensing requirements to determine if the other state's requirements are similar in scope of practice. Adopted new §215.91(b)(2)(C) states that the department will issue a provisional license upon receipt of a license application from a military service member, military veteran, or military spouse. This new provision implements Occupations Code, §55.0041, as amended by SB 1818. Adopted new §215.91(b)(3) informs an applicant that within 10 days the department will either issue a license if the applicant meets the requirements in Occupations Code, §55.0041 or notify the applicant why the department is unable to issue a license. Adopted new §215.91(b)(3) also informs an applicant that the license is subject to the requirements of this chapter and Occupations Code, Chapter 2301, and Transportation Code, Chapter 503, unless exempted or modified under Occupations Code, Chapter 55, consistent with Occupations Code, §55.0041(c). Adopted new §215.91(b) implements Occupations Code, §55.0041 as amended by HB 5629. Adopted new §215.91(c) informs a military service member, military veteran, or military spouse that this rule establishes requirements and procedures authorized or required by Texas law and does not affect any rights under federal law. Adopted new §215.91 implements Occupations Code, Chapter 55, as amended by HB 5629, and informs military service members, veterans, and military spouses about their eligibility for special licensing consideration.

##### §215.133

Adopted amendments to §215.133(i), (j), and (k) add "dealer" to describe the type of independent motor vehicle general distinguishing number (GDN) referenced in these subsections for consistency with phrasing in other rule subsections and to improve readability without changing meaning.

##### §215.140

An adopted amendment to §215.140(a)(6)(E) deletes a reference to dealer license plate storage requirements for assigned license plates for vehicles in inventory and adds a reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license plates. Instead, SB 1902 requires a dealer to keep a license plate removed from a sold vehicle and reassign that license plate to a sold vehicle of the same class within 10 days or dispose of the license plate according to department rules.

##### §215.141

An adopted amendment to §215.141(b)(26) expands the sanction for failure to securely store a license plate after July 1, 2025, to include failure to destroy a previously issued but not currently assigned license plate within the time prescribed by statute. This adopted amendment implements SB 1902, which amended Transportation Code, §504.901 to require a dealer to either transfer a license plate removed from a vehicle to the same class of vehicle within 10 days or dispose of the license plate no later than the tenth day after the license plate was removed from the vehicle.

An adopted amendment to §215.141(b)(34) deletes a sanction for failure to remove a license plate from a vehicle sold to an out-of-state buyer or from a vehicle sold for export and substitutes a sanction for failure to remove a license plate from a vehicle as required by statute or rule. This adopted amendment is necessary to conform the language to the requirements of SB

1902, which requires dealers to remove a license plate from a vehicle that is transferred to or purchased by the dealer, and is necessary to conform with adopted new §215.163 which requires a dealer to remove a license plate from a vehicle in certain other circumstances such as before a vehicle is offered for sale at auction or on consignment.

At adoption, an unnecessary connector was deleted from §215.141(a)(6) and §215.141(b)(32).

#### §215.144

Adopted amendments to §215.144(i)(2) add the phrase "GDN holder that acts as a..." to clarify the type of motor vehicle auction referenced in subsection (i). Adopted amendments to §215.144(i)(2)(A) substitute the phrase "before offering a vehicle for sale at auction" for "it offers for sale." These adopted amendments improve readability by using consistent terminology without changing meaning.

#### §215.150

Adopted amendments to §215.150(a) and §215.150(e) add a reference to a general issue license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle to implement the option in SB 1902 that allows a dealer to transfer an existing buyer's general issue license plate to a purchased vehicle of the same class within 10 days. An adopted amendment to §215.150(a)(2) deletes a reference to issuing a license plate if the vehicle did not come with a buyer's license plate because SB 1902 eliminated the requirement for a license plate to remain with a vehicle upon subsequent retail sale. An adopted amendment to §215.150(d)(3) adds a closed GDN to the list of circumstances in which a GDN dealer could no longer issue a buyer's license plate. The amendment recognizes that a dealer may choose to close a GDN issued by the department at any time, and after closure the person would not be a licensed GDN dealer under Transportation Code, Chapter 503, and therefore not authorized to issue a buyer's license plate or a buyer's temporary license plate. Adopted amendments to §215.150(f)(4) delete a reference to license plates assigned to vehicles in inventory, delete unnecessary punctuation, and add a reference to unassigned license plates. SB 1902 eliminated the requirement for a dealer to keep an inventory of assigned license plates. Instead, SB 1902 requires a dealer to reassign a removed license plate within a 10-day window before disposing of the license plate.

#### §215.151

Adopted amendments throughout §215.151(a) and in §215.151(c) add a reference to a general issue license plate as a type of license plate that a buyer can transfer to a newly purchased vehicle. These amendments implement SB 1902's requirement that a dealer transfer an existing buyer's general issue license plate to a purchased vehicle of the same class within 10 days or destroy the license plate. Adopted amendments to §215.151(a)(3) delete a reference to when a dealer must, or a governmental agency may, issue a buyer's license plate to the buyer of a used vehicle, and replace that language with issuing a buyer's license plate when the buyer does not have a general issue, specialty, personalized or other qualifying license plate to transfer to the vehicle. These adopted amendments implement SB 1902, which no longer requires a license plate to remain with a vehicle to which the license plate was first assigned.

An adopted amendment to §215.151(c) deletes a reference to a vehicle that has an assigned license plate because SB 1902 eliminated the requirement for a license plate to remain assigned

to a vehicle upon subsequent retail sale. Adopted amendments to §215.151(c) add language to require the removal of any previously assigned license plate and require the dealer to reassign that license plate to a vehicle of the same class within 10 days before disposing of that license plate when a buyer provides a different qualifying license plate to be assigned to a purchased vehicle. This adopted amendment implements the requirements for plate transfer or disposal by a dealer in Transportation Code, §504.901, as amended by SB 1902. Adopted amendments to §215.151(d) implement the requirements of SB 1902 by adding language that allows a dealer to reassign a license plate to a vehicle of the same class within 10 days, and deleting references to providing an assigned license plate to a Texas retail buyer or Texas dealer and voiding plates for vehicles sold to out-of-state or exporting buyers. These adopted amendments implement SB 1902, which eliminated the requirement for a license plate to remain assigned to a vehicle upon subsequent retail sale and instead requires a dealer to dispose of any license plate that is not reassigned after 10 days according to department rules.

Adopted amendments add new §215.151(e) to describe circumstances in which a dealer is not required to secure or affix an assigned license plate to a vehicle after a lawful sale. Adopted new §215.151(e)(1) allows a retail buyer who purchases a vehicle for direct delivery to the buyer to authorize the dealer in writing to mail or securely deliver the dealer-assigned buyer's license plate to the buyer. Adopted new §215.151(e)(1) is necessary to accommodate lawful sales in which vehicles are shipped directly to a retail buyer, which is common in multi-vehicle or fleet purchases. Adopted new §215.151(e)(2) allows a retail buyer to authorize a dealer in writing to mail or securely deliver a license plate or set of license plates to a licensed converter who could then affix the assigned buyer's license plate to the vehicle once the vehicle is complete prior to delivery to the customer, or allow the converter to provide the license plate to the customer at vehicle delivery. Adopted new §215.151(e)(1) and new §215.151(e)(2) facilitate delivery of a dealer-assigned buyer's license plate when a vehicle is sold in a lawful retail transaction, but the purchased vehicle is not located at the dealer's licensed location.

#### §215.152

Adopted amendments to §215.152(c) and §215.152(d) add "new" to describe the type of buyer's license plates that the department will be allocating to each dealer and delete the term unassigned. These amendments implement SB 1902, which amended Transportation Code, §504.901 to require a dealer to transfer an unassigned license plate to a purchased vehicle of the same class within 10 days or destroy the license plate.

An adopted amendment to §215.152(d)(4) adds "or decrease" to allow the department to decrease the annual allotment of license plates for dealers based on changes in the market, temporary conditions, or other relevant factors in the state, county, or other geographical or population area. For example, sales may decline during an economic recession, resulting in dealers needing fewer plates to assign to new cars. When this happens, the state should not incur the expense to manufacture or distribute license plates that will not be used, and a dealer should not be required to undergo the expense or effort to store and track a larger number of license plates than what the dealer will likely use. To address this, an adopted amendment to §215.152(g) allows a new dealer to request fewer buyer's license plates or buyer's temporary license plates than what is allocated under §215.152(e).

Adopted new §215.152(i) describes the circumstances in which a dealer is not eligible to receive a quarterly allocation of buyer's license plates delivered to the dealer's licensed physical location. These circumstances are: if the dealer's license has been closed, canceled, or revoked in a final order; if the department has issued a notice of department decision for a violation of premises requirements because the dealer appears to have abandoned the licensed location; if the dealer has been denied access to the temporary tag system or the license plate system; if a dealer fails a compliance review performed by the department under Transportation Code, §503.063(d); if the dealer's license expires during that quarter and a renewal application has not been submitted to the department; if a dealer does not have an owner or bona fide employee at the licensed location during posted business hours to accept a license plate delivery; or if a dealer fails to keep license plates or the license plate system secure. In accordance with Occupations Code, §2301.152, the department is responsible for reducing the opportunities for license plate fraud or misuse. This adopted new subsection enables the department to fulfill that obligation.

Adopted new §215.152(j) allows a dealer who has an active license and access to the license plate database, but is ineligible to receive a quarterly license plate allocation under subsection (i), to request that the department conduct a compliance review under Transportation Code, §503.063(d) to determine if the dealer is eligible to receive a future allocation. A dealer may request a compliance review by submitting an email request to DealerCompliance@txdmv.gov, and the department will perform the requested compliance review within 14 days. This new adopted subsection allows a dealer to become eligible for a future license plate allocation once the dealer passes a compliance review performed by the department, consistent with Transportation Code, §503.063(d).

Adopted new §215.152(k) allows the department to require a dealer with an active license to obtain buyer's license plates from a county tax assessor-collector or department regional service center if the dealer is not eligible to receive license plates under §215.152(i). This adopted new subsection allows a licensed dealer to continue to operate while the dealer addresses a security or other operational issue that prevents the department from securely delivering license plates to the licensed location. An adopted amendment reletters §215.152(i) to (l) to accommodate the three new adopted subsections described above.

An adopted amendment adds new §215.152(m), which describes when a dealer may request fewer buyer's license plates or buyer's temporary license plates. A dealer may request fewer license plates after using less than 50 percent of the quarterly allocation of general issue license plates or buyer temporary license plates in a quarter, or after using less than 50 percent of the allotted annual maximum number of general issue license plates or buyer temporary license plates in a year. A dealer should not be required to undergo the expense or effort to store and track a significantly larger number of license plates than what the dealer will use. Adopted amendments reletter §215.152(j) to (n) and reletter the subsequent subsections accordingly to accommodate the new adopted subsections described above.

Adopted amendments to relettered §215.152(n) add a reference to a dealer being able to request a decrease in a quarterly or annual allocation by submitting a request in the department's designated license plate system, and delete a reference to subsection (i). These amendments inform a dealer how to request a

decrease in a quarterly or annual buyer's license plate or buyer's temporary license plate allocation.

An adopted amendment to relettered §215.152(o) adds "or decrease" in recognition that a dealer may request a decrease in a maximum annual allotment. Adopted amendments throughout relettered §215.152(o) delete "additional" to describe license plates because amendments to this rule are adopted to allow a dealer to request fewer license plates. An adopted amendment to relettered §215.152(o)(2) deletes the phrase "for more license plates" to describe the type of additional requests a dealer may submit because a dealer may submit additional requests for fewer license plates. An adopted amendment to relettered §215.152(o)(3)(D) deletes a reference to issuing no additional license plates because a dealer may request to reduce the number of license plates, and the department may deny that request. Adopted amendments to relettered §215.152(o)(3)(E)(ii) delete a reference to additional license plates being added to the dealer's allocation and substitute text to state that the dealer's allocation will be adjusted. These adopted amendments recognize that a dealer's request for fewer license plates may be adjusted by the designated director in the department's Vehicle Titles and Registration Division. An adopted amendment to relettered §215.152(o)(3)(E)(ii) adds "informed about" to improve readability without changing meaning. An adopted amendment to relettered §215.152(o)(5) deletes a reference to additional license plates because the adopted amendment allows a dealer to submit a subsequent request for fewer license plates during a calendar year.

#### §215.155

Adopted amendments to §215.155(c) delete §215.155(c)(2), which requires a selling dealer to provide a license plate to a purchasing dealer for placement on the vehicle at time of retail sale and modifies related punctuation and numbering. These adopted amendments implement SB 1902, which eliminated the requirement for an assigned license plate to stay with a vehicle upon a subsequent retail sale of the vehicle. At adoption, the department removed unnecessary conjunctions from §215.155(a) in response to public comment.

#### §215.158

In §215.158(a) the phrase "of this title" was added for consistency at adoption. Adopted amendments to §215.158(b) delete a reference to removing a previously assigned buyer's license plate or other type of license plate for a vehicle sold to an out-of-state buyer or for another reason allowed by rule and simplify the subsection to apply only when a dealer is required to void a previously assigned buyer's license plate from a vehicle. These adopted amendments align the rule text with Transportation Code, §504.901, as amended by SB 1902, which requires a dealer to void a previously assigned buyer's license plate within 10 days unless the dealer has reassigned that license plate to another vehicle of the same class. At adoption, the department removed an unnecessary "or" conjunction between §215.158(b)(1) and (2) in response to public comment.

#### §215.163

Adopted new §215.163 addresses how a license holder must manage a license plate or set of license plates for a motor vehicle sold at auction or on consignment. Adopted new §215.163 clarifies license plate disposition and the reporting responsibilities of a dealer and a wholesale motor vehicle auction GDN holder when offering a motor vehicle for sale at a wholesale auction, and clarifies a dealer's responsibilities when offering a motor vehicle

for sale at auction or on consignment at the dealer's licensed location consistent with the requirements of Transportation Code, §§503.063, 503.0633, and 504.901 as amended by HB 718 and SB 1902, effective July 1, 2025.

Adopted new §215.163(a) addresses license plate disposition requirements for motor vehicles offered for sale at a wholesale motor vehicle auction, in which only dealers are allowed to purchase a motor vehicle under Transportation Code, §503.037. Adopted new §215.163(a) requires a wholesale motor vehicle auction GDN holder who receives a motor vehicle on consignment from a person who is not a GDN holder to remove and mark any license plate with the vehicle as void; and destroy, recycle, or return any license plate in keeping with the requirements of §215.158 (relating to General Requirements for Buyer's License Plates). Adopted new §215.163(a) prevents Texas license plates from being distributed out-of-state or exported and used fraudulently. These adopted amendments are also consistent with Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, which authorizes dealers to issue a buyer's license plate and access the license plate system but does not authorize motor vehicle auction license holders to do so.

Adopted new §215.163(b) describes a dealer's license plate disposition responsibilities if a motor vehicle with a license plate is sold at a public auction, at which members of the public can bid on and purchase a motor vehicle. Adopted new §215.163(b) requires a dealer who is authorized to sell a consigned vehicle to return an assigned license plate to the vehicle's owner in keeping with Transportation Code §504.901(b), or destroy, recycle, or return the license plate in accordance with §215.158 (relating to General Requirements for Buyer's License Plates). The option for a dealer to destroy an assigned license plate is necessary because in some circumstances a dealer may be unable to return an assigned plate to the vehicle's owner. For example, a dealer could not do so if the vehicle's owner has died or the vehicle's owner relocated without a forwarding address. If a dealer offers a motor vehicle from the dealer's inventory for sale at a public auction, the dealer is required to remove and securely store the license plate before offering the vehicle for sale at a public auction as required in adopted 43 TAC §215.150(f) (relating to Dealer Authorization to Issue License Plates) and must reassign the license plate within 10 days to a vehicle of the same class or destroy the license plate. If the purchaser is a Texas retail buyer, the dealer must issue a buyer's license plate to the purchaser and update the license plate database unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, consistent with adopted amendments to 43 TAC §215.151 (relating to License Plate General Use Requirements). If the purchaser at the public auction is a dealer, export buyer, or out-of-state buyer, the selling dealer must not issue a buyer's license plate. Additionally, if the purchaser at an auction is an out-of-state buyer, the dealer may only issue a buyer's temporary license plate if the buyer requires this license plate to transport the vehicle to another state in accordance with Transportation Code, §503.063, as amended by HB 718, and with 43 TAC §215.150(c) (relating to Dealer Authorization to Issue License Plates). Adopted new §215.163(b) clarifies license plate disposition for different types of sales that can occur at a public auction and minimizes potential fraud or misuse of license plates that may occur, consistent with the requirements of Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, and the adopted amendments to 43 TAC §§215.150, 215.151, and 215.158.

Adopted new §215.163(c) implements dealer requirements for other types of consignment sales which occur at a dealer's licensed location and not at auction. Adopted new §215.163(c) addresses license plate disposition for other types of consignment sales to minimize potential fraud or misuse of license plates, consistent with the requirements of Transportation Code, §503.063 and §504.901, as amended by HB 718 and SB 1902, and the requirements of the department's adopted rules implementing HB 718. Adopted new §215.163(c)(1) requires a dealer to remove and return any license plate to the vehicle's owner. Adopted new §215.163(c)(1) further clarifies that a dealer may use its dealer's temporary license plate to demonstrate the consigned vehicle to a potential purchaser, in accordance with 43 TAC §215.138 (relating to Use of Dealer's License Plates).

Adopted new §215.163(c)(2) aligns the requirements for dealer consignment sales with the general license plate disposition requirements in the department's rules implementing HB 718, adopted effective July 1, 2025. Adopted new §215.163(c)(2) requires a dealer, upon the sale of a consigned motor vehicle, to assign a license plate to a Texas retail buyer that purchases the vehicle unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, and to update the license plate database, consistent with 43 TAC §215.151 (relating to License Plate General Use Requirements). If the vehicle is sold to an out-of-state buyer, for export, or to a Texas dealer, a dealer may not issue a buyer's license plate and may only issue a buyer's temporary license plate if the out-of-state purchaser requires a temporary license plate to transport the vehicle to another state for titling and registration in that jurisdiction. At adoption, a capitalization error in §215.163(c)(2)(B) was corrected.

Adopted new §215.163(c)(3) clarifies license plate disposition requirements for independent motor vehicle dealers whose business includes the sale of salvage vehicles or total loss vehicles as defined by the applicable insurance contract, and who may receive consignments from non-GDN holders such as insurance or finance companies. In these situations, an independent motor vehicle dealer must remove and destroy, recycle, or return the license plate as required in §215.158 (relating to General Requirements for Buyer's License Plates). Under Occupations Code, §2302.009, an independent motor vehicle dealer that acts as a salvage vehicle dealer or displays a motor vehicle as an agent of an insurance company must comply with Occupations Code, Chapter 2302, including the requirement to immediately remove any unexpired license plate. Requiring an independent motor vehicle dealer to either transfer or void, destroy, recycle, or return the license plate as required in §215.158 (relating to General Requirements for Buyer's License Plates) reduces the risk of fraud or misuse of the plates, since salvage or total loss vehicles may not be driven on Texas roads. Adopted new §215.163(c) minimizes potential fraud or misuse of these license plates and is consistent with the requirements of Occupations Code, Chapter 2302, and Transportation Code, §503.063 and §504.901, as amended by HB 708 and SB 1902.

#### SUMMARY OF COMMENTS.

The department received four written comments on the proposal from one individual, the National Auto Auction Association (NAAA), the Texas Automobile Dealers Association (TADA), and the Texas Independent Automobile Dealers Association (TIADA).



Comment: An individual commenter requests the department return to using temporary tags and use watermarked paper to address security concerns.

Response: The department disagrees. Paper tags are easier for bad actors to counterfeit than license plates. Transportation Code, §503.063 requires dealers to issue buyer's license plates on or after July 1, 2025.

Comment: NAAA thanks the department for collaborating on rule language in §215.163 regarding auction and consignment sales.

Response: The department agrees and appreciates the continued collaboration provided by NAAA and its members in developing the rule proposal.

Comment: TIADA requests the department correct a reference in §215.183(k).

Response: The department agrees, assuming the intended reference is to §215.83(k) because §215.183(k) is outside the scope of this rulemaking. The department corrected that reference at adoption.

Comment: TIADA requests the department to delete all references to temporary tags and July 1, 2025, in §215.133 and throughout the rules.

Response: The department disagrees. The department continues to process applications filed prior to July 1, 2025, and enforce violations of the law that occurred before July 1, 2025, so references to both temporary tags and license plate requirements are necessary at this time.

Comment: TIADA and TADA request that rules regarding certificates of occupancy be amended in §215.133 and §215.140 to limit applicability to instances when a dealership is new, recently relocated, or when a building permit is necessary for a dealership remodel. TADA also requests that in §215.141 be similarly limited to sanctions for premises violations related to certificates of occupancy.

Response: The department disagrees. Changes regarding certificates of occupancy are beyond the scope of this rule package. Additionally, current practices regarding certificates of occupancy are already consistent with or less onerous than what these commenters suggest.

Comment: TADA requests that rule language regarding required dealership signage in §215.140 and sanctions in §215.141 be amended to acknowledge that a manufacturer may control the timing of signage removal and delivery, and to clarify that license processing should not be delayed or a dealership sanctioned in these circumstances.

Response: The department disagrees that a rule change in §215.140 or §215.141 is required. Existing language in §215.140 allows a dealer to use temporary signage while waiting for the permanent sign to be installed. The department's enforcement team investigates and considers all relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

Comment: TIADA requests the department delete unnecessary "or" connectors in §215.141 and §215.158(b).

Response: The department agrees and deleted the unnecessary connectors in §§215.141(a)(6), 215.141(b)(32), and §215.158(b) at adoption.

Comment: TIADA requests that the department address vehicle transfer notices in rule as dealers are often expected to submit a notice prior to receiving the title from a wholesale auction.

Response: The department disagrees. These changes are not within the scope of this rule package. The department will consider the suggestion for future rulemaking.

Comment: TIADA requests the department delete unnecessary conjunctions between §§215.144(f)(3)(A) and (B).

Response: The department disagrees. The "or" conjunction between §§215.144(f)(3)(A) and (B) is necessary to emphasize that a dealer who sells a vehicle through a dealer-financed transaction has a different title and registration deadline. The conjunction signals a reader to continue to §215.144(f)(3)(B) to discover if that different title and registration deadline applies.

Comment: TIADA requests the department delete unnecessary "and" conjunctions in §215.155(a).

Response: The department agrees and removed the unnecessary conjunctions at adoption.

Comment: TADA requests a rule amendment in §215.150 and §215.151 to allow a dealer's purchase of a temporary registration license plate for a buyer's vehicle to be considered as compliant with all license plate issuance rules.

Response: The department disagrees. The purchase of a temporary registration license provides temporary authorization only. A dealer must also issue a buyer's license plate or temporary out-of-state license plate, as applicable, to be compliant with Transportation Code, §503.063 and department rules.

Comment: TIADA requests a rule amendment in §215.150 to replace the word "must" with "may" to allow the department to allow dealers discretion to issue plates when system failures, department restrictions, or other unforeseen circumstances prevent issuance of a license plate.

Response: The department disagrees. Transportation Code, §503.063 states that a dealer "shall" issue a buyer's license plate unless an exception in §503.063 applies. Additionally, the department's enforcement team investigates and considers relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

Comment: TADA requests a rule amendment in §215.151(e)(1) to allow a Texas franchised dealer to complete the delivery, titling, registering, and remitting of motor vehicle sales tax for a vehicle drop-shipped by an out-of-state licensed franchised dealer to the Texas dealer for preparation and delivery to a Texas buyer or lessee.

Response: The department disagrees. This change is outside the scope of this rule package. The department will consider the suggestion for future rulemaking, consistent with the department's statutory authority.

Comment: TADA requests a rule amendment in §215.151(e) to clarify that a delivery method fulfills the requirement that a dealer "securely deliver" a license plate if the method is dependable and recognized, unless the TxDMV determines that additional conditions are necessary.

Response: The department disagrees that it is necessary to further define or limit license plate delivery methods. The department's enforcement team will investigate and consider all relevant facts and circumstances surrounding a potential violation before issuing a violation notice and recommending a penalty.

Comment: TADA requests a rule amendment in §215.151(e) to state that any electronic communication between a buyer and a dealer may serve as an authorization to mail or deliver an assigned license plate.

Response: The department disagrees. The purpose for requiring a buyer's written authorization is to document the buyer's authorization in a way that can be authenticated and kept or stored in the dealer's vehicle sales records. Not all forms of electronic communication can be kept or stored electronically or are able to be authenticated such as an unrecorded telephone call.

Comment: TIADA requests a rule amendment in §215.151 to establish a minimum allocation of five for all "tag types" to ensure dealer access.

Response: The department disagrees. In the license plate system, a dealer may order the specific types of license plates necessary for the dealer's business, including provisional license plates that a dealer may use when the applicable license plate is not in the dealer's inventory. Automatically allocating five of every type of license plate to every dealer would require the department to incur the expense to deliver license plates that are not necessary and require dealers to secure and store license plates that the dealer may never use.

Comment: TADA requests a rule amendment in §215.152(i) that prior to a determination that a dealer is not eligible to receive a quarterly allocation of plates, that the department make reasonable efforts to verify the accuracy of the facts or circumstances the department alleges meet the requirements for denial of plates under §215.152(i).

Response: The department disagrees. Enforcement of this rule will be based on the department's review of licensing status and enforcement case data. Under existing licensing and enforcement rules, a dealer will have direct knowledge or notice from the department of the relevant facts or circumstances before the department denies the dealer a plate allocation under §215.152(i).

Comment: TADA requests a rule amendment in §215.152 to allow a dealer who sells vehicles to a fleet buyer to contact the department regarding the sale so that license plates can be delivered near the same time as the delivery of the vehicles.

Response: The department disagrees. Contacting the department is unnecessary. A dealer may order license plates in the license plate system based on the anticipated fleet delivery date and the shipping time required for the license plates.

Comment: TADA requests an amendment in §215.152 to allow a new dealership during the licensing process to request a specific number of license plates for the first quarter by providing information to substantiate that request, such as a manufacturer's sales estimate for that location.

Response: The department disagrees. A new dealer may already provide information to support a request for additional license plates under existing §215.152(g).

Comment: TADA requests a rule amendment in §215.152 to allow a selling franchised dealer to transfer the existing license plate inventory to the buying franchised dealer at closing, so the buying dealer has a beginning inventory of license plates to use.

Response: The department disagrees. This change is outside the scope of this rule package. However, department agrees that the ability to transfer license plates when a dealer sells a location is helpful. The department will develop and test an administrative

process to transfer license plate inventory and will propose rules in a future rule package.

## SUBCHAPTER B. LICENSES, GENERALLY

### 43 TAC §215.83, §215.91

STATUTORY AUTHORITY. The department adopts amendments and a new section to Chapter 215, Subchapter B, under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Government Code, §411.122(d), which authorizes department access to criminal history record information maintained by DPS; Government Code, §411.12511, as amended by Senate Bill 2587, 89th Legislature, Regular Session (2025), which authorizes the department to obtain criminal history record information from DPS and the FBI for license applicants, license holders, and representatives whose act or omission would be cause for denying, revoking, or suspending a general distinguishing number or license issued under Transportation Code, Chapter 503, or Occupations Code, Chapters 2301 and 2302; Occupations Code, §55.004, as amended by House Bill 5629, 89th Legislature, Regular Session, which requires the department to adopt rules for the issuance of a license to military service members, military veterans, or military spouses that allow licensure if the applicant holds a current license issued by another state that is similar in scope of practice to the license in Texas and is in good standing with that state's licensing authority, or has held a license in Texas within the preceding five years; Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Transportation Code, §503.002, which authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503; Transportation Code, §503.009, which authorizes the board to adopt rules for certain contested cases; Transportation Code, §503.0296, which requires the board to adopt a rule requiring that an applicant for an original or renewal general distinguishing number who proposes to be an independent motor vehicle dealer complete web-based education and training developed or approved by the department; Transportation Code, §503.033, which authorizes the board to adopt rules prescribing the form of the notice of a surety bond and the procedure by which a claimant may recover against the surety bond; Transportation Code, §503.061, which requires the board to adopt rules regulating the issuance of dealer's license plates; Transportation Code, §§503.0626, 503.0631, and 503.0632,

which require the board to adopt rules necessary to implement and manage the department's temporary tag databases; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout this preamble.

The department also adopts amendments and a new rule under the authority of Transportation Code, §501.0041 and §502.0021; and Government Code, §§2001.004, and 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

**CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapters 411 and 2001; Occupations Code, Chapters 53, 55, and 2301; and Transportation Code, Chapters 501-503, and 1002.

*§215.83. License Applications, Amendments, or Renewals.*

(a) An application for a new license, license amendment, or license renewal filed with the department must be:

(1) filed electronically in the department-designated licensing system on a form approved by the department;

(2) completed by the applicant, license holder, or authorized representative who is an employee, a licensed attorney, or a certified public accountant;

(3) accompanied by the required fee, paid by credit card or by electronic funds transfer, drawn from an account held by the applicant or license holder, or drawn from a trust account of the applicant's attorney or certified public accountant; and

(4) accompanied by proof of a surety bond, if required.

(b) An authorized representative of the applicant or license holder who files an application with the department on behalf of an applicant or license holder may be required to provide written proof of authority to act on behalf of the applicant or license holder.

(c) The department will not provide information regarding the status of an application, application deficiencies, or pending new license numbers to a person other than a person listed in subsection (a)(2) of this section, unless that person files a written request under Government Code, Chapter 552.

(d) Prior to the expiration of a license, a license holder or authorized representative must electronically file with the department a sufficient license renewal application. Failure to receive notice of license expiration from the department does not relieve the license holder from the responsibility to timely file a sufficient license renewal application. A license renewal application is timely filed if the department receives a sufficient license renewal application on or before the date the license expires.

(e) An application for a new license, license amendment, or license renewal filed with the department must be sufficient. An application is sufficient if the application:

(1) includes all information and documentation required by the department; and

(2) is filed in accordance with subsection (a) of this section.

(f) If an applicant, license holder, or authorized representative does not provide the information or documentation required by the department, the department will issue a written notice of deficiency. The information or documentation requested in the written notice of deficiency must be received by the department within 20 calendar days of the date of the notice of deficiency, unless the department issues a written extension of time. If an applicant, license holder, or authorized representative fails to respond or fully comply with all deficiencies listed in the written notice of deficiency within the time prescribed by this subsection, the application will be deemed withdrawn and will be administratively closed.

(g) The department will evaluate a sufficient application for a new license, license amendment, or license renewal in accordance with applicable rules and statutes to determine whether to approve or deny the application. If the department determines that there are grounds for denial of the application, the department may pursue denial of the application in accordance with Subchapter G of this chapter (relating to Administrative Sanctions).

(h) The department will process an application for a new license, license amendment, or license renewal filed by a military service member, military spouse, or military veteran in accordance with Occupations Code, Chapter 55 and §215.91 of this title (relating to License Processing for Military Service Members, Spouses, and Veterans).

(i) A license holder who timely files a sufficient license renewal application in accordance with subsection (d) of this section may continue to operate under the expired license until the license renewal application is determined in accordance with Government Code §2001.054.

(j) A license holder who fails to timely file a sufficient license renewal application in accordance with subsection (d) of this section is not authorized to continue licensed activities after the date the license expires. A license holder may dispute a decision that a license renewal application was not timely or sufficient by submitting evidence to the department demonstrating that the license renewal application was timely and sufficient. Such evidence must be received by the department within 15 days of the date the department issues notice that a timely or sufficient license renewal application was not received by the department.

(k) The department shall accept a late license renewal application up to 90 days after the date the license expires. In accordance with subsection (j) of this section, the license holder is not authorized to continue licensed activities after the date the license expires until the department approves the late license renewal application. If the department grants a license renewal under this section, the licensing period begins on the date the department issues the renewed license. The license holder may resume licensed activities upon receipt of the department's written verification or upon receipt of the renewed license.

(l) If the department has not received a late license renewal application within 90 days after the date the license expires, the department will close the license. A person must apply for and receive a new license before that person is authorized to resume activities requiring a license.

(m) A dealer's standard license plate issued in accordance with Transportation Code, Chapter 503, Subchapter C expires on the date the associated license expires, is canceled, or when a license renewal application is determined, whichever is later.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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



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

### 43 TAC §§215.133, 215.140, 215.141, 215.144, 215.150 - 215.152, 215.155, 215.158, 215.163

**STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the department adopts amendments and a new section in Chapter 215, Subchapter D under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; Occupations Code, §2301.651, which gives the board authority to deny an application for a license, revoke or suspend a license, place on probation, or reprimand a licensee if the applicant or license holder is unfit, makes a material misrepresentation, violates any law relating to the sale, distribution, financing, or insuring of motor vehicles, willfully defrauds a purchaser, or fails to fulfill a written agreement with a retail purchaser of a motor vehicle; Transportation Code, §503.061, which allows the board to adopt rules regulating the issuance and use of dealer's license plates; Transportation Code, §503.0631, which requires the department to adopt rules to implement and manage the department's database of dealer-issued buyer's license plates; Transportation Code, §503.0633, which allows the department to establish the maximum number of license plates or sets of license plates a dealer may obtain annually under Transportation Code, §503.063 and §503.065; Transportation Code, §504.0011, which allows the board to adopt rules to implement and administer Chapter 504; Transportation Code, §520.0071, which requires the board to adopt rules classifying deputies performing titling and registration duties, the duties and obligations of these deputies, the type and amount of bonds that may be required by a county tax assessor-collector for a deputy performing titling and registration duties, and the fees

that may be charged or retained by deputies; Transportation Code, §520.021, which allows the department to adopt rules and policies for the maintenance and use of the department's automated registration and titling system; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout this preamble.

The department also adopts amendments under the authority of Transportation Code, §§501.0041, 502.0021, 503.002, 504.0011, and 520.003; and Government Code, §2001.004 and §2001.054, in addition to the statutory authority referenced throughout this preamble. Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the board to adopt rules for the administration of Transportation Code, Chapter 503. Transportation Code, §504.0011 authorizes the board to adopt rules to implement and administer Chapter 504. Transportation Code, §520.003 authorizes the department to adopt rules to administer Chapter 520. Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

**CROSS REFERENCE TO STATUTE.** The adopted new section and amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2305; and Transportation Code, Chapters 501 - 504, 520, and 1002.

#### *§215.141. Sanctions.*

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

- (1) deny an application;
- (2) revoke a license;
- (3) suspend a license;
- (4) assess a civil penalty;
- (5) issue a cease and desist order; or
- (6) take other authorized action.

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

- (1) fails to maintain a good and sufficient bond or post the required bond notice if required under Transportation Code §503.033 (relating to Security Requirement);
- (2) fails to meet or maintain the requirements of §215.140 of this title (relating to Established and Permanent Place of Business Premises Requirements);
- (3) fails to maintain records required under this chapter;
- (4) refuses or fails to comply with a request by the department for electronic records or to examine and copy electronic or physical records during the license holder's business hours at the licensed business location:

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

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

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

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

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

(6) holds a wholesale motor vehicle dealer's license and sells or offers to sell a motor vehicle to a person other than a licensed or authorized dealer;

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

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

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

(10) issues more than one buyer's license plate or buyer's temporary license plate for a vehicle sold on or after July 1, 2025, or more than one temporary tag for a vehicle sold before July 1, 2025, for the purpose of extending the purchaser's operating privileges for more than 60 days;

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

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

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

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

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

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

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

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

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

(20) files or provides a false or forged:

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

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

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

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

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

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

(25) fails to comply with a dealer responsibility under §215.150 of this title (relating to Dealer Authorization to Issue License Plates);

(26) on or after July 1, 2025, fails to securely store a license plate or fails to destroy a previously issued but currently unassigned license plate within the time prescribed by statute;

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

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

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

(30) violates any state or federal law or regulation relating to the sale of a motor vehicle;

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

(32) fails to issue a refund as ordered by the board or department;

(33) fails to acquire or maintain a required certificate of occupancy, certificate of compliance, business license or permit, or other official documentation for the licensed location confirming compliance with county or municipal laws or ordinances or other local requirements for a vehicle business;

(34) on or after July 1, 2025, fails to remove a license plate from a vehicle as required by statute or rule; or

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

*§215.155. Buyer's License Plates.*

(a) A dealer may issue and secure a buyer's license plate or a buyer's temporary license plate only on a vehicle:

- (1) from the selling dealer's inventory;
- (2) that can be legally operated on the public streets and highways;
- (3) for which a sale or lease has been consummated; and
- (4) that has a valid inspection in accordance with Transportation Code Chapter 548, unless:

(A) an inspection is not required under Transportation Code §503.063(i) or (j); or

(B) the vehicle is exempt from inspection under Chapter 548.

(b) A dealer may not issue a buyer's general issue or temporary license plate to the buyer of a vehicle that is to be titled but not registered.

(c) For a wholesale transaction, a dealer may not issue a buyer's license plate; rather the purchasing dealer places on the motor vehicle its own:

- (1) dealer's temporary license plate; or
- (2) dealer's standard or personalized prestige license plate.

(d) A buyer's temporary license plate is valid until the earlier of:

- (1) the date on which the vehicle is registered; or
- (2) the 60th day after the date of purchase.

(e) A dealer shall charge a buyer a fee of \$10, unless the vehicle is exempt from payment of registration fees under Transportation Code, §502.453 or §502.456. A dealer shall remit the fee to the county with the title transfer application for deposit to the credit of the Texas Department of Motor Vehicles fund. If the vehicle is sold by a dealer to an out-of-state resident:

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

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

(f) A governmental agency may charge a buyer a fee of \$10 unless the vehicle is exempt from payment of registration fees under Transportation Code, §502.453 or §502.456. If collected by a governmental agency, the fee must be sent to the county for deposit to the credit of the Texas Department of Motor Vehicles fund.

*§215.158. General Requirements for Buyer's License Plates.*

(a) A dealer or governmental agency is responsible for the safekeeping of all license plates in the dealer's or governmental agency's possession consistent with the requirements in §215.150 of this title (relating to Dealer Authorization to Issue License Plates). A dealer or governmental agency shall report any loss, theft, or destruction of a buyer's license plate or buyer's temporary license plate to the department in the system designated by the department within 24 hours of discovering the loss, theft, or destruction.

(b) When a dealer is required to void a previously assigned buyer's license plate or other type of license plate from a vehicle, the dealer shall render a void plate unusable by permanently marking the front of the plate with the word "VOID" or a large "X"; and within 10 days:

- (1) destroy the license plate;

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

(3) return the license plate to the department or county tax assessor-collector.

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

*§215.163. License Plate Disposition for Motor Vehicles Sold at Auction or on Consignment.*

(a) Wholesale motor vehicle auctions. A wholesale motor vehicle auction GDN holder who receives a consignment and delivery of a motor vehicle from a person who is not a GDN holder for the purpose of sale at auction shall:

(1) remove and mark any license plate as void; and

(2) destroy, recycle, or return any license plate as required in §215.158 of this title (relating to General Requirements for Buyer's License Plates).

(b) Public auctions.

(1) Before offering a consigned vehicle for sale at a public auction, a dealer must remove any license plate and return the license plate to the vehicle's owner or destroy, recycle, or return the license plate in accordance with §215.158 of this title.

(2) If the purchaser at a public auction is a Texas retail buyer, a dealer shall issue a buyer's license plate to the purchaser, unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of this title (relating to License Plate General Use Requirements).

(3) If the purchaser at the public auction is a dealer, export buyer, or out-of-state buyer, the selling dealer shall not issue a buyer's license plate.

(4) Notwithstanding §215.150(c) of this title (relating to Dealer Authorization to Issue License Plates), if the purchaser at a public auction is an out-of-state buyer, the dealer shall issue a buyer's temporary license plate only if the purchaser requires this license plate to transport the vehicle to another state in which the vehicle will be titled and registered in accordance with the laws of that state.

(c) Other consignment sales.

(1) Before offering for sale a consigned motor vehicle with a license plate owned by a person who is not a GDN holder, the dealer shall remove and return the license plate to the vehicle's owner. The dealer to whom the vehicle is consigned may use its dealer's temporary license plate to demonstrate the consigned motor vehicle to a potential purchaser.

(2) Upon the sale of a consigned motor vehicle owned by a person who is not a GDN holder:

(A) a dealer shall issue a buyer's license plate to a Texas retail buyer who purchases the consigned vehicle, unless the buyer has a general issue, specialty, personalized, or other qualifying license plate to transfer, and update the license plate database in accordance with §215.151 of this title;

(B) a dealer shall not issue a buyer's license plate if the purchaser of the consigned vehicle is a dealer, export buyer, or out-of-state buyer; and

(C) notwithstanding §215.150(c) of this title, if the purchaser of a consigned vehicle is an out-of-state buyer, the dealer shall issue a buyer's temporary license plate only if the purchaser requires this license plate to transport the vehicle to another state in which the vehicle will be titled and registered in accordance with the laws of that state.

(3) An independent motor vehicle dealer who receives consignment and delivery of a salvage vehicle or total loss vehicle (as defined by the applicable insurance contract) for sale from a person who is not a GDN holder shall remove any license plate and destroy, recycle, or return the license plate as required in §215.158 of this title.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 217. VEHICLE TITLES AND REGISTRATION

INTRODUCTION. The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle Registration, §§217.27, 217.52, and 217.53; and Subchapter I, Processing and Handling Fees, §217.185.

The amendments are necessary to implement legislation, to clarify rule language, and to remove a fee discount that is no longer necessary to incentivize online registration transactions. The department adopts amendments to §§217.27, 217.52, and 217.53 without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4378). These amendments will not be republished. The department adopts amendments to §217.185 with changes to the proposed text. The rule will be republished.

The adopted amendments to §217.185 will be effective December 8, 2025. The adopted amendments to §§217.27, 217.52, and 217.53 will be effective on or about October 9, 2025, 20 days after filing with the office of the Secretary of State.

### REASONED JUSTIFICATION.

Adopted amendments to §217.27(c)(2)(B) delete references to Transportation Code, §548.102, the language pertaining to an outstanding inspection period, and the language regarding an application for registration in the name of the purchaser. Adopted amendments also insert reference to Transportation Code, §502.044(a-1), which gives the department authority to register certain motor vehicles for a period of 24 consecutive months. These adopted amendments are necessary to implement Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which amended Transportation Code, §502.044 to designate a motor vehicle registration period of 24 consecu-

tive months for new passenger cars and light trucks sold in Texas or purchased by a commercial fleet buyer described by Transportation Code, §501.0234(b)(4) for use in Texas. The adopted amendments to §217.27(c)(2)(B) are also necessary to delete references to Transportation Code, §548.102 because House Bill (HB) 3297, 88th Legislature, Regular Session (2023) repealed Transportation Code, §548.102, pertaining to the initial two-year inspection period for passenger cars and light trucks.

Adopted amendments to §217.52(n)(1)(B) clarify that the fee for restyling a multi-year vendor specialty license plate to an embossed license plate is \$75, regardless of whether the specialty license plate from which the person is restyling was embossed or non-embossed. This reflects the higher costs of the embossing process on the new plate, which the department's vendor incurs regardless of whether the original plate that the person is seeking to replace was embossed. When current §217.52(n)(1)(B) was originally adopted, embossed plates were new and all restyling to an embossed plate was from a non-embossed plate. As embossed plates become more prevalent, this clarification of the rule is necessary to prevent confusion and accurately reflect the fee for the restyling of an embossed plate to a new style of embossed plate.

Adopted amendments to §217.53 are necessary to implement SB 1902, 89th Legislature, Regular Session (2025), which amended Transportation Code, §504.901 to require a motor vehicle dealer who has purchased a vehicle to remove the assigned general-issue license plates from the vehicle and either transfer the license plates within 10 days to another motor vehicle purchased from their inventory, or destroy the plates. Adopted amendments to §217.53(a) modify the language to require a dealer, upon receiving a motor vehicle in their inventory by sale or transfer, to remove the plates and remove and dispose of the registration insignia from the vehicle. An adopted amendment to §217.53(a) also clarifies that the dealer must either transfer or dispose of the general-issue license plates removed from the motor vehicle in accordance with 43 TAC §215.151(d), relating to License Plate General Use Requirements. In addition, an adopted amendment adds standard language to state that §215.151(d) is contained in Title 43.

SB 1902 amended Transportation Code, §504.901(b) to require a seller, in a transaction where neither party holds a general distinguishing number (GDN), to remove the license plates from the vehicle, and to permit the seller to transfer the removed license plates to another vehicle titled in the seller's name. Adopted amendments to §217.53(b) implement SB 1902 by deleting the requirement for general issue license plates to remain with a motor vehicle following the sale or transfer of the motor vehicle where neither party in the transaction is a dealer and replacing it with language requiring the seller or transferor to remove license plates from the motor vehicle. The adopted amendments to §217.53(b) implement SB 1902 by giving sellers the option of transferring the license plates to a motor vehicle titled in their name as long as the motor vehicle is of the same classification as the motor vehicle the license plates were removed from, and upon acceptance of a request made to a county tax assessor-collector through an application filed under Transportation Code, §501.023 or §502.040.

Adopted amendments to §217.53(c) implement SB 1902 by requiring that the seller of the vehicle render unusable and dispose of any license plates that are not transferred to another vehicle. An additional amendment to §217.53(c) creates consistency and clarity across the department's rules by replacing a vague de-

scription of acceptable plate destruction with specific allowable methods for destroying or disposing of license plates, paralleling the requirements for dealers under §215.158(b) of this title, relating to General Requirements for Buyer's License Plates.

The language in Transportation Code, §504.901(b), as amended by SB 1902, that requires the seller of a motor vehicle, in a transaction where neither party is a dealer, to remove the license plates from the vehicle, is very similar to the language that existed in that statute prior to the amendments of HB 718, 88th Legislature, Regular Session (2023). Adopted amendments to §217.53(d) implement SB 1902 by reverting back to a portion of the language that existed in §217.53(c) prior to the amendments that the department adopted in December 2024 to implement HB 718. The adopted amendments to §217.53(d) inform a purchaser of a motor vehicle, where neither party is a dealer and the seller has removed the license plates, of the option to secure a vehicle transit permit under Transportation Code, §502.492. This permit allows the purchaser to operate the motor vehicle legally on the public roadways from the location where they purchased it to their home or to get it titled and registered.

An adopted amendment to §217.185(a)(3) eliminates the \$1 discount on registration transactions processed through Texas by Texas (TxT) or the department's Internet Vehicle Title and Registration Service (IVTRS). The adopted amendment is necessary to address increased costs for processing registration transactions. The current processing and handling fee, and associated online discount, were established in 2016 and implemented in January 2017. The online discount was created to incentivize Texans to use the online system. Subsequently, the department deployed TxT, which is a mobile application through which a registrant may renew their vehicle registration. Since 2017, the fee and online discount amounts have remained the same, while costs for processing registration transactions throughout the state have increased. In accordance with Transportation Code, §502.1911, the processing and handling fee set by rule must be "sufficient to cover the expenses associated with collecting registration fees." The cumulative inflation rate from January 2017 to January 2025 is over 34%, which has translated into increased costs for information technology infrastructure and staffing to support registration transactions statewide. Moreover, the incentive to get Texans to adopt the online system is no longer needed as around 30% of registration renewal transactions went through TxT and IVTRS in the past three years. Eliminating the discount for transactions processed online will help support the increased costs of collecting registration fees. This adoption seeks only to eliminate the online registration discount in the amount of \$1 per registered vehicle per year, and the established registration fees would remain the same. At adoption, §217.185(a)(3) was amended to remove a stray comma.

The adopted amendments to §217.185 will be effective December 8, 2025, to allow sufficient time for recoding the IVTRS and TxT systems to remove the \$1 discount.

#### SUMMARY OF COMMENTS.

The department received two written comments on the proposal.

The department received written comments from one individual and the Galveston County Tax Assessor-Collector (TAC).

**Comment.** The Galveston County TAC commented in opposition to the proposed amendments to §217.185(a)(3). The commenter stated the proposed amendments to eliminate the \$1 discount on registration transactions processed through TxT

or IVTRS would result in reduced online registration renewals, and challenged the department to prove it costs the department money to have the \$1 discount.

**Response.** The department disagrees. The original reason for the discount created in 2016 was to incentivize online renewals for those customers who otherwise may not renew online. Now, almost 10 years later, conducting business online is significantly more widespread, and many customers are comfortable with the process. Online registration renewals have held steady at approximately 30% of customers for the past three years. The department believes that most people who currently renew online will continue to do so even in the absence of this discount, which amounted to only \$1 per person per year. With the adoption of these amendments, it will not be more expensive to renew online than in-person as the cost is the same for both options. However, customers will still be incentivized to renew online by the convenience of online renewals, which allows customers to avoid the time and cost required to drive to an in-person renewal location.

Additionally, as the proposal preamble stated, the department expects to receive up to \$6,000,000.00 per year in increased revenue as a result of removing the \$1 discount for online transactions. This was calculated based on the recent number of customers who renewed their registration online multiplied by \$1 for each of those customers. Thus, the online fee discount costs the department approximately \$6,000,000.00 each year that it remains in place.

**Comment.** An individual commented that all fees charged by the counties should be standardized to better regulate and streamline the process for assessing fees to avoid confusion on the part of dealers.

**Response.** The department disagrees. This comment is outside the scope of the rule proposal, which is limited to amendments that eliminate a fee discount related to online motor vehicle registration renewals and does not address the standardization of fees or fees in general.

**Comment.** The individual commenter also commented that the new license plate system hinders motor vehicle dealer operations compared to the replaced temporary tag system that could have been fixed with a watermark feature on the temporary tags to counter the theft and/or misuse of temporary tags.

**Response:** The department disagrees. This comment is outside the scope of this rule proposal and the department's rulemaking authority. Transportation Code, §503.063 requires dealers to issue buyer's license plates on or after July 1, 2025.

## SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

### 43 TAC §§217.27, 217.52, 217.53

**STATUTORY AUTHORITY.** The department adopts amendments to §§217.27, 217.52, and 217.53 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.044, as amended by Senate Bill (SB) 1729, 89th Legislature, Regular Session (2025), which requires the department to designate a registration period of 24 consecutive months for certain passenger cars and light trucks; Transportation Code, §504.0011, which gives the board authority to implement and administer Transportation Code, Chapter 504, License Plates; Transportation Code, §504.010, which authorizes the department to adopt rules governing the



issuance and placement of license plates on motor vehicles; Transportation Code, §504.0051, which gives the department authority to issue personalized license plates and forbids the department from issuing replacement personalized license plates unless the vehicle owner pays the statutory fee required under Transportation Code, §504.007; Transportation Code, §504.007, which states that replacement license plates can only be issued if the vehicle owner pays the statutory fee; Transportation Code, §504.6011, which authorizes the sponsor of a specialty license plate to reestablish its specialty license plate under Subchapter J of Transportation Code, Chapter 504, and authorizes the board to establish the fees under Transportation Code, §504.851; Transportation Code, §504.851(a), which allows the department to contract with a private vendor to provide specialty and personalized license plates; Transportation Code, §504.851(b)-(d), which authorize the board to establish fees by rule for the issuance or renewal of personalized license plates that are marketed and sold by the vendor as long as the fees are reasonable and not less than the amounts necessary to allow the department to recover all reasonable costs associated with the procurement, implementation and enforcement of the vendor's contract; Transportation Code, §504.851(i), which requires a contract entered into by the department and a private vendor for the marketing and sale of specialty license plates to allow the vendor to establish a range of premium embossed specialty license plates to be sourced, marketed, and sold by the private vendor; the rulemaking authority provided under Section 3 of SB 1902, 89th Legislature, Regular Session (2025); and Transportation Code §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department, as well as the statutes referenced throughout the this preamble.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapters 502, 504, and 1002.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER I. PROCESSING AND HANDLING FEES

### 43 TAC §217.185

STATUTORY AUTHORITY. The department adopts amendments to §217.185 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code, Chapter 502; Transportation Code §502.1911, which authorizes the board to adopt rules to set registration processing and handling fees; and Transportation Code §1002.001, which authorizes the board to adopt rules

that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapters 502 and 1002.

§217.185. *Allocation of Processing and Handling Fees.*

(a) For registration transactions, except as provided in subsection (b) of this section, the fee amounts established in §217.183 of this title (relating to Fee Amount) shall be allocated as follows:

(1) If the registration transaction was processed in person at the office of the county tax assessor-collector or mailed to an office of the county tax assessor-collector:

(A) the county tax assessor-collector may retain \$2.30; and

(B) the remaining amount shall be remitted to the department.

(2) If the registration transaction was processed through the department or the TxFLEET system or is a registration processed under Transportation Code, §§502.0023, 502.091, or 502.255; or §217.46(b)(5) of this title (relating to Commercial Vehicle Registration):

(A) \$2.30 will be remitted to the county tax assessor-collector; and

(B) the remaining amount shall be retained by the department.

(3) If the registration transaction was processed through Texas by Texas (TxT) or the department's Internet Vehicle Title and Registration Service (IVTRS):

(A) Texas Online receives the amount set pursuant to Government Code, §2054.2591, Fees;

(B) the county tax assessor-collector may retain \$.25; and

(C) the remaining amount shall be remitted to the department.

(4) If the registration transaction was processed by a limited service deputy or full service deputy appointed by the county tax assessor-collector in accordance with Subchapter H of this chapter (relating to Deputies):

(A) the deputy may retain:

(i) the amount specified in §217.168(c) of this title (relating to Deputy Fee Amounts). The deputy must remit the remainder of the processing and handling fee to the county tax assessor-collector; and

(ii) the convenience fee established in §217.168, if the registration transaction is processed by a full service deputy;

(B) the county tax assessor-collector may retain \$1.30; and

(C) the county tax assessor-collector must remit the remaining amount to the department.

(5) If the registration transaction was processed by a dealer deputy appointed by the county tax assessor-collector in accordance with Subchapter H of this chapter (relating to Deputies):

(A) the deputy must remit the processing and handling fee to the county tax assessor-collector;

and (B) the county tax assessor-collector may retain \$2.30;

(C) the county tax assessor-collector must remit the remaining amount to the department.

(b) For transactions under Transportation Code, §§502.093-502.095, the entity receiving the application and processing the transaction collects the \$4.75 processing and handling fee established in §217.183:

(1) the entity may retain \$4.25;

(2) the entity must remit the remaining amount to the department; and

(3) a full service deputy processing a special registration permit or special registration license plate transaction may not charge a convenience fee for that transaction.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 220. AUTOMATED MOTOR VEHICLES

The Texas Department of Motor Vehicles (department) adopts new 43 Texas Administrative Code (TAC) Chapter 220, Automated Motor Vehicles; Subchapter A, General Provisions, §220.1 and §220.3; Subchapter B, Authorization to Operate an Automated Motor Vehicle, §§220.20, 220.23, 220.26, 220.28, and 220.30; and Subchapter C, Administrative Sanctions, §220.50, concerning automated motor vehicles.

The department adopts the following new sections without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4386). These rules will not be republished: §§220.1, 220.3, 220.20, 220.28, and 220.50. The department adopts the following new sections with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4386). These rules will be republished: §§220.23, 220.26 and 220.30. The changes at adoption are described in the Reasoned Justification below.

Adopted new Chapter 220 is necessary to implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025), which requires a person to hold an automated motor vehicle authorization to operate one or more automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in Texas without a human driver (authorization). SB 2807 became effective on September 1, 2025.

A portion of SB 2807 amends Subchapter J (Operation of Automated Motor Vehicles) of Chapter 545 of the Transportation

Code. SB 2807 requires the Board of the Texas Department of Motor Vehicles (board) and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that a person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The effective date of Chapter 220 is February 27, 2026; however, a person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as amended by SB 2807, and Chapter 220 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

The department considered all written comments that were timely received during the public comment period regarding Chapter 220. The department made one change to §220.26(a) at adoption in response to a public comment from the City of Austin by adding language to provide an example of a material change to information in a document, which triggers the requirement for an authorization holder to provide the department with an update under Transportation Code, §545.456(e).

### REASONED JUSTIFICATION.

#### Subchapter A. General Provisions

Adopted new §220.1 provides the purpose and scope of new Chapter 220. Adopted new §220.3 specifies that the definitions for new Chapter 220 are the definitions contained in Transportation Code, Chapter 545, Subchapter J.

#### Subchapter B. Authorization to Operate an Automated Motor Vehicle

For clarity and ease of reference, adopted new §220.20 provides the purpose and scope of new Subchapter B regarding the form and manner of an application for authorization, as well as the requirements to update certain documents under Transportation Code, §545.456.

Adopted new §220.23 prescribes the form and manner by which a person may apply to the department for an authorization, as required by Transportation Code, §545.456(a). Adopted new §220.23 also prescribes certain requirements for an authorization application.

The application requirements are similar to the application requirements in the department's rules for other programs, such as operating authority for a motor carrier under 43 TAC Chapter 218. However, the department customized the application requirements under §220.23 to comply with Transportation Code, §545.456 and to obtain information and documents that the department needs to comply with new Chapter 220 and Transportation Code, §545.456 and §545.459.

The requirement for the applicant to provide the applicant's name, contact information, business entity type, and Texas Secretary of State file number, as applicable, will assist the department in identifying the applicant and verifying certain application information as necessary. If the department approves the application and issues an authorization to the applicant under Transportation Code, §545.456, the department will use the authorization holder's application information to send any notices to the authorization holder under Chapter 224 of this title regarding administrative sanctions, including the possible

suspension, revocation, or cancellation of the authorization if the department determines that an automated motor vehicle operating under an authorization is not in safe operational condition and the operation of the vehicle on a highway or street in Texas endangers the public. The department will also use any documents provided by an applicant under §220.23 to enforce the relevant provisions under new Chapter 220 and Transportation Code, §545.456 and §545.459 regarding the authorization holder if the department approves the application and issues an authorization.

The vehicle descriptive information specified in adopted new §220.23(b)(1)(B) is consistent with certain data fields that are included on Form 130-U, which is the department's Application for Texas Title and/or Registration. Transportation Code, §545.456(b)(1)(B) requires the department's rules to require an applicant for an authorization to provide the department with vehicle descriptive information as prescribed by the department. Adopted new §220.23(b)(1)(B) requires the applicant to provide vehicle descriptive information that is generally used by the department to identify vehicles and that is consistent with terminology used in the department's form for an application for Texas title and/or registration for a vehicle. Transportation Code, §545.455(b)(5) prohibits an automated motor vehicle from being operated on a highway or street in Texas with the automated driving system engaged unless the vehicle is registered and titled in accordance with Texas law. Also, Transportation Code, §545.456(b)(2)(E) requires the department's rules to require an applicant for an authorization to provide the department with a written statement by the applicant or the manufacturer of the vehicle or the automated driving system acknowledging that each automated motor vehicle is registered and titled in accordance with Texas law. Law enforcement uses the vehicle registration and title information that the department maintains on vehicles that are titled and registered in Texas. It is therefore important that the vehicle descriptive information in the department's designated system for automated motor vehicles is consistent with the vehicle descriptive information in the department's designated system for vehicle titles and registration.

The information required under new §220.23 will assist law enforcement with determining whether an automated motor vehicle is being operated under an authorization, so law enforcement can determine whether to issue a citation to the owner of the vehicle or the authorization holder for the vehicle. Transportation Code, §545.454(b) states that when an automated driving system that is installed on an automated motor vehicle is engaged, the authorization holder for the automated motor vehicle shall be issued any citation for a violation of traffic or motor vehicle laws related to the vehicle. If the automated motor vehicle is not being operated under an authorization, Transportation Code, §545.454(b) states that the citation shall be issued to the owner of the vehicle.

In addition, the information required under new §220.23 may help law enforcement determine whether a person committed an offense under Transportation Code, §545.455(d). A person commits an offense under Transportation Code, §545.455(d) if the person operates an automated motor vehicle in violation of Transportation Code, §545.455(c), which prohibits a person from operating an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in Texas without a human driver unless the person receives and maintains authorization to operate automated motor vehicles from the department under Transportation Code, §545.456 and provides the Texas Department of Public

Safety with the prescribed plan specifying how a person who provides firefighting, law enforcement, ambulance, medical, or other emergency services should interact with the automated motor vehicle during the provision of those services.

The department adopts §220.23(c) with a change at adoption to replace the word "with" with the word "to" because an applicant submits an application to the department.

Adopted new §220.26 prescribes the requirements and process regarding an authorized holder's obligation to provide the department with updated documents under Transportation Code, §545.456(e) and §545.456(f)(2). The department needs updated information and documents to enforce the relevant provisions under new Chapter 220 and Transportation Code, §545.456 and §545.459 regarding an authorization holder.

The department adopts §220.26(a) and (b) with changes at adoption to delete the references to paragraphs (1) and (2) in the citation to §220.23(b) because the references are not necessary as §220.23(b) only includes two paragraphs. The department also adopts §220.26(a) with a change at adoption in response to a public comment from the City of Austin regarding whether an authorization holder's addition of an automated motor vehicle to its fleet is a change in material information that triggers the requirement for the authorization holder to provide the department with an update under Transportation Code, §545.456(e). This change at adoption clarifies, but does not limit, the term "material information changes" in §220.26(a) by adding the phrase "including, but not limited to, the addition of another vehicle." The addition of a vehicle to the fleet is a material change because Transportation Code, §545.459(g) specifies that the department is authorized to regulate each individual vehicle by authorizing the department to impose restrictions on the operation of "the" vehicle, rather than a unit of a fleet. This addition will ensure that authorization holders understand the materiality of adding another automated motor vehicle to their fleet, but will not restrict the department's authority to determine materiality beyond this example based on the specific facts of each case.

Adopted new §220.26(b)(3) imposes a five-day deadline for an authorization holder to electronically submit an updated or current document when the department requests the authorization holder for an updated or current document under Transportation Code, §545.456(f)(2). The five-day deadline to respond to a department request under Transportation Code, §545.456(f)(2) is different than the general 30-day deadline under §545.456(e) for an authorization holder to update their documents without a department request. Transportation Code, §545.456(f)(2) addresses situations in which the department needs an updated or current document more quickly than 30 days, such as when the operation of an automated motor vehicle endangers the public, as described in Transportation Code, §545.459(a) and (b). However, adopted new §220.26(b)(3) also authorizes the department to grant an extension on the five-day deadline in response to a written request from the authorization holder. Adopted new §220.26(b)(4) requires the authorization holder to submit any requests for an extension prior to the department's deadline for submission of the updated or current document. A request for an extension after the deadline has passed is not a reasonable request. Adopted new §220.26(b)(4) also requires an extension request to be sent to the designated address listed in the department's request to the authorization holder for an updated or current document. This will allow the department flexibility in

determining how best to staff and monitor communications with authorization holders.

Adopted new §220.26(b)(5) requires the authorization holder's request for an extension to contain an explanation on why five days is not reasonable, why the authorization holder needs more time (including the specific deadline the authorization holder is requesting), and whether the authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare. Automated motor vehicles are a new and evolving technology. The authorization holder is in the best position to know about the automated motor vehicles that it operates and the automated motor vehicle industry in general. The authorization holder is in the best position to articulate its reasons for requesting an extension of the five-day deadline.

Adopted new §220.28 provides clarity to the automated motor vehicle industry regarding the computation of time under new Chapter 220, as well as under Transportation Code, §545.456 and §545.459, by aligning the computation with Government Code, §311.014 and specifying calendar days rather than business days.

Adopted new §220.30 specifies that the written statement and certification, required by Transportation Code, §545.456, must contain an authorized signature to ensure that the statement and certification are accurate, authorized, and enforceable. An electronic signature is legally acceptable under Business and Commerce Code, §322.007.

The department adopts §220.30 with a change at adoption to clarify that it applies to both an applicant for an authorization and an authorization holder. The written statements and the certification referenced in Transportation Code, §545.456(b) apply both to an application for an authorization and to updates that an authorization holder must provide to the department.

#### Subchapter C. Administrative Sanctions

Adopted new §220.50 states that the department's rules regarding administrative sanctions for authorization holders are located in Chapter 224 of the department's rules. This new section is consistent with other department rules, which state where to find the department's rules relating to adjudicative practice and procedure as a useful reference for the regulated industries and others.

#### SUMMARY OF COMMENTS.

The department received nine timely written comments on the proposal. Each of the following submitted a written comment: one individual, the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility).

Comment: An individual commenter believes that autonomous vehicles should be heavily regulated and should have to pass a driving test to get a license. Also, the individual commenter believes the automated motor vehicle companies should be heavily taxed by being charged a significant yearly fee to operate each vehicle and an income tax percentage per ride.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

Comment: The City of Austin requests clarification on whether municipalities can be parties to the adjudication process for the

issuance of an authorization to operate automated motor vehicles.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority. The legislature specified that the department, rather than a political subdivision, has the authority to administer the laws regarding an automated motor vehicle authorization under Transportation Code, §545.456.

Comment: The City of Austin requests clarification on whether automated motor vehicle companies that are new to Texas or have not yet deployed must obtain authorization before testing and mapping on Texas roadways.

Response: The department disagrees. Transportation Code, §545.455(c) and §545.456 address the issue, and it is not necessary to repeat statutory language in rule. Also, the answer depends on the facts. In addition, Section 12(b) of SB 2807 states when a person is required to comply with Transportation Code, Chapter 545, Subchapter J.

Comment: The City of Austin requests that the rules establish a clear process requiring automated motor vehicle authorization holders to coordinate with local emergency responders to provide classroom, hands-on, and simulated incident and cybersecurity training prior to deployment. The City of Austin also recommends that the emergency plans that authorization holders are required to submit to the Texas Department of Public Safety be shared with local public safety departments to ensure operational readiness, training and interoperability. In addition, the City of Austin recommends that automated motor vehicle operators provide a 24-hour emergency contact email and phone number to city public safety personnel to assist with establishing automated motor vehicle exclusion zones in times of emergencies.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

Comment: The City of Austin recommends that the proposed rules clarify what data, if any, must be reported to local jurisdictions, including information related to automated motor vehicle routes, collisions under the National Highway Traffic Safety Administration's Standing General Order, incidents, operational design domain (ODD) parameters, fleet size and local counts, and emergency response interactions.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

Comment: The City of Austin states that compliance timelines should allow for flexibility, particularly for jurisdictions with existing automated motor vehicle pilot programs. The City of Austin also states that transitional provisions should protect ongoing coordination between local agencies and automated motor vehicle operators.

Response: The department disagrees. The department is required to adopt rules by December 1, 2025, according to Section 12 of SB 2807. Also, the department is making these rules effective as soon as possible to implement SB 2807 as directed by the legislature. In addition, as explained above, the effective date of Chapter 220 is February 27, 2026; however, a person is not required to comply with Subchapter J of Chapter 545 of the Transportation Code, as amended by SB 2807, and Chapter 220 until the later of May 28, 2026, or the 90th day after the effective

date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

Comment: At a high level, Auto Innovators supports the department's proposed rules to implement SB 2807.

Response: The department agrees.

Comment: Torc, Lyft, Stack, and AVIA support the department's proposed rules.

Response: The department agrees.

Comment: The City of Dallas encourages the department to require robust safety documentation, including crash history and proof of community stakeholder coordination, and to make information about approved operators publicly accessible.

Response: The department disagrees. The requested rules are outside the scope of the department's rulemaking authority. Transportation Code, §545.453 and §545.456 do not allow the department to require authorization holders to submit crash history or proof of community stakeholder coordination. Also, whether the department makes information about authorization holders publicly accessible is based on statutory confidentiality requirements in Government Code, Chapter 552 and other statutes, and is therefore not a matter that should be included in an administrative rule.

Comment: The City of Dallas recommends effective coordination between automated motor vehicle companies and local first responders, including a standard for First Responder Interaction Plans.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority. The Public Safety Commission, rather than the department, is authorized to adopt rules under Transportation Code, §545.455(c)(2) regarding a plan that specifies how a person who provides firefighting, law enforcement, ambulance, medical, or emergency services should interact with the automated motor vehicle during the provision of those services.

Comment: The City of Dallas believes there must be strong safeguards to quickly suspend or revoke an authorization when safety is compromised.

Response: The department disagrees with this comment to the extent that it is outside of the department's rulemaking authority. Regarding potential safety issues, Transportation Code, §545.456 authorizes the department to immediately suspend, revoke, or cancel an authorization for the authorization holder's failure to update documents that the authorization holder previously provided to the department.

The department is authorized under Transportation Code, §545.456(f)(2) to request the authorization holder to provide an updated or current document described by Transportation Code, §545.456(b), including when the department suspects a potential safety issue. The department drafted §220.26 to require the authorization holder to submit the updated or current documents within five calendar days of the date of the department's request, unless the department grants an extension on the deadline. This requirement to update at the department's request is different than the general requirement under Transportation Code, §545.456(e) for the authorization holder to update documents without a department request within 30 days after the date material information in the document changes.

Regarding the process for a suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456 or §545.459, the statutes provide the framework and the department's revisions to Chapter 224 provide additional detail regarding the process and requirements. The department also responded to this comment in the preamble for the adoption of revisions to Chapter 224, which is published in this issue of the *Texas Register*.

Comment: May Mobility stated that there is a slight discrepancy between the definition of the term "automated driving system" referenced in the proposed rulemaking and the definition referenced in SB 2807, and recommends the definition in SB 2807.

Response: The department disagrees. The term "automated driving system" is not included in the rule text in Chapter 220. Also, adopted new §220.3 states that the definitions contained in Transportation Code, Chapter 545, Subchapter J (includes the definition for "automated driving system" in Transportation Code, §545.451) govern Chapter 220.

Comment: May Mobility recommends that clear protocols be established in circumstances in which the authorized representative identified in an application must be changed. In the alternative, May Mobility requests that the department either provide applicants with the option to designate two authorized representatives at the time of application, or require each applicant to designate at least two authorized representatives for administrative purposes.

Response: The department disagrees with the comment because the requested protocols are not necessary. The adopted rules do not require that the same authorized representative submit the application and provide any updates. Adopted new section 220.23(a)(2) allows any authorized representative to complete an application on behalf of the applicant. If an authorization holder needs to update documents that it previously provided to the department, adopted new §220.26(a) and (b) state that the requirement to update is subject to the requirements specified in §220.23, which does not require the same authorized representative to provide the updated document as the authorized representative who submitted the authorization holder's application.

Comment: May Mobility requested that applicants be provided with at least two authorized representatives from the department for ongoing communication and that a protocol be established for adding or removing vehicles from the fleet originally proposed in the application.

Response: The department disagrees with this comment because it is unnecessary to include contact information in an administrative rule, and the contact information is subject to change. The department will provide contact information on its website for communication with department staff. Also, the process for adding or removing vehicles from the fleet will be programmed into the department's designated system.

Comment: May Mobility recommends that the department make an affirmative statement of intent that the department's administrative provisions are the primary administrative mechanism for autonomous vehicle operations in Texas to reduce the potential of other agencies interposing potentially overlapping or conflicting provisions.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority. Also, the legislature addressed this issue in Transportation Code, Chapter 545, Subchapter J. For example, Transporta-

tion Code, §545.452(b) states that a political subdivision of this state may not impose a franchise or other regulation related to the operation of an automated motor vehicle or automated driving system.

#### §220.1

Comment: The City of Austin recommends that the department amend §220.1 to clarify whether Chapter 220 applies to vehicles operated by a remote human (teleoperator) by explicitly defining the term "without a human driver" to mean "without a human driver present in the vehicle" to ensure regulatory certainty and enforcement consistency in teleoperation cases.

Response: The department disagrees. This issue is already addressed in the definitions in Transportation Code, §545.451 for the terms "automated driving system," "automated motor vehicle," and "human driver." The definitions in Transportation Code, Chapter 545, Subchapter J (includes Transportation Code, §545.451) govern Chapter 220, according to §220.3.

Transportation Code, §545.451 defines the term "automated driving system" to mean the "hardware and software that, when installed on a motor vehicle and engaged, are collectively capable of operating the vehicle with Level 3 automation, Level 4 automation, or Level 5 automation by performing the entire dynamic driving task for the vehicle on a sustained basis, regardless of whether the system is limited to a specific operational design domain." Transportation Code, §545.451 defines the term "automated motor vehicle" to mean "a motor vehicle on which an automated driving system is installed that is capable of being operated with Level 4 automation or Level 5 automation." According to the definitions for the terms "automated driving system" and "automated motor vehicle," a motor vehicle is not an automated motor vehicle unless the automated driving system (the hardware and software) is capable of operating the vehicle with Level 4 automation or Level 5 automation without human intervention.

Transportation Code, §545.451 defines the term "human driver" to mean "a natural person in an automated motor vehicle who controls all or part of the dynamic driving task." Therefore, a remote operator who is not in the vehicle does not fit within the statutory definition of "human driver."

Comment: The City of Austin recommends requiring applicants for authorization to disclose the Society of Automotive Engineers (SAE) automation level. The City of Austin also recommends that automated vehicle operators disclose when passenger and commercial vehicles do not have driver controls. The City of Austin explained that this information is critical to inform law enforcement, fire, and EMS response protocols and ensure appropriate classification of vehicle capabilities.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

#### §220.23

Comment: The City of Austin recommends requiring an identifier (such as a sticker or placard) to be displayed on each permitted autonomous vehicle. The City of Austin also recommends that the identifier should include the vehicle's permit number, registered agent name and contact information, and a QR code linking to the first responder interaction plan to aid enforcement, enhance accountability, and support public safety during incident response.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

#### §220.23(b)(1)(A)

Comment: The City of Austin recommends requiring the applicant to provide its registered agent's name and address to streamline complaint and citation service by law enforcement.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority.

#### §220.26(a)

Comment: The City of Austin recommends clarifying whether §220.26(a) requires updates for every added vehicle or only major changes. The City of Austin also recommends specifying reporting for the following: 1) major changes to fleet size; 2) major changes to operational design domain (ODD); 3) removal of human driver controls; 4) addition of new vehicle types (such as large delivery vans or buses); and 5) changes in autonomous vehicle speed capabilities.

Response: The department disagrees. Adopted new section 220.26(a) is written to be as broad as Transportation Code, §545.456(e), which requires an update to a document described by §545.456(b) not later than the 30th day after the date material information in the document changes. Section 545.456(b) includes vehicle descriptive information as prescribed by the department. The department prescribed the following vehicle descriptive information in adopted new §220.23(b)(1)(B): the vehicle identification number, year, make, and model. As stated above regarding the changes to §220.26(a) in response to the City of Austin's comment, the addition of a vehicle to the fleet is a change in material information in the document that an authorization holder provided to the department. The department needs to know which vehicles the authorization holder is operating under its authorization, including the addition of a new vehicle and the descriptive information regarding such vehicle. In response to this comment, the department added the phrase "including, but not limited to, the addition of another vehicle" to new §220.26(a) at adoption.

Transportation Code, §545.456(b) does not expressly require the authorization holder to tell the department that there was a major change to the ODD, that human driver controls were removed, or that there was a change to the speed capabilities of the vehicle. The department does not have the rulemaking authority to require an authorization holder to provide the department with updates that are outside the scope of Transportation Code, §545.456(b).

The authorization holder may be required to provide the department with an updated written statement that acknowledges one or more of the factors listed in Transportation Code, §545.456(b)(2), or an updated certification that acknowledges that the authorization holder provided the Texas Department of Public Safety with the updated plan under Transportation Code, §545.456(b)(3) if a major change to the ODD or a change to the speed of the vehicle impacts one or more of the factors listed in Transportation Code, §545.456(b)(2) or the plan referenced in Transportation Code, §545.455(c)(2).

#### §220.26(b)

Comment: Auto Innovators encourages the department to replace the five-day deadline in §220.26(b) for an authorization

holder to provide the department with an update in response to the department's request with a default deadline of 10 business days and to give the department the ability to expedite urgent requests to a period of five days. Auto Innovators also strongly recommends that the computation of time under Transportation Code, §545.459(b) be modified to reference "business days" rather than "calendar days."

Response: The department disagrees. The requirement to update documents under Transportation Code, §545.456 is a basic requirement with which the authorization holder must comply. For an authorization holder responsibly operating a safe vehicle, it should not be difficult or time-consuming to specify and certify to the basic information required under Transportation Code, §545.456. As previously stated, the department is authorized to request an authorization holder to update documents, including when the department thinks there may be a potential safety issue. In addition, the rule allows the authorization holder to request an extension on the five-day deadline.

The portion of this comment regarding the "computation of time" under Transportation Code, §545.459(b) appears to be an error because that subsection does not involve the computation of time. To the extent this portion of the comment was intended to apply to §220.28(b), the department disagrees with this comment for the reasons stated above.

## SUBCHAPTER A. GENERAL PROVISIONS

### 43 TAC §220.1, §220.3

**STATUTORY AUTHORITY.** The department adopts new sections under Transportation Code, §545.456, as added by Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025), which requires the Board of the Texas Department of Motor Vehicles (board) by rule to prescribe the form and manner by which a person may apply to the department for authorization to operate automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver; Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapter 545, Subchapter J, and §1002.001; and Government Code, Chapter 2001.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

## SUBCHAPTER B. AUTHORIZATION TO OPERATE AN AUTOMATED MOTOR VEHICLE

### 43 TAC §§220.20, 220.23, 220.28, 220.30

**STATUTORY AUTHORITY.** The department adopts new sections under Transportation Code, §545.456, as added by SB 2807, which requires the board by rule to prescribe the form and manner by which a person may apply to the department for authorization to operate automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver; Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1001.102, which authorizes the board by rule to provide for the filing of a license application and the issuance of a license by electronic means; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapter 545, Subchapter J, §1001.102, and §1002.001; and Government Code, Chapter 2001.

#### §220.23. *Application Requirements.*

(a) An application for authorization to operate one or more automated motor vehicles under Transportation Code, §545.456 must be:

- (1) submitted electronically in the department's designated system; and
- (2) completed by the applicant or an authorized representative of the applicant.

(b) An application for authorization to operate one or more automated motor vehicles under Transportation Code, §545.456 must contain the following:

(1) a written statement by the person that includes the following information:

(A) the applicant's name, business entity type (such as sole proprietor, corporation, or limited liability company), telephone number, email address, mailing address, and Texas Secretary of State file number, as applicable; and

(B) the following information for each automated motor vehicle the applicant intends to operate under its authorization:

- (i) the vehicle identification number;
- (ii) year;
- (iii) make; and

(iv) model; and

(2) the written statement and certification required by Transportation Code, §545.456(b)(2) and (3).

(c) An authorized representative of the applicant who submits an application to the department on behalf of an applicant may be required to provide written proof to the department of authority to act on behalf of the applicant.

*§220.26. Updates under Transportation Code, §545.456(e) and §545.456(f)(2).*

(a) Under Transportation Code, §545.456(e), an authorization holder shall provide the department with an update to a document described by §220.23(b) of this title (relating to Application Requirements) not later than the 30th day after the date material information changes, including, but not limited to, the addition of another vehicle. The authorization holder shall electronically submit the update in the form and manner, and subject to the requirements specified in §220.23 of this title.

(b) Under Transportation Code, §545.456(f)(2), the department may request the authorization holder to provide the department with an updated or current document described by §220.23(b) of this title. Such requests are subject to the following requirements:

(1) The department shall make such request by email, using the authorization holder's email address on file in the department's electronic system referenced in §220.23 of this title;

(2) The authorization holder shall electronically submit the updated or current document in the form and manner, and subject to the requirements specified in §220.23 of this title; and

(3) The deadline for the authorization holder to electronically submit the updated or current document is five days from the date of the department's request, unless the department grants an extension on the five-day deadline in response to a written request from the authorization holder for an extension that the department determines is reasonable and unlikely to result in harm to the public health, safety, or welfare.

(4) Any request for an extension must be submitted:

(A) prior to the department's deadline for the updated or current document; and

(B) to the designated address listed in the department's request to the authorization holder for an updated or current document.

(5) Any request for an extension must contain an explanation regarding the following:

(A) why five days is not reasonable;

(B) why the authorization holder needs more time and the specific deadline the authorization holder is requesting; and

(C) whether the authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare.

*§220.30. Signature Requirement on Written Statement and Certification.*

A written statement and certification required by Transportation Code, §545.456 must be signed by the applicant or authorization holder or its authorized representative.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER C. ADMINISTRATIVE SANCTIONS

### 43 TAC §220.50

**STATUTORY AUTHORITY.** The department adopts this new section under Transportation Code, §545.456, as added by SB 2807, which requires the department to prescribe the form and manner by which an authorization holder must update a document described by Transportation Code, §545.456(b); Transportation Code, §545.453, as added by SB 2807, which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted new section implements Transportation Code, Chapter 545, Subchapter J, and §1002.001; and Government Code, Chapter 2001.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## CHAPTER 221. SALVAGE VEHICLE DEALERS

### SUBCHAPTER B. LICENSING

#### 43 TAC §221.17

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Licensing; §221.17, License Pro-



cessing for Military Service Members, Spouses, and Veterans. These adopted amendments implement House Bill (HB) 5629 and Senate Bill (SB) 1818 from the 89th Legislature, Regular Session (2025), both of which became effective on September 1, 2025. HB 5629 amended Occupations Code, §55.004 and §55.0041 to change the standard for comparing licensing requirements in other states with Texas requirements and to change license request submission requirements, and added new §55.0042, which describes the standards for determining when an applicant is in good standing with a licensing authority in another state. SB 1818 amended Occupations Code, §55.004 and §55.0041 to require the department to issue a provisional license to the applicant while the department is processing an application.

The department adopts amendments to §221.17 without changes to the adopted text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4389). Accordingly, §221.17 will not be republished.

#### REASONED JUSTIFICATION.

Adopted amendments to §221.17(b)(1)(A) require a military service member or military spouse to submit to the department a complete application for licensure. These adopted amendments implement Occupations Code, §55.0041(b), as amended by HB 5629, which requires a military service member or military spouse to submit an application in a form prescribed by the agency and removes a requirement to provide a notice. An adopted amendment to §221.17(b)(1)(B) deletes an unnecessary conjunction. To implement Occupations Code, §55.0041(b)(2), as amended by HB 5629, adopted amendments to §221.17(b)(1)(C) add a requirement for an applicant who is a military spouse to submit a copy of the marriage license to the department, and delete a requirement for a military service member or military spouse to submit documentation demonstrating that the military service member or military spouse is licensed and in good standing in another jurisdiction for the relevant business or occupation. An adopted amendment adds new §221.17(b)(1)(D) to require a notarized affidavit as required by Occupations Code, §55.0041(b)(3), as amended by HB 5629. Adopted amendments to §221.17(b)(2) substitute "application" for "notice" and update a reference to paragraph (1) consistent with adopted amendments to §221.17(b)(1) to implement Occupations Code, §55.0041, as amended by HB 5629. Adopted amendments to §221.17(b)(2) and §221.17(b)(3) substitute "state" for "jurisdiction" consistent with Occupations Code, §55.0041, as amended by HB 5629. Adopted amendments to §221.17(b)(2)(B) and §221.17(b)(3) implement Occupations Code, §55.0041, as amended by HB 5629, by adding the revised standard for comparing the license requirements in another state with Texas requirements and deleting the former standard. Adopted amendments add new §221.17(b)(2)(C) to require the department to issue a provisional license upon receipt of a license application from a military service member, military veteran, or military spouse. These amendments implement Occupations Code, §55.0041, as amended by SB 1818. Adopted amendments to §221.17(b)(3) add a reference to license eligibility if the applicant was previously licensed in good standing in Texas in the last five years, add language that the department will notify an applicant why the department is currently unable issue a license, and change the time for the department to act on an application submitted by a military service member or military spouse from 30 days to 10 days to

implement with Occupations Code, §55.0041, as amended by HB 5629. HB 5629 also changed the documentation required to prove residency; however, residency is not a requirement of any license issued under Occupations Code, Chapters 2301 and 2302, or Transportation Code 503, so no amendments were necessary.

#### SUMMARY OF COMMENTS.

The department received no comments during the public comment period which ended on August 25, 2025.

**STATUTORY AUTHORITY.** The department adopts amendments to Chapter 221 under Occupations Code, §2302.051, which authorizes the board to adopt rules as necessary to administer Occupations Code, Chapter 2302; Occupations Code, §2302.052, which assigns the board a duty to set reasonable and necessary application fees, license fees, renewal fees, and other fees as required to implement Chapter 2302; Occupations Code, §2302.103, which requires a salvage vehicle dealer to apply for a license on a form prescribed by the department and pay an application fee; Occupations Code, §2302.104, which prescribes content that must be included in an application; Occupations Code, §2302.105, which requires the department to complete an investigation of the applicant's qualifications before issuing a license; Occupations Code, §2302.108, which authorizes the department to deny, suspend, revoke, or reinstate a license issued under Chapter 2302 consistent with the requirements of Government Code, Chapter 2001; and Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department. The department also adopts amendments and under the authority of Transportation Code, §§501.0041, 502.0021, and 503.002; and Government Code, §§2001.004, 2001.039, and 2001.054, in addition to the statutory authority referenced throughout this preamble.

Transportation Code, §501.0041 authorizes the department to adopt rules to administer Transportation Code, Chapter 501. Transportation Code, §502.0021 authorizes the department to adopt rules to administer Transportation Code, Chapter 502. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code, Chapter 503.

Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures. Government Code, §2001.039 requires state agencies to readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule. Government Code, §2001.054 specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license.

**CROSS REFERENCE TO STATUTE.** These amendments implement Government Code, Chapter 2001; Occupations Code, Chapters 53, 55, and 2302; and Transportation Code, Chapters 501-503, and 1002.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

TRD-202503345

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**CHAPTER 224. ADJUDICATIVE PRACTICE  
AND PROCEDURE**

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 224, Adjudicative Practice and Procedure; Subchapter A, General Provisions, §§224.1, 224.5, 224.27, and 224.29; adopts amendments to Subchapter D, Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement, §224.110; adopts amendments to Subchapter E, Contested Cases Referred to SOAH, §§224.150, 224.152, 224.164, and 224.166; adopts amendments to Subchapter F, Board Procedures in Contested Cases, §§224.190, 224.194, 224.198, 224.200, and 224.204; adopts new Subchapter H, Automated Motor Vehicle Authorizations, §§224.290, 224.292, and 224.294; and adopts new Subchapter I, Motor Carrier Division Director Procedures in Contested Cases, §§224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326, concerning adjudicative practice and procedure. The department adopts the following sections without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will not be republished: §§224.1, 224.5, 224.27, 224.110, 224.150, 224.152, 224.190, 224.194, and 224.290. The department adopts the following sections with changes at adoption to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4391) and these rules will be republished: §§224.29, 224.164, 224.166, 224.198, 224.200, 224.204, 224.292, 224.294, 224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The changes at adoption are described in the Reasoned Justification section below.

Adopted revisions to Chapter 224 are necessary to implement Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025) regarding administrative sanctions against an automated motor vehicle authorization holder; to provide the requirements when the director of the department's Motor Carrier Division is the final order authority; to provide procedures regarding a special public meeting at which the director of the department's Motor Carrier Division is authorized to review a contested case; and to clean up the rule text.

A portion of SB 2807 amends Transportation Code, Chapter 545, Subchapter J regarding the operation of automated motor vehicles. The SB 2807 amendments include a requirement for a person to receive and maintain an authorization from the department to operate an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in Texas without a human driver (authorization).

SB 2807 requires the Board of the Texas Department of Motor Vehicles (board) and the Public Safety Commission to adopt rules to implement certain provisions in SB 2807 regarding automated motor vehicles by December 1, 2025. However, Section 12(b) of SB 2807 says that a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as

amended by SB 2807, until the 90th day after the effective date of rules adopted by the board (as required by Subchapter J of Chapter 545) and rules adopted by the Public Safety Commission (as required by Transportation Code, §545.455(c)(2)). The effective date of these revisions to Chapter 224 is February 27, 2026; however, a person is not required to comply with Transportation Code, Chapter 545, Subchapter J, as amended by SB 2807, and these revisions to Chapter 224 until the later of May 28, 2026, or the 90th day after the effective date of the rules adopted by the Public Safety Commission as required by Transportation Code, §545.455(c)(2).

The department considered all written comments that were timely received during the public comment period regarding the proposed revisions to Chapter 224 and did not make changes to the rule text at adoption in response to the comments.

**REASONED JUSTIFICATION.**

**Subchapter A. General Provisions**

Adopted amendments to §224.1 implement SB 2807 by expanding the scope of the subchapter to include the adjudication of a contested case arising under Transportation Code, §545.459(k) regarding the suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456; the imposition of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k); and the rescission of a suspension, revocation, or cancellation of an authorization, or the removal of a restriction on the operation of the automated motor vehicle under Transportation Code, §545.459(k). Adopted amendments to §224.1 also modify punctuation and language to address the added reference to Transportation Code, §545.459(k).

Adopted amendments to §224.5 add references to the department's final order authority in subsections (a) and (b) to clarify that §224.5 also applies to the department's Motor Carrier Division Director in contested cases for which this division director's authority does not result from a board delegation. The term "final order authority" is defined in §224.3 as the person with authority under statute or a board rule to issue a final order. Although §224.5(a) and (b) also refer to a board delegate, the authority of the department's Motor Carrier Division Director to issue final orders under Transportation Code, §643.2525 was provided by the department's executive director under Transportation Code, §643.001(2), rather than by delegation of the board. These amendments clarify that Government Code, §2001.061, regarding the prohibition against ex parte communications concerning a contested case, apply to a contested case under Transportation Code, Chapter 643 for which the department's Motor Carrier Division Director has final order authority by a designation from the department's executive director, rather than by delegation from the board.

Under adopted amendments to §224.27 and §224.29, and under adopted new §224.294(j), the final order authority for contested cases under Transportation Code, §545.459(k) is the department's Motor Carrier Division Director or the board, depending on whether the administrative law judge from the State Office of Administrative Hearings (SOAH) issued a proposal for decision and whether the proposal for decision is for a default proceeding under 1 TAC §155.501. If the SOAH administrative law judge issued a proposal for decision that is not based on a default proceeding at SOAH, the board is the final order authority for the contested case. If the proposal for decision is based on a default proceeding at SOAH or if there is not a proposal for decision,

the department's Motor Carrier Division Director is the final order authority for the contested case, including contested cases resolved under 1 TAC §155.503 (Dismissal) or Government Code, §2001.056 (Informal Disposition of Contested Case).

An adopted amendment to §224.27(b) implements SB 2807 by stating that the board has final order authority under a contested case filed under Transportation Code, §545.459(k), except as provided by §224.29. Adopted amendments to §224.27 also modify language and punctuation due to the added reference to Transportation Code, §545.459(k).

An adopted amendment to §224.29(c) deletes a reference to "any power relating to a contested case" because §224.29 is specifically about delegation of final order authority. Other sections in Chapter 224 govern other authority regarding a contested case, such as §224.13, which sets out the authority for certain department staff to issue a subpoena or commission to take a deposition in a contested case. An adopted amendment to §224.29(c) also deletes a comma due to the adopted deletion of language from this subsection.

The department adopts §224.29(c) with changes at adoption to clarify that the board's delegation of final order authority under this subsection in a contested case under Subchapter D of Chapter 224 does not include contested cases for which the department's director, as defined by Transportation Code, §643.001, is expressly authorized to issue the final order under Transportation Code, Chapter 643. The department's executive director previously designated the department's Motor Carrier Division Director as the director under Transportation Code, Chapter 643 who is authorized to issue a final order in a contested case under Transportation Code, §643.2525.

Adopted amendments to §224.29 add new subsection (d) to delegate authority to the department's Motor Carrier Division Director to issue a final order under Transportation Code, §545.459(k) in a contested case in which the administrative law judge at SOAH has not submitted a proposal for decision to the department for consideration by the final order authority, and a contested case in which the administrative law judge at SOAH submitted a proposal for decision regarding a default proceeding to the department for consideration by the final order authority, as explained above. This delegation is authorized by Transportation Code, §1003.005. In addition, adopted amendments to §224.29 re-letter prior subsection (d) to subsection (e), and update references in that subsection due to the adoption of new subsection (d).

#### Subchapter D. Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement

An adopted amendment to §224.110 regarding the purpose and scope of Subchapter D replaces the reference to Subchapter F with a reference to adopted new Subchapter I of this title (relating to Motor Carrier Division Director Procedures in Contested Cases). Under the adopted revisions to Chapter 224, adopted new Subchapter I governs the procedures in contested cases in which the director of the department's Motor Carrier Division, rather than the board, is the final order authority; Subchapter F is expressly not relevant to such cases.

#### Subchapter E. Contested Cases Referred to SOAH

An adopted amendment to §224.150(a) adds a reference to adopted new §224.294, relating to suspension, revocation, or cancellation of authorization under Transportation Code, §545.459 to operate one or more automated motor vehicles. The

amendments to §224.150(a) modify the scope of Subchapter E of Chapter 224 to include contested cases involving authorizations to operate automated motor vehicles. This change is necessary to implement SB 2807 because Transportation Code, §545.459(k) states that an authorization holder who is aggrieved by an action of the department under Transportation Code, §545.459(h) may submit a written request for a hearing at SOAH. Also, Transportation Code, §545.459(l) states that the contested case provisions of Government Code, Chapter 2001 apply to a proceeding under Transportation Code, §545.459(k).

An adopted amendment to §224.150(c) adds a reference to new Subchapter I of Chapter 224, regarding procedures in contested cases for which the Motor Carrier Division Director is the final order authority, rather than the board. The language in Subchapter F regarding board procedures in contested cases includes certain terms, such as "board chair," as well as certain references, such as a reference to a board meeting under 43 TAC §206.22, that do not apply to the Motor Carrier Division Director under Chapter 224 or Transportation Code, Chapter 643. Adopted new Subchapter I includes modified language from current Subchapter F to address the procedures in contested cases when the board is not the final order authority, so it is necessary to adopt amendments to §224.150(c) to reference adopted new Subchapter I of Chapter 224.

An adopted amendment to §224.152(a) implements SB 2807 by adding a reference to Transportation Code, §545.459(k) regarding the department's requirement to refer contested cases to SOAH when an authorization holder timely submits a written request for a hearing.

Adopted amendments to §224.164(d) authorize a party to a contested case to raise an issue regarding a final proposal for decision before the department's Motor Carrier Division Director during oral presentation at a special public meeting, if any, under adopted new Subchapter I of Chapter 224. These amendments allow parties in contested cases that are decided by the Motor Carrier Division Director the same right to raise issues with a final proposal for decision as parties in a case decided by the board if a special public meeting is held. For clarity, the department adopts §224.164(d) with a change at adoption to replace the term "final order authority" with "Motor Carrier Division Director."

The adopted amendment to §224.166(b) adds "or other final order authority" to include contested cases for which the department's Motor Carrier Division Director is authorized as the "director" to issue a final order under Transportation Code, §643.2525. "Director" is defined under Transportation Code, §643.001 to include a department employee designated by the department's executive director to decide motor carrier cases; the department's executive director has designated the department's Motor Carrier Division Director as the "director" for this purpose. While the word "board" in §224.166(b) is defined under §224.3 to include department staff to whom the board delegated final order authority under §224.29, it does not include a department employee whom the department's executive director designated as the "director." The adopted amendment to §224.166(b) therefore clarifies that its provisions apply both to cases decided by the board, and cases decided by the Motor Carrier Division Director. For these same reasons, the department adopts §224.166(c) with a change at adoption to delete the words "board delegate with" and to replace those words with the word "other," to refer to "other final order authority."

An adopted amendment to §224.166(d) refers to new Subchapter I of Chapter 224 regarding the transfer of jurisdiction from SOAH to the Motor Carrier Division Director. These changes are necessary to create similar processes for contested cases decided by the Motor Carrier Division Director as already exist for cases decided by the board.

The department adopts §224.166(d) with a change at adoption to replace the proposed reference to "the department's director of the Motor Carrier Division" with a reference to "the Motor Carrier Division Director" for consistency with the terminology in the other adopted amendments in §224.166(b) and (c).

#### Subchapter F. Board Procedures in Contested Cases

An adopted amendment to §224.190 clarifies that Subchapter F does not apply to a contested case in which a SOAH administrative law judge has submitted a final proposal for decision for consideration by the department in a case in which the department's Motor Carrier Division Director is the final order authority as provided in adopted new §224.310. Although the Motor Carrier Division Director is a board delegate under Chapter 224 for certain contested cases, Subchapter I of this title (relating to Motor Carrier Division Director Procedures in Contested Cases) governs the procedures for certain contested cases in which the Motor Carrier Division Director is the final order authority.

An adopted amendment to §224.194 removes prior subsection (b) because the department's executive director, rather than the board, designated the Motor Carrier Division Director as the director under Transportation Code, §643.001 to issue the final order in certain contested cases under Transportation Code, Chapter 643. Also, adopted new Subchapter I includes language regarding a special public meeting during which the Motor Carrier Division Director may review a contested case for which that director is the final order authority, so removing subsection (b) prevents confusion and redundancy. An adopted amendment to §224.194 also removes the subsection letter for prior subsection (a) due to the adopted deletion of prior subsection (b).

Adopted amendments to §§224.198, 224.200, and 224.204 implement SB 2807 by adding a reference to the scope of the board's authority to act under Transportation Code, §545.459(k). Adopted amendments to §§224.198, 224.200, and 224.204 also modify language and punctuation due to the adopted reference to Transportation Code, §545.459(k). In addition, an adopted amendment to §224.200(a) corrects a grammatical error by changing the word "Chapter" to "Chapters."

The department adopts §§224.198(b), 224.200(a), and 224.204(a) through (c) with changes at adoption to delete references to Transportation Code, Chapters 502, 621 through 623, 643, and 645 because the contested cases under these statutes now fall under adopted new Subchapter I of Chapter 224, rather than Subchapter F of Chapter 224.

#### Subchapter H. Automated Motor Vehicle Authorizations

Adopted revisions to Chapter 224 implement SB 2807 by adding new Subchapter H regarding automated motor vehicle authorizations under Transportation Code, §545.456 and §545.459. Adopted new §224.290 provides the purpose and scope of adopted new Subchapter H for clarity.

Adopted new §224.292 provides the procedures, authority, and requirements regarding the suspension, revocation, or cancellation of an authorization under Transportation Code, §545.456(f), as well as the rescission of a suspension, revoca-

tion, or cancellation under Transportation Code, §545.456(g). A determination under Transportation Code, §545.456(f) is not a contested case under Government Code, Chapter 2001, according to Transportation Code, §545.456(h), so adopted new §224.292(a) states that no other section in Chapter 224 applies to this section, other than §224.290 regarding the purpose and scope of Subchapter H. Adopted new §224.292(b) and (c) require the department to notify the authorization holder of certain actions by email because the word "immediately" in Transportation Code, §545.456(f) and the word "promptly" in Transportation Code, §545.456(g) require these processes to be done quickly. Adopted new §224.292(b) and (c) also state that the action or the rescission, respectively, is effective when the notice is emailed by the department to avoid any delay to the process that mail might cause. Adopted new §224.292(d) requires the department to also mail the notification to the authorization holder by first-class mail to ensure that the authorization holder receives notice. Adopted new §224.292(e) grants the department's Motor Carrier Division Director the authority to decide suspensions, revocations and cancellations under Transportation Code, §545.456(f) and the rescissions of those same decisions under Transportation Code, §545.456(g).

The department adopts §224.292 with changes at adoption by deleting the unnecessary subsections (f) and (g) as published in the rule proposal regarding the computation of time under Government Code, §311.014 and the use of calendar days rather than business days in the computation. Although adopted new §224.292 includes the words "immediately" and "promptly," §224.292 does not require the computation of a period of days as specified in Government Code, §311.014. Also, the department adopted new §220.28, which includes language regarding the computation of any time period prescribed or allowed by adopted new §220.26 regarding the deadline to provide the department with any updates under Transportation Code, §545.456. The department adopted new §220.26 and §220.28 to implement SB 2807; that adoption is also published in this issue of the *Texas Register*. If an authorization holder violates new §220.26 regarding the deadline to provide the department with any updates under Transportation Code, §545.456, the procedures and requirements regarding the suspension, revocation, or cancellation of the authorization are provided under §224.292.

The department also adopts §224.292 with changes at adoption by re-lettering subsection (h) as published in the rule proposal to subsection (f) due to the deletions of proposed subsections (f) and (g). In addition, the department adopts §224.292(f) and §224.294(l) with changes at adoption to reword portions of the language for clarity regarding a reference to an "authorization holder." Adopted new §224.292(f) and §224.294(l) clarify that a reference in a department rule or communication to an "authorization holder," when the authorization is currently suspended, revoked, or cancelled, does not rescind or invalidate the suspension, revocation, or cancellation of the authorization. Transportation Code, §545.456(d) states that an authorization does not expire, and it remains active unless suspended, revoked, or canceled by the department. Also, Transportation Code, §545.459(k) refers to an "authorization holder," even though the authorization has been suspended, revoked, or cancelled under §545.459(h). In addition, the suspension, revocation, or cancellation of an authorization may be rescinded under Transportation Code, §545.456(g) and §545.459(j).

Adopted new §224.294 implements SB 2807 by providing the procedures, authority, and requirements regarding the suspen-

sion, revocation, or cancellation of an authorization under Transportation Code, §545.459, as well as the imposition of one or more restrictions on the operation of the automated motor vehicle under Transportation Code, §545.459. For clarity and ease of reference, adopted new §224.294(a) states which Chapter 224 subchapters apply to contested cases before SOAH and the board or the department's Motor Carrier Division Director under Transportation Code, §545.459.

Adopted new §224.294(b) specifies that the notice of intent to sanction, required by Transportation Code, §545.459, shall be sent by certified mail, return receipt requested so that it can also serve as the notice to an authorization holder of an intended suspension, revocation, or cancellation required by Government Code, §2001.054. Adopted new §224.294(b) also requires the department to send the notice of intent by email to the authorization holder's email address on file in the department's designated system, so the authorization holder receives notice as quickly as possible due to public safety concerns as described in Transportation Code, §545.459(a) and (b).

The department adopts §224.294(b) with a change at adoption to delete the citations to subsections (a) and (c) in the citation to Transportation Code, §545.459 regarding the notice of intent. It is not necessary to cite the specific subsections of this statute. By deleting the citations to these subsections, this will eliminate any requirement to amend §224.294 in the future if the Legislature amends Transportation Code, §545.459 in a way that changes the lettering of current §545.459(a) or (c). Adopted new §224.294(c) requires the authorization holder to submit any request for an extension of the department's deadline for corrective action and certification under Transportation Code, §545.459(c)(2) and (e) prior to the department's deadline listed in the department's notice of intent. Adopted new §224.294(c) also requires the authorization holder's request for an extension to include an explanation regarding why the department's deadline is not reasonable, why the authorization holder needs more time (including the specific deadline the authorization holder is requesting), and whether the authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare. This information will allow the department to analyze the authorization holder's request and determine whether the request is reasonable and whether it is appropriate under the circumstances to grant the extension. When determining whether an authorization holder's request for an extension is reasonable, the department must consider the public health, safety, and welfare. The department will only send a notice of intent if the department determines that an authorization holder's automated motor vehicle is not in safe operational condition and the operation of the vehicle on a highway or street in Texas endangers the public--and under these circumstances, time will be of the essence to get the issue resolved. Although the department will consider the nature of the issues the authorization holder must correct, it is incumbent on the authorization holder to timely request an extension. A request for an extension after the deadline has passed is not a reasonable request under Transportation Code, §545.459(e).

Adopted new §224.294(d) requires the department to send notice to the authorization holder of a department decision that suspended, revoked, or cancelled the authorization or imposed a restriction on the operation of the automated motor vehicle by both email and first-class mail, to ensure that the authorization holder is as likely as possible to actually receive the notice. The date of the decision issuance is the date the department sends the email, to avoid any delay or uncertainty that might

arise from waiting for the arrival of the regular mail. Adopted new §224.294(e) specifies that the department will designate the address for the authorization holder to submit requests under Transportation Code, §545.459 to extend the compliance period, for review of the decision, for removal or rescission of a sanction, or for a hearing. This will allow the department flexibility in determining how best to staff and monitor communications with authorization holders.

Adopted new §224.294(f) allows the department to request proof that a representative has authority to represent the authorization holder, to prevent confusion, miscommunication, or fraud. Adopted new §224.294(g) requires authorization holders to electronically file certifications under Transportation Code, §545.459(d) by following the requirements of §224.11, relating to Filing and Service of Documents, to ensure uniform evidence of when and what was filed, as well as service to all parties involved.

Adopted new §224.294(h) makes the department's Motor Carrier Division Director the decision authority for determinations under Transportation Code, §545.459(g). Adopted new §224.294(i) also makes the Motor Carrier Division Director the decision authority for final determinations under Transportation Code, §545.459(h) following a timely request to review the decision, similar to the exceptions process under Government Code, §2001.062 and SOAH rules. Adopted new §224.294(j) makes the department's board the final order authority for contested cases under Transportation Code, §545.459(k) when the SOAH administrative law judge issued a proposal for decision, but empowers the Motor Carrier Division Director to make decisions regarding the rescission of a sanction or the removal of a restriction under Transportation Code, §545.459(j) to allow for faster decision-making in those situations without the need to call a public meeting of the board.

Adopted new §224.294(k) sets the process the department shall follow to dismiss the case and notify the authorization holder if the SOAH hearing is not held within 60 days of the Motor Carrier Division Director's final determination under Transportation Code, §545.459(h). Notice will be sent by email for expediency in that situation. Adopted new §224.294(m) exempts certifications or communications regarding a rescission or removal of a sanction under Transportation Code, §545.459(j) from the filing requirements of §224.11(a) through (g), relating to Filing and Service of Documents, so that the authorization holder can simply send the documents and request to the designated email address, as prescribed by adopted new §224.294(e), to make the process as efficient and expedited as possible without unnecessary formal requirements.

#### Subchapter I. Motor Carrier Division Director Procedures in Contested Cases

Adopted amendments add new Subchapter I regarding contested cases for which the department's Motor Carrier Division Director is the final order authority, rather than the board. Adopted new Subchapter I includes modified language from current Subchapter F, which addresses board procedures in contested cases. Adopted new §224.310 provides the purpose and scope of adopted new Subchapter I. The department adopts §224.310 with changes at adoption to indicate that the department's director of the Motor Carrier Division will be referred to as the Motor Carrier Division Director throughout Subchapter I.

For clarity, the department adopts the following sections with changes at adoption to replace the term "final order authority"

with the term "Motor Carrier Division Director" in the rule text: §§224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, and 224.326. The department also adopts the following sections with changes at adoption to replace the term "Final Order Authority" with the term "Motor Carrier Division Director" in the title to the rule: §224.320 and §224.322. In addition, the department adopts §224.314(c) with changes at adoption to replace the reference to the term "Final Order Authority" with the term "Motor Carrier Division Director" in the cross-reference to the title of §224.320.

Adopted new §224.312 provides an overview of the process for the contested case review by the Motor Carrier Division Director, including the Motor Carrier Division Director's discretion to schedule a special public meeting to review the contested case. Public meetings may be appropriate in matters of great public interest that do not require expedited decisions, but they will be inappropriate when a decision is routine or must be made quickly to protect public health or safety.

Adopted sections throughout adopted new Subchapter I regarding a special public meeting only apply if the Motor Carrier Division Director schedules a special public meeting. Adopted new §224.314 provides the procedure and deadlines regarding a request for oral presentation, if there is a special public meeting. Adopted new §224.314(a) requires the department to provide notice by email to the parties 20 days before a special public meeting, to allow the parties time to prepare any oral presentations and written materials for the special public meeting. Adopted new §224.314(b) requires a party to notify the department and all other parties of its intent to make an oral presentation at least seven days in advance of the special public meeting, to allow both the parties and the department time to prepare accordingly. Adopted new §224.314(c) allows parties that are not affected by the proposal for decision to have flexibility to agree to the order of their presentations, but sets the order of presentations in adopted new §224.320, relating to Order of Oral Presentations to the Motor Carrier Division Director, as the default order if the parties do not file their agreed order of presentations at the same time they file their intent to make oral presentation under adopted new §224.314(b). Adopted new §224.314(d) clarifies that a party that fails to make a timely written request for oral presentation under adopted new §224.314(b) will not be allowed to make an oral presentation at the special public meeting, to ensure predictability in procedure during the meeting and an opportunity for all parties to prepare in advance of the meeting. Adopted new §224.314(e) specifies that non-parties are not allowed to give an oral presentation or provide public comment to the Motor Carrier Division Director at a special public meeting. This will help to prevent extraneous information that is not in the SOAH record from influencing the Motor Carrier Division Director in violation of Government Code, Chapter 2001, and will allow for more efficient meetings.

Adopted new §224.316 provides the procedure and deadline for the provision of written materials for a special public meeting. Adopted new §224.316(a) requires a party that wants to provide written materials to the Motor Carrier Division Director at a special public meeting to file the written materials with the department at least 14 days prior to the meeting and provide copies to the other parties. This requirement allows both the parties and the department adequate time to prepare in advance of the special meeting.

The department adopts §224.316(a) with a change at adoption to delete the last sentence in proposed §224.316(a) that said

non-parties are not authorized to provide written materials to the final order authority because the substance of this sentence also appears in adopted new §224.316(e). Also, §224.316(e) is a more appropriate location for this sentence because subsection (a) focuses on requirements for a party to the contested case.

Adopted new §224.316(b) specifies that written materials can only contain information from the SOAH record. This requirement will help to prevent the Motor Carrier Division Director from being exposed to information that is not in the SOAH record, which information could influence the Motor Carrier Division Director in violation of Government Code, Chapter 2001. Similarly, adopted new §224.316(e) specifies that non-parties are not authorized to provide written materials to the Motor Carrier Division Director at a special public meeting, to prevent extraneous information that is outside the SOAH record from influencing the Motor Carrier Division Director. Adopted new §224.316(c) requires the parties to provide citations to the SOAH record for all written materials, so that the parties and the department can verify that the written materials are all within the SOAH record. Adopted new §224.316(d) sets size, font, and page count limitations for the written materials, to require parties to streamline their documentary presentations so that the presentations during the special public meeting are both efficient and effective.

Adopted new §224.318 provides the requirements for an oral presentation at a special public meeting. Adopted new §224.318(a) limits oral presentations to information within the SOAH record and to the scope of the Motor Carrier Division Director's powers under Government Code, §2001.058(e), so as to prevent the Motor Carrier Division Director from violating Government Code, Chapter 2001 by relying on evidence that is not in the record or taking action that is not within the department's jurisdiction. Adopted new §224.318(b) allows a party during oral presentation to recommend that the Motor Carrier Division Director remand the case to SOAH, to the extent allowed under the SOAH rules in 1 TAC Chapter 155 and Government Code, Chapter 2001. Remand to SOAH can be necessary when the administrative law judge failed to make findings regarding specific allegations. Adopted new §224.318(c) requires the parties to object when another party goes outside the SOAH record, so that the Motor Carrier Division Director will be able to identify and disregard information that is outside the record. Adopted new §224.318(d) sets a 15-minute time limit for each party's oral presentation, clarifies that additional rebuttal statements or a closing statement are not allowed, and clarifies that time spent responding to questions or making objections does not count against the 15 minutes. These guidelines help to ensure that oral presentations in special public meetings proceed efficiently and fairly.

Adopted new §224.320 provides the order of presentation for an oral presentation at a special public meeting. Adopted new §224.320(a) requires the department to provide a presentation of the procedural history and summary of the contested case. Adopted new §224.320(b) requires that the adversely affected party present first, but allows the Motor Carrier Division Director to determine the order of presentations if it is not clear which party is adversely affected or if it appears that there is more than one adversely affected party. This language parallels the current order of presentation for parties making an oral presentation at board meetings under §224.202, regarding Order of Oral Presentations to the Board. Adopted new §224.320(c) requires the parties that are not adversely affected to present in alphabetical order, assuming they had not previously agreed to an order under adopted new §224.314.

Adopted new §224.322 describes the Motor Carrier Division Director's conduct and the limits on any discussions when reviewing a contested case. Adopted new §224.322(a) specifies the legal limitations of the Motor Carrier Division Director's review. Adopted new §224.322(b) allows the Motor Carrier Division Director to ask the parties questions, but only within the relevant legal limitations.

The department adopts §224.322(a) with a change at adoption to replace the word "its" with the word "the." The department adopts §224.322(b) with a change at adoption to replace the reference to "board" with a reference to the "Motor Carrier Division Director" because Subchapter I of Chapter 224 does not apply to contested cases for which the board is the final order authority. New Subchapter I applies to the contested cases for which the Motor Carrier Division Director is the final order authority. Subchapter F of Chapter 224 applies when the board is the final order authority for the contested case. The department adopts §224.322 with a change at adoption to delete proposed subsection (c) because it is not relevant to the Motor Carrier Division Director. The language in proposed §224.322 (c) was based on the language in current §224.204(c), which only applies to board members and does not apply to department staff with delegated authority. The language in current §224.204(c) is required by Occupations Code, §2301.709(d), which requires the board to adopt rules and policies that establish standards for the board to review a contested case under Subchapter O of Chapter 2301 of the Occupations Code. Occupations Code, §2301.709(d)(5) requires the board's rules to distinguish between using industry expertise and representing or advocating for an industry when the board reviews a contested case under Subchapter O of Chapter 2301 of the Occupations Code. Because certain board member positions are appointed based on specific industries or occupations under Transportation Code, §1001.021(b) and because of certain issues raised by the Sunset Advisory Commission in its *Staff Report with Final Results* in 2019, the Legislature amended Occupations Code, §2301.709 to add the rulemaking requirement in current subsection (d)(5). This requirement is not relevant to the Motor Carrier Division Director, who is hired by the department to work as a full-time employee. Also, the Motor Carrier Division Director is not required by statute to work in a specific industry or occupation prior to being hired by the department or as a continuing requirement for employment as the Motor Carrier Division Director.

Adopted new §224.324 provides the requirements regarding a final order issued by the department's Motor Carrier Division Director under adopted new Subchapter I. Adopted new §224.324(a) requires that the Motor Carrier Division Director sign a written final order, in keeping with the requirements of Government Code, §2001.141(a). The department adopts §224.324(a) with changes at adoption to reword the sentence for clarity and to delete the reference to a decision because subsections (b) and (c) refer to a final order. Adopted new §224.324(b) requires the department to send the final order to the parties in the contested case by email and certified mail, return receipt requested, to maximize the opportunities for the parties to receive notice of the final order and allow the department to ascertain whether and on what date an impacted party received the final order for purposes of Government Code, §2001.142(c). Adopted new §224.324(c) and (d) clarify that the Government Code governs the issuance of a final order by the Motor Carrier Division Director, the parties' motions for rehearing, and when the decision becomes final. The department adopts §224.324(d) with changes at adoption to delete the

reference to a decision because subsections (b) and (c) refer to a final order.

Adopted new §224.326 addresses public access to a special public meeting. Adopted new §224.326 contains modified versions of portions of 43 TAC §206.22, regarding Public Access to Board Meetings, which only applies to board meetings. Adopted new §224.326(a) requires persons in need of special accommodations who plan to attend the special public meeting to send a request to the department two days in advance, to allow the department time to arrange the accommodation. Adopted new §224.326(b) specifies that members of the public may not question parties or the Motor Carrier Division Director in a contested case, to maintain decorum in the meeting and to avoid exposing the Motor Carrier Division Director to information that is outside the SOAH record. Adopted new §224.326(c) requires a person who disrupts a special public meeting to leave the premises, to maintain decorum and safety in the meeting.

#### SUMMARY OF COMMENTS.

The department received eight timely written comments on the proposal. Each of the following submitted a written comment: the City of Austin, the Alliance for Automotive Innovation (Auto Innovators), Torc Robotics (Torc), Lyft, Stack AV Co. (Stack), the Autonomous Vehicle Industry Association (AVIA), the City of Dallas, and May Mobility, Inc. (May Mobility).

Comment: The City of Austin requests clarification on whether municipalities can be parties to the adjudication process for the suspension or cancellation of an authorization to operate automated motor vehicles.

Response: The department disagrees with this comment because it is outside the scope of the department's rulemaking authority. The legislature specified that the department, rather than a political subdivision, has the authority to administer the laws regarding an automated motor vehicle authorization under Transportation Code, §545.456 and §545.459.

Comment: Auto Innovators stated that they appreciate the additional guidance to the industry on the administrative sanctions.

Response: The department agrees with this comment.

Comment: Torc, Lyft, Stack, and AVIA support the department's proposed rules.

Response: The department agrees with these comments.

Comment: The City of Dallas believes there must be strong safeguards to quickly suspend or revoke an authorization when safety is compromised. The City of Dallas expects clear triggers, such as repeated incidents or failure to comply with safety obligations to be identified, enabling the state to act swiftly.

Response: The department disagrees with this comment to the extent that it is outside of the scope of the department's rulemaking authority, that the issue is already addressed in statute, and that the department needs to maintain flexibility to take the appropriate action to address different scenarios. The department also disagrees with this comment because it is premature for the department to adopt an administrative rule to define certain triggers until the department gains experience with enforcement actions under Transportation Code, §545.459.

Transportation Code, §545.459 provides the framework, including many of the deadlines, for the suspension, revocation, or cancellation when the department determines that an automated motor vehicle operating under an authorization is not in safe op-

erational condition and the operation of the vehicle on a highway or street in Texas endangers the public. Transportation Code, §545.459 also states that the operation of an automated motor vehicle endangers the public when the operation has resulted in or is likely to result in serious bodily injury as defined by Penal Code, §1.07.

There could be many different scenarios in which an automated motor vehicle operating under an authorization is not in safe operational condition. The department needs to maintain flexibility to take the appropriate action under different scenarios that may arise under adopted new §224.294 and Transportation Code, §545.459. Once the department gains experience with enforcement actions under Transportation Code, §545.459, the department may propose revisions to these rules. The department also responded to this comment in the preamble for the adoption of new Chapter 220, which is published in this issue of the *Texas Register*, regarding the timeline for an authorization holder to submit the updated or current documents to the department under §220.26 and Transportation Code, §545.456(b).

Comment: The City of Dallas recommends that the public should be notified whenever a suspension or revocation occurs to ensure transparency and maintain community trust.

Response: The department disagrees to the extent that it is outside of the scope of the department's rulemaking authority. Also, it is not necessary to make an administrative rule regarding the department's procedures for public communications.

Comment: The City of Dallas stated that operators should be required to present corrective action plans before authorization is restored.

Response: The department disagrees. The restoration of authorization is specifically addressed in statute, and it is not necessary to repeat statutory language in rule. Transportation Code, §545.459(j) requires the department to rescind a suspension, revocation, or cancellation or to remove a restriction after the authorization holder fulfills the conditions of Transportation Code, §545.459(d), by ensuring the issues identified by the department in the notice of intent are corrected, and providing the department with a certification acknowledging that the issues identified by the department in the notice of intent have been corrected.

Comment: May Mobility recommends that specific protocols be established for circumstances in which a company's authorization to operate autonomous vehicles is suspended, revoked, cancelled, or otherwise restricted.

Response: The department disagrees. The department provided the relevant protocols in these revisions to Chapter 224, which flesh out the protocols established by the legislature under Transportation Code, §545.456 and §545.459.

Comment: May Mobility recommends that any hearing and adjudication process be completed within 30 days, absent extenuating circumstances, to ensure timely resolution and minimize disruption. May Mobility also recommends that any administrative process be subject to a right of timely rehearing and appeal.

Response: The department disagrees with this comment to the extent that it is outside the scope of the department's rulemaking authority, that the issue is already addressed in statute, and that the department must maintain flexibility because certain matters may take longer than others based on the facts. Transportation Code, §545.459 includes some of the relevant timelines, including the requirement for an expedited hearing at SOAH to be held not later than the 60th day after the date of the department's final

determination under Transportation Code, §545.459(h) if the authorization holder submits a written request to the department for a hearing at SOAH. Once a contested case is docketed at SOAH, the process is governed by the following: 1) SOAH's procedures and staff; and 2) other laws, including SOAH's administrative rules (1 TAC Chapter 155) and Government Code, Chapter 2001. Transportation Code, §545.459(i) states that the contested case provisions of Government Code, Chapter 2001, including the right to judicial review, apply to a proceeding under Transportation Code, §545.459(k). Government Code, §2001.146 addresses the procedures for a motion for rehearing, and Subchapter G of Government Code, Chapter 2001 provides for judicial review of a final decision.

Comment: May Mobility recommends that appropriate procedures should be included to protect the confidentiality of both submitted evidence and administrative outcomes.

Response: The department disagrees with this comment to the extent that it is outside the scope of the department's rulemaking authority and that the issue is already addressed in law. Government Code, Chapter 552 governs the disclosure of information that is held by a governmental body to the public. If the contested case is docketed with SOAH, SOAH's administrative rules (1 TAC Chapter 155) also govern this issue, including sections such as §155.103 regarding confidential information.

#### §224.292(a)

Comment: The City of Austin recommends that the department clarify how the director makes determinations and if local input is considered. The City of Austin also recommends a process for exigent circumstances that would immediately cease an automated motor vehicle company's operations, as opposed to going through the notice of intent and adjudication process.

Response: The department disagrees. For a suspension, revocation, or cancellation under adopted new §224.292, the department's Motor Carrier Division Director will make the decision based on the facts and the law, including §224.292 and Transportation Code, §545.456. There is no need to further clarify how the Motor Carrier Division Director will make determinations or whether local input is considered. The department needs to maintain flexibility to take the appropriate action under different scenarios that may arise under adopted new §224.292 and Transportation Code, §545.456. The Motor Carrier Division Director may consider local input, depending on the situation.

The process under adopted new §224.292 and Transportation Code, §545.456 does not include a notice of intent and is not governed by Government Code, Chapter 2001. Also, Transportation Code, §545.456(f) authorizes the department to immediately suspend, revoke, or cancel the authorization if the authorization holder fails to comply with the requirements. The process under Transportation Code, §545.456 is different than the process under Transportation Code, §545.459.

#### §224.294

Comment: The City of Austin recommends that the department clarify expedited case criteria for public health/safety, outline how law enforcement complaints are prioritized and handled, and clarify whether officer testimony is required.

Response: The department disagrees. Every case that falls within the scope of adopted new §224.294 and Transportation Code, §545.459 involves a department determination that an automated motor vehicle operating under an authorization issued by the department is not in safe operational condition and the



operation of the vehicle on a highway or street in Texas endangers the public. Transportation Code, §545.459 states that the operation of an automated motor vehicle endangers the public when the operation has resulted in or is likely to result in serious bodily injury as defined by Penal Code, §1.07. Also, the timelines under Transportation Code, §545.459(c)(2) and (e) will be based on the facts of each case.

The department needs to maintain flexibility to take the appropriate action under different scenarios that may arise under adopted new §224.294 and Transportation Code, §545.459. Depending on the facts, the department may prioritize law enforcement complaints. Also, the facts may dictate how a law enforcement complaint is handled. Depending on the facts, it is possible that officer testimony is required if the authorization holder submits a written request for a hearing at SOAH under Transportation Code, §545.459(k). Once the department gains experience with enforcement actions under Transportation Code, §545.459, the department may propose revisions to these rules.

## SUBCHAPTER A. GENERAL PROVISIONS

### 43 TAC §§224.1, 224.5, 224.27, 224.29

**STATUTORY AUTHORITY.** The department adopts amendments under Transportation Code, §545.453 (as added by Senate Bill (SB) 2807, 89th Legislature, Regular Session (2025)), which authorizes the Board of the Texas Department of Motor Vehicles (board) to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; §1002.001, and §1003.005; and Government Code, Chapter 2001.

#### §224.29. *Delegation of Final Order Authority.*

(a) In accordance with Occupations Code, §2301.154(c) and Transportation Code, §1003.005(b), except as provided by subsection (b) of this section, the director of the division that regulates the distribution and sale of motor vehicles is authorized to issue, where there has not been a decision on the merits, a final order in a contested case under Subchapters B and C, including, but not limited to a contested case resolved:

- (1) by settlement;
- (2) by agreed order;
- (3) by withdrawal of the complaint;
- (4) by withdrawal of a protest;
- (5) by dismissal for want of prosecution including:

(A) failure of a complaining or protesting party to participate in scheduling mediation or to appear at mediation as required under Subchapter C of this chapter (relating to Contested Cases Between Motor Vehicle Industry License Holders or Applicants);

(B) failure of a complaining or protesting party to respond to department requests for information or scheduling matters;

(C) failure of a complaining or protesting party to dismiss a contested case that has been resolved by the parties;

(6) by dismissal for want of jurisdiction;

(7) by summary judgment or summary disposition;

(8) by default judgment; or

(9) when a party waives opportunity for a contested case hearing.

(b) In accordance with Occupations Code, §2301.704 and §2301.711, a hearings examiner is authorized to issue a final order in a contested case brought under Occupations Code, §2301.204 or §2301.601-2301.613.

(c) In accordance with Transportation Code, §1003.005, the director of the department's Motor Carrier Division is delegated the authority to issue a final order in contested cases under Subchapter D of this chapter excluding contested cases for which the department's director, as defined by Transportation Code, §643.001, is expressly authorized to issue the final order under Transportation Code, Chapter 643.

(d) In accordance with Transportation Code, §1003.005, the director of the department's Motor Carrier Division is authorized to issue a final order in a contested case under §224.294 of this title (relating to Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under Transportation Code, §545.459) when:

(1) a SOAH ALJ has not submitted a proposal for decision to the department for consideration by the final order authority; or

(2) a SOAH ALJ submits a proposal for decision regarding a default proceeding to the department for consideration by the final order authority.

(e) In a contested case in which the board has delegated final order authority under subsection (a), (c) or (d) of this section, a motion for rehearing shall be filed with and decided by the final order authority delegate.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT

### 43 TAC §224.110

STATUTORY AUTHORITY. The department adopts amendments under Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b), which authorizes the department to adopt and enforce rules to carry out the International Registration Plan (IRP); Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 623; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes an applicant to appeal the denial of an application for registration, renewal of registration, or reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to appeal the revocation or suspension of a registration or placement on probation of the motor carrier as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b); Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Government Code, Chapter 2001; and Transportation Code, Chapters 502, 621, 622, 623, 643, and 645; Transportation Code, §§1002.001, 1003.001, and 1003.005.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER E. CONTESTED CASES REFERRED TO SOAH

### 43 TAC §§224.150, 224.152, 224.164, 224.166

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b), which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 623; Transportation Code, §623.271, which states that the notice and hearing requirements under Transportation Code, §643.2525 apply to the imposition of an administrative penalty or the revocation of a permit under §623.271; Transportation Code, §623.272, which states that the notice and hearing requirements under Transportation Code, §643.2525 apply to the imposition of an administrative penalty under §623.272; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.2525, which provides the process for an administrative hearing under Transportation Code, Chapter 643; Transportation Code, §643.2526, which authorizes an applicant to appeal the denial of an application for registration, renewal of registration, or reregistration under Transportation Code, Chapter 643, and which authorizes a motor carrier to appeal the revocation or suspension of a registration or placement on probation of the motor carrier as requested by the Texas Department of Public Safety under Transportation Code, §643.252(b); Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, Chapters 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

§224.164. *Issuance of a Proposal for Decision.*

(a) After a hearing on the merits, the ALJ shall submit a proposal for decision in a contested case to the department and all parties.

(b) The parties may submit to the ALJ exceptions to the proposal for decision and replies to exceptions to the proposal for decision in accordance with the SOAH rules.

(c) The ALJ will review all exceptions and replies and notify the department and parties whether the ALJ recommends any changes to the proposal for decision.

(d) The parties are not entitled to file exceptions or briefs in response to a final proposal for decision but may raise an issue regarding the final proposal for decision before the following:

(1) the board as allowed at the time of oral presentation under Subchapter F of this chapter; or

(2) the Motor Carrier Division Director as allowed at the time of an oral presentation at a special public meeting, if any, under Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

*§224.166. Transfer of Jurisdiction for Final Decision.*

(a) A party may appeal an interlocutory order issued under Occupations Code, Chapter 2301 to the board under §224.192 of this title (relating to Appeal of an Interlocutory Order). SOAH retains jurisdiction on all other pending matters in the contested case, except as provided otherwise in this chapter.

(b) If a contested case includes a hearing on the merits, SOAH's jurisdiction transfers to the board or other final order authority when the ALJ confirms that the proposal for decision is final.

(c) Once jurisdiction transfers, no new testimony, witnesses, or information may be considered by the board or other final order authority.

(d) After SOAH transfers the SOAH administrative record to the department, the board or the Motor Carrier Division Director will consider the contested case under the provisions of Subchapter F of this chapter (relating to Board Procedures in Contested Cases) or Subchapter I of this chapter (relating to Motor Carrier Division Director Procedures in Contested Cases).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER F. BOARD PROCEDURES IN CONTESTED CASES

### 43 TAC §§224.190, 224.194, 224.198, 224.200, 224.204

STATUTORY AUTHORITY. The department adopts amendments under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the

Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

CROSS REFERENCE TO STATUTE. The adopted amendments implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

*§224.198. Written Materials and Evidence.*

(a) If a party wants to provide written materials at the board meeting, the party must provide the written materials to the department and all other parties in accordance with §224.11 of this title (relating to Filing and Service of Documents) at least 21 days prior to the date of the board meeting. If a party fails to timely provide written materials to the department or any other party, the department shall not provide the written materials to the board and the party shall not provide the written materials to the board at the board meeting. Non-parties are not authorized to provide written materials to the board.

(b) For the purposes of this section, written materials are defined as language or images including photographs or diagrams, that are contained in the SOAH administrative record and recorded in paper form except as stated otherwise in this subsection. The language or images in the written materials must be taken without changes from the SOAH administrative record; however, proposed final orders and draft motions for possible board action are allowed to be included in a party's written materials even if they contain arguments or requests that are not contained in the SOAH administrative record. Written materials shall be limited to evidence contained in the SOAH administrative record and consistent with the scope of the board's authority to act under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code, Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable.

(c) All information in the written materials shall include a citation to the SOAH administrative record on all points to specifically identify where the information is located. The citations may be provided in an addendum to the written materials that is not counted against the 15-page limit under subsection (d) of this section; however, the addendum must not include any information other than a heading that lists the name of the party, the caption for the contested case, and text that lists the citations and page numbers.

(d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15 pages per party. If a party provides the department with written materials that contain more pages than the maximum allowed, the department shall not provide the written materials to the board and a party shall not provide the written materials to the board at the board meeting.

*§224.200. Oral Presentation Limitations and Responsibilities.*

(a) A party to a contested case under review by the board shall limit oral presentation and discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion shall be

consistent with the scope of the board's authority to act under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable.

(b) A party may argue that the board should remand the contested case to SOAH.

(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the board is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The board chair may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

(3) An intervenor of record from the SOAH proceeding supporting another party shall share that party's time.

(4) Time spent by a party responding to a board question is not counted against their presentation time.

(5) During an oral presentation, a party to the contested case before the board may object that a party presented material or argument that is not in the SOAH administrative record. Time spent discussing such objections is not counted against the objecting party's time.

*§224.204. Board Conduct and Discussion When Reviewing a Contested Case or Interlocutory Order.*

(a) The board shall conduct its contested case review in compliance with Government Code, Chapter 2001; Occupations Code, Chapters 2301 and 2302; Transportation Code Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable, including the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the prohibition on considering evidence outside of the SOAH administrative record.

(b) A board member may question a party or the department on any matter that is relevant to the proposal for decision; however, a question shall be consistent with the scope of the board's authority to take action under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code, Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable; a question must be limited to evidence contained in the SOAH administrative record; and the communication must comply with §224.5 of this title (relating to Prohibited Communication). In considering a contested case, a board member is authorized to ask a question regarding a request to remand the case to SOAH, including a remand to SOAH for further consideration of the evidence.

(c) A board member may use personal expertise in the industry to understand a contested case and make effective decisions, consistent with the scope of the board's authority to act under Government Code, §2001.058(e); Occupations Code, Chapters 2301 and 2302; Transportation Code Chapters 503 or 1001-1005; and Transportation Code, §545.459(k), as applicable. However, a board member is not an advocate for a particular industry. A board member is an impartial public servant who takes an oath to preserve, protect, and defend the Constitution and laws of the United States and Texas.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER H. AUTOMATED MOTOR VEHICLE AUTHORIZATIONS

### 43 TAC §§224.290, 224.292, 224.294

**STATUTORY AUTHORITY.** The department adopts new sections under Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Government Code, §2001.054, which specifies the requirements regarding the grant, denial, renewal, revocation, suspension, annulment, or withdrawal of a license; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapter 545, Subchapter J; Transportation Code, §§1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

*§224.292. Immediate Suspension, Revocation, or Cancellation of an Automated Motor Vehicle Authorization under Transportation Code, §545.456(f).*

(a) No other section in this chapter applies to a suspension, revocation, or cancellation of an automated motor vehicle authorization under Transportation Code, §545.456(f), except for §224.290 of this title (relating to Purpose and Scope).

(b) The department may immediately suspend, revoke, or cancel an automated motor vehicle authorization under Transportation Code, §545.456(f) by sending notice to the authorization holder's email address on file in the department's designated system referenced in §220.23 of this title (relating to Application Requirements). The action described in the notice is effective when the notice is emailed by the department.

(c) The department shall promptly notify the authorization holder of a rescission of a suspension, revocation, or cancellation of an automated motor vehicle authorization under Transportation Code, §545.456(g) by sending notice to the authorization holder's email address on file in the department's designated system referenced in

§220.23 of this title. The rescission described in the notice is effective when the notice is emailed by the department.

(d) In addition to emailing a notice to the authorization holder under this section, the department shall also mail a notice to an authorization holder by first-class mail using the authorization holder's mailing address on file in the department's designated system referenced in §220.23 of this title.

(e) The director of the department's Motor Carrier Division is authorized to make the decisions under this section regarding a suspension, revocation, cancellation, or rescission.

(f) A reference in a department rule or communication to an "authorization holder" whose authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the suspension, revocation or cancellation of the authorization.

*§224.294. Suspension, Revocation, or Cancellation of Automated Motor Vehicle Authorization under Transportation Code, §545.459.*

(a) Subchapters A, E, F, and I of this chapter apply to a suspension, revocation, or cancellation of an authorization under Transportation Code, §545.459, and the imposition of one or more restrictions on the operation of the automated motor vehicle under Transportation Code, §545.459.

(b) The department shall send the notice of intent required under Transportation Code, §545.459 to the authorization holder by certified mail, return receipt requested consistent with Government Code, §2001.054. The department shall also send the notice of intent to the authorization holder's email address on file in the department's designated system referenced in §220.23 of this title (relating to Application Requirements).

(c) Any request for an extension on the department's deadline for corrective action and certification under Transportation Code, §545.459(c)(2) and (e) must be submitted prior to the department's deadline listed in the department's notice of intent and must contain an explanation regarding the following:

- (1) why the department's deadline is not reasonable;
- (2) why the authorization holder needs more time, and the specific deadline the authorization holder is requesting; and
- (3) whether the authorization holder's requested deadline is likely to result in harm to the public health, safety, or welfare.

(d) The department shall promptly provide notice to the authorization holder of the department's action under this section and Transportation Code, §545.459, using the authorization holder's email address on file in the department's designated system referenced in §220.23 of this title, except as otherwise provided by statute or rule, including §224.154 of this title (relating to Notice of Hearing) and §224.206 of this title (relating to Final Orders). The department shall also promptly mail such notice by first-class mail to an authorization holder using the authorization holder's mailing address on file in the department's designated system referenced in §220.23. The date the department emails a decision or final determination is the date the department issues a decision or final determination for the purposes of Transportation Code, §545.459(g), (h), and (i), as applicable.

(e) The authorization holder shall submit any requests to the department under Transportation Code, §545.459 to the designated address listed in the department's notice to the authorization holder.

(f) A representative of an authorization holder may be required to provide written proof to the department of authority to act on behalf of the authorization holder.

(g) An authorization holder shall electronically file any certification under Transportation Code, §545.459(d) in the department's designated system and include an authorized signature on the certification, in accordance with §224.11 of this title (relating to Filing and Service of Documents).

(h) The director of the department's Motor Carrier Division is authorized to issue a decision under Transportation Code, §545.459(g).

(i) The director of the department's Motor Carrier Division shall review the decision and issue a final determination under Transportation Code, §545.459(h) if the authorization holder timely submits a written request to the department for review.

(j) Except as otherwise provided under §224.29 of this title (relating to Delegation of Final Order Authority), the board has final order authority in a contested case under Transportation Code, §545.459(k). However, the director of the department's Motor Carrier Division shall take the actions required under Transportation Code, §545.459(j) regarding the rescission of a suspension, revocation, or cancellation, or the removal of a restriction, regardless of whether the board issued the final order.

(k) If a hearing is not timely held as required by Transportation Code, §545.459(k), the department shall take the following actions:

- (1) request the State Office of Administrative Hearings to dismiss the contested case; and
- (2) promptly notify the authorization holder that the authorization is automatically reinstated and that any restriction is automatically removed, using the authorization holder's email address on file in the department's designated system referenced in §220.23 of this title.

(l) A reference in a department rule or communication to an "authorization holder" whose authorization is currently suspended, revoked, or cancelled does not rescind or invalidate the suspension, revocation, or cancellation of the authorization.

(m) Unless otherwise requested by the department in writing, §224.11(a) through (g) of this title do not apply to a certification or communication from the authorization holder to the department regarding the following under Transportation Code, §545.459(j):

- (1) a potential rescission of a suspension, revocation, or cancellation; or
- (2) a potential removal of a restriction.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER I. MOTOR CARRIER DIVISION DIRECTOR PROCEDURES IN CONTESTED CASES

**43 TAC §§224.310, 224.312, 224.314, 224.316, 224.318, 224.320, 224.322, 224.324, 224.326**

**STATUTORY AUTHORITY.** The department adopts new sections under Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §545.453 (as added by SB 2807), which authorizes the board to adopt rules that are necessary to administer Subchapter J of Chapter 545 of the Transportation Code; Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.091(b), which authorizes the department to adopt and enforce rules to carry out IRP; Transportation Code, §621.008, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 621; Transportation Code, §622.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 622; Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 623; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.2525, which addresses the final order issued by the department for a contested case under Transportation Code, Chapter 643; Transportation Code, §1002.001, which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; Transportation Code, §1003.001, which states that the department is subject to Government Code, Chapter 2001, except as specifically provided by law; Transportation Code, §1003.005, which authorizes the board by rule to delegate any power relating to a contested case, including the power to issue a final order, to certain department staff; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted new sections implement Transportation Code, Chapters 621, 622, 623, 643, and 645; Transportation Code, §§502.091(b), 1002.001, 1003.001, and 1003.005; and Government Code, Chapter 2001.

**§224.310. Purpose and Scope.**

This subchapter describes the procedures for the department's director of the Motor Carrier Division (Motor Carrier Division Director) to review and issue a final order in a contested case in which the following conditions are met:

- (1) the Motor Carrier Division Director is the final order authority pursuant to a delegation under this chapter or as designated under Transportation Code, §643.001(2); and
- (2) a SOAH ALJ has submitted a final proposal for decision for consideration by a person with such final order authority.

**§224.312. Contested Case Review.**

(a) After SOAH submits a final proposal for decision and transfers SOAH's administrative record to the department, the Motor Carrier Division Director has jurisdiction and the record required to issue a final order and will review the contested case in accordance with the APA.

(b) The Motor Carrier Division Director may schedule a special public meeting to review the contested case, as specified under this subchapter; however, the Motor Carrier Division Director may also review SOAH's administrative record in a contested case and issue a final order without holding a special public meeting. The provisions in this

subchapter regarding a special public meeting only apply if the Motor Carrier Division Director schedules a special public meeting.

**§224.314. Request for Oral Presentation.**

(a) At least 20 days prior to the scheduled date of a special public meeting, the department shall notify the parties regarding the opportunity to attend and provide an oral presentation concerning a proposal for decision before the Motor Carrier Division Director. The department will deliver notice electronically to the last known email address provided to the department by the party or party's authorized representative in accordance with §224.11 of this title (relating to Filing and Service of Documents).

(b) If a party intends to make an oral presentation at the special public meeting, a party must submit a written request for an oral presentation to the department's contact listed in the notice provided under subsection (a) of this section and copy all other parties in accordance with §224.11 of this title at least seven days prior to the date of the special public meeting at which the party's contested case will be reviewed.

(c) If more than one party was not adversely affected by the proposal for decision, such parties may agree on the order of their presentations in lieu of the order prescribed under §224.320 of this title (relating to Order of Oral Presentations to the Motor Carrier Division Director). These parties must submit the agreed order of their presentations along with their requests to make an oral presentation under subsection (b) of this section. The order of presentations will be determined under §224.320 of this title if the parties who were not adversely affected by the proposal for decision do not timely provide the department and the other parties with notice regarding their agreed order of presentation.

(d) If a party timely submits a written request for an oral presentation, that party may make an oral presentation before the Motor Carrier Division Director at the special public meeting. If a party fails to submit a written request for an oral presentation timely, that party shall not make an oral presentation at the special public meeting.

(e) Non-parties are not authorized to provide an oral presentation or public comment to the Motor Carrier Division Director at a special public meeting.

**§224.316. Written Materials and Evidence.**

(a) If a party wants to provide written materials at the special public meeting, the party must provide the written materials to the department and all other parties in accordance with §224.11 of this title (relating to Filing and Service of Documents) at least 14 days prior to the date of the special public meeting. If a party fails to timely provide written materials to the department or any other party, the department shall not provide the written materials to the Motor Carrier Division Director and the party shall not provide the written materials to the Motor Carrier Division Director at the special public meeting.

(b) For the purposes of this section, written materials are defined as language or images including photographs or diagrams, that are contained in the SOAH administrative record and recorded in paper form except as stated otherwise in this subsection. The language or images in the written materials must be taken without changes from the SOAH administrative record; however, proposed final orders are allowed to be included in a party's written materials even if they contain arguments or requests that are not contained in the SOAH administrative record. Written materials shall be limited to evidence contained in the SOAH administrative record and consistent with the scope of the Motor Carrier Division Director's authority to act under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645.

(c) All information in the written materials shall include a citation to the SOAH administrative record on all points to specifically identify where the information is located. The citations may be provided in an addendum to the written materials that is not counted against the 15-page limit under subsection (d) of this section; however, the addendum must not include any information other than a heading that lists the name of the party, the caption for the contested case, and text that lists the citations and page numbers.

(d) Written materials shall be 8.5 inches by 11 inches and single-sided. Written materials must be double-spaced and at least 12-point type if in text form. Written materials are limited to 15 pages per party. If a party provides the department with written materials that contain more pages than the maximum allowed, the department shall not provide the written materials to the Motor Carrier Division Director and a party shall not provide the written materials to the Motor Carrier Division Director at the special public meeting.

(e) Non-parties are not authorized to provide written materials to the Motor Carrier Division Director at a special public meeting.

*§224.318. Oral Presentation Limitations and Responsibilities.*

(a) A party to a contested case under review by the Motor Carrier Division Director shall limit oral presentation and discussion to evidence in the SOAH administrative record. Also, oral presentation and discussion shall be consistent with the scope of the Motor Carrier Division Director's authority to act under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645.

(b) A party may argue that the Motor Carrier Division Director should remand the contested case to SOAH.

(c) Each party is responsible for objecting when another party attempts to make arguments or engage in discussion regarding evidence that is not contained in the SOAH administrative record.

(d) A party's presentation to the Motor Carrier Division Director is subject to the following limitations and conditions:

(1) Each party shall be allowed a maximum of 15 minutes for their oral presentation. The Motor Carrier Division Director may increase this time.

(2) No party is allowed to provide a rebuttal or a closing statement.

(3) An intervenor of record from the SOAH proceeding supporting another party shall share that party's time.

(4) Time spent by a party responding to a question from the Motor Carrier Division Director is not counted against such party's presentation time.

(5) During an oral presentation, a party to the contested case before the Motor Carrier Division Director may object that a party presented material or argument that is not in the SOAH administrative record. Time spent discussing such objections is not counted against the objecting party's time.

*§224.320. Order of Oral Presentation to the Motor Carrier Division Director.*

(a) The department will present the procedural history and summary of the contested case.

(b) The party that is adversely affected may present first. However, the Motor Carrier Division Director is authorized to determine the order of each party's presentation if:

(1) it is not clear which party is adversely affected;

(2) it appears that more than one party is adversely affected; or

(3) different parties are adversely affected by different portions of the contested case under review.

(c) The other party or parties not adversely affected will then have an opportunity to make a presentation. If more than one party is not adversely affected, each party will have an opportunity to respond in alphabetical order based on the name of the party in the pleadings in the SOAH administrative record, except as stated otherwise in §224.314 of this title (relating to Request for Oral Presentation).

*§224.322. Motor Carrier Division Director Conduct and Discussion When Reviewing a Contested Case.*

(a) The Motor Carrier Division Director shall conduct the contested case review in compliance with Government Code, Chapter 2001; and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645, including the limitations on changing a finding of fact or conclusion of law made by a SOAH ALJ, and the prohibition on considering evidence outside of the SOAH administrative record.

(b) The Motor Carrier Division Director may question a party or the department on any matter that is relevant to the proposal for decision; however, a question shall be consistent with the scope of the Motor Carrier Division Director's authority to take action under Government Code, §2001.058(e) and the applicable law that governs the subject matter of the contested case, such as Transportation Code, Chapters 621-623, 643, or 645; a question must be limited to evidence contained in the SOAH administrative record; and the communication must comply with §224.5 of this title (relating to Prohibited Communication). In considering a contested case, the Motor Carrier Division Director is authorized to ask a question regarding a request to remand the case to SOAH, including a remand to SOAH for further consideration of the evidence.

*§224.324. Final Orders.*

(a) The Motor Carrier Division Director shall sign a written final order in a contested case under this subchapter.

(b) The department shall email a copy of the final order to the parties in the contested case and send a copy of the final order by certified mail, return receipt requested.

(c) The provisions of Government Code, Chapter 2001, Subchapter F govern:

(1) the issuance of a final order issued under this subchapter; and

(2) motions for rehearing filed in response to a final order.

(d) An order in a contested case is final in accordance with Government Code, §2001.144.

*§224.326. Public Access to Special Public Meetings.*

(a) Persons who have special communication or accommodation needs and who plan to attend a special public meeting may contact the department's contact listed in the posted meeting agenda for the purpose of requesting auxiliary aids or services. Requests shall be made at least two days before a special public meeting. The department shall make every reasonable effort to accommodate these needs.

(b) Members of the public are not authorized to question the parties to the contested case or the Motor Carrier Division Director regarding the contested case.

(c) A person who disrupts a special public meeting shall leave the meeting room and the premises if ordered to do so by the Motor Carrier Division Director.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER B. MOTOR VEHICLE, SALVAGE VEHICLE, AND TRAILER INDUSTRY ENFORCEMENT

### 43 TAC §224.58

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle, Salvage Vehicle, and Trailer Industry Enforcement, §224.58, regarding Denial of Dealer Access to the License Plate System. These amendments implement Senate Bill (SB) 1902, 89th Legislature, Regular Session (2025), which became effective July 1, 2025. In SB 1902, Section 3, the legislature directed the department to adopt implementing rules by October 1, 2025. Transportation Code, §503.0633(f), as amended by SB 1902, allows the department to deny access to the license plate database if a dealer has been denied access to the temporary tag database under former Transportation Code, §503.0632(f).

The department adopts amendments to §224.58 without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4404). Accordingly, the text of §224.58 will not be republished.

#### REASONED JUSTIFICATION.

As the department transitioned from paper temporary tags to metal license plates on July 1, 2025, in accordance with House Bill 718, 88th Legislature, Regular Session (2023), the temporary tag database has been replaced with the license plate database. Under Transportation Code §503.0633(f), as amended by SB 1902, the department may deny a dealer access to the license plate system if the department determines that the dealer has acted fraudulently. An adopted amendment to §224.58(b) would add denial of access to the temporary tag system as a basis for the department to deny a dealer access to the license plate system. This amendment implements SB 1902, which added this basis as one the department could consider in denying access to the license plate database under Transportation Code, §503.0633(f). The adopted amendment would allow the department to deny access to the license plate system if the dealer had been denied access to temporary tag database prior to July 1, 2025, after providing notice to the dealer.

#### SUMMARY OF COMMENTS.

The department received no comments during the public comment period which ended on August 25, 2025.

**STATUTORY AUTHORITY.** In addition to the rulemaking authority provided in Section 34 of HB 718, the department adopts amendments to §224.58 under Transportation Code, §§503.002, 503.0631, and 1002.001. Transportation Code, §503.002 authorizes the department to adopt rules to administer Transportation Code Chapter 503. Transportation Code, §503.0631(e) authorizes the department to adopt rules and prescribe procedures as necessary to implement §503.0631. Transportation Code, §1002.001 authorizes the board to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

The department also adopts amendments under Occupations Code, §2301.151, which gives the board authority to regulate the distribution, sale, and lease of motor vehicles and the authority to take any action that is necessary or convenient to exercise that authority; Occupations Code, §2301.152, which authorizes the board to establish the qualifications of license holders, ensure that the distribution, sale, and lease of motor vehicles is conducted as required by statute and board rules, to prevent fraud, unfair practices, discrimination, impositions, and other abuses in connection with the distribution and sale of motor vehicles, and to enforce and administer Occupations Code, Chapter 2301 and Transportation Code, Chapter 503; Occupations Code, §2301.155, which authorizes the board to adopt rules as necessary or convenient to administer Occupations Code, Chapter 2301 and to govern practice and procedure before the board; and Government Code, §2001.004 requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

**CROSS REFERENCE TO STATUTE.** These adopted revisions implement Government Code, Chapter 2001; Occupations Code, Chapter 2301; and Transportation Code, Chapters 501-504, and 1002.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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## SUBCHAPTER D. MOTOR CARRIER AND OVERSIZE OR OVERWEIGHT VEHICLE OR LOAD ENFORCEMENT

### 43 TAC §§224.116, 224.121, 224.124

**INTRODUCTION.** The Texas Department of Motor Vehicles (department) adopts amendments to 43 Texas Administrative Code (TAC) Chapter 224, Subchapter D, Motor Carrier and Oversize or Overweight Vehicle or Load Enforcement, §224.116 and §224.124, and adopts new §224.121, regarding the requirements and procedures under Transportation Code, §643.2526.



The department adopts the following rules without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4406), and these rules will not be republished: §224.116 and §224.124. The department adopts §224.121 with a change to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4406). This rule will be republished. The change at adoption to §224.121 is described in the Reasoned Justification section below.

#### REASONED JUSTIFICATION.

The amendments and new section are necessary to implement House Bill (HB) 1672, 89th Legislature, Regular Session (2025), which requires that the department adopt rules to create the requirements and procedures for the following, in part, under Transportation Code, §643.2526: 1) the revocation or suspension of a motor carrier's registration; 2) the placement of a motor carrier on probation whose registration is suspended; and 3) the motor carrier's appeal of the revocation, suspension, or probation. Adopted amendments are also necessary to clean up the rule text.

As stated above, the department published a proposal to revise Chapter 224 to implement HB 1672 in the July 25, 2025, issue of the *Texas Register*. Because HB 1672 became effective on May 24, 2025, the department also adopted similar amendments to revise Chapter 224 through emergency rules with an immediate effective date of July 10, 2025, as stated in the Emergency Rules section of the July 25, 2025, issue of the *Texas Register* (50 TexReg 4139). However, emergency rules may not be effective for longer than 120 days and may not be renewed for longer than 60 days according to Government Code, §2001.034. In the Withdrawn Rules section of this issue of the *Texas Register*, the department published a notice to withdraw the emergency rules on the date that the adopted revisions to Chapter 224 that are referenced in this adoption order become effective, so there will only be one version of these revisions to Chapter 224 in effect at the same time.

Adopted amendments to §224.116 implement HB 1672 by modifying the title of the section and adding new subsection (h) to clarify that these administrative procedures do not apply to a proceeding under Transportation Code, §643.2526. Section 224.116 provides the administrative procedures for a proceeding under laws that require the department to provide written notice to the person and an opportunity for the person to request a hearing before the department takes an administrative action against the person. Because Transportation Code, §643.2526 states that a department action under §643.2526 is not required to be preceded by notice and an opportunity for hearing, the adopted amendments to §224.116 clarify that this section does not apply to a proceeding under §643.2526. Adopted amendments to §224.116(a) also clean up the rule text by adding a hyphen to the term "first class mail" to read "first-class mail."

Adopted new §224.121 and adopted amendments to §224.124 are necessary to implement amendments made by HB 1672 to Transportation Code, §643.2526. These revisions to Chapter 224 govern the requirements and procedures under Transportation Code, §643.2526, which authorizes the department to deny an application for registration, renewal of registration, or reregistration under Transportation Code, Chapter 643 (Motor Carrier Registration) prior to providing the person with notice and an opportunity for hearing. Upon request by the Texas Department of Public Safety (DPS) under Transportation Code, §643.252(b)

and prior to providing the person with notice and an opportunity for hearing, the department is also authorized under Transportation Code, §643.2526 to revoke or suspend the registration of a motor carrier or to place a motor carrier on probation whose registration is suspended, if either of the following occur: 1) the motor carrier has an unsatisfactory safety rating under 49 C.F.R. Part 385 (Safety Fitness Procedures), which is determined by the Federal Motor Carrier Safety Administration (FMCSA); or 2) the motor carrier committed multiple violations under Transportation Code, Chapter 644 (Commercial Motor Vehicle Safety Standards), a rule adopted under Chapter 644, or Subtitle C (Rules of the Road) of Transportation Code, Title 7 (Vehicles and Traffic), which is determined by DPS. The references to registration under Transportation Code, Chapter 643 are references to operating authority to operate as a motor carrier, rather than vehicle registration under Transportation Code, Chapter 502.

Adopted new §224.121 provides the requirements and procedures regarding the department's action under Transportation Code, §643.2526. Adopted new §224.121(a) states that the department will only revoke a motor carrier's registration under Transportation Code, §643.2526 pursuant to a request from DPS under Transportation Code, §643.252(b). Although Transportation Code, §643.252(b) authorizes DPS to request the department to suspend or revoke a registration issued to a motor carrier under Transportation Code, Chapter 643, or to place on probation a motor carrier whose registration is suspended, the department will only revoke the registration of a motor carrier under Transportation Code, §643.252(b). The department's current system is not programmed to suspend a motor carrier's registration, so revocation is the only option at this time.

Also, the DPS administrative rule regarding DPS's request to the department under Transportation Code, §643.252(b) only refers to a revocation of the motor carrier's registration. See 37 TAC §4.19(a). Transportation Code, §644.051(b) states that a DPS rule adopted under Transportation Code, Chapter 644 must be consistent with federal regulations. Section 4.19(a), which was adopted under the DPS rulemaking authority in Transportation Code, §644.051, is consistent with 49 C.F.R. §385.13(e), which states that if an interstate motor carrier has a final unsatisfactory safety rating, FMCSA will provide notice to the motor carrier and issue an order revoking the motor carrier's interstate registration, which is also known as operating authority to operate as a motor carrier in interstate transportation. Because DPS does not administer Transportation Code, Chapter 643, DPS must request the department to revoke a motor carrier's registration for intrastate transportation.

Adopted new §224.121(a) also states that the department will not take action under Transportation Code, §643.252(b) until FMCSA or DPS, as applicable, issues an order regarding the laws referenced in §643.252(b). This requirement is necessary to help protect the person's due process rights because Transportation Code, §643.2526 authorizes the department to take action against the person prior to providing notice and an opportunity for a hearing. FMCSA and DPS are required to comply with the due process requirements under the laws that govern their actions when issuing an order under the laws referenced in Transportation Code, §643.252(b). The process set out in new §224.121(a) ensures that while a motor carrier may not receive notice and an opportunity for a hearing from the department before the department revokes the motor carrier's registration, the motor carrier should have received full due process on the same factual and legal allegations from either FMCSA or DPS.

The FMCSA order under 49 C.F.R. §385.13(d)(1) is called an out-of-service order, which prohibits the motor carrier from engaging in interstate transportation. See 49 U.S.C. §31144(c) and 49 C.F.R. §385.1(a) and §385.13(d)(1). The FMCSA procedures and proceedings regarding an out-of-service order are governed by 49 U.S.C. §31144, 49 C.F.R. Part 385 (Safety Fitness Procedures), and 49 C.F.R. Part 386 (Rules of Practice for FMCSA Proceedings).

The DPS order under Transportation Code, §644.155 and 37 TAC §4.15 is called an order to cease, which prohibits the motor carrier from operating a commercial motor vehicle in intrastate transportation. The DPS proceedings regarding an order to cease are governed by 37 TAC §4.15 and §4.18. The DPS order to cease tells the motor carrier that it must immediately cease all intrastate transportation until such time as DPS determines the motor carrier's safety rating is no longer unsatisfactory.

Adopted new §224.121(b) states that the department will issue notice of the department's action under Transportation Code, §643.2526 to the person by email and first-class mail using the person's last known address in the department's records. The notice requirements under Government Code, §2001.054(c) do not apply to the department's notice regarding the department's action under Transportation Code, §643.2526 because Transportation Code, §643.2526(a) says that the department's action under Transportation Code, §643.252(b) is not required to be preceded by notice and an opportunity for hearing, notwithstanding other law. Also, the motor carrier should have already received due process under the DPS or FMCSA proceeding that resulted in an order to cease or out-of-service order, respectively.

The department adopts §224.121(b) with a change at adoption to include a hyphen between the words "first" and "class" because the word "first-class" is a compound modifier for the word "mail."

Adopted amendments to §224.124 implement HB 1672 by expanding the scope of the rule to be consistent with the expanded scope of Transportation Code, §643.2526 as amended by HB 1672. An adopted amendment to §224.124 modifies the title of the section to refer to an appeal of a department action under Transportation Code, §643.2526 because §643.2526 is no longer limited to an appeal of a denial of an application for registration, renewal of registration, or reregistration. An adopted amendment to §224.124 also deletes prior subsection (a) because it unnecessarily repeated language in Transportation Code, §643.2526 and did not cover the expanded scope of §643.2526 as amended by HB 1672. In addition, adopted amendments to §224.124 re-letter prior subsections (b), (c), and (d) due to the deletion of prior subsection (a).

An adopted amendment to re-lettered §224.124(a) clarifies that Subchapter E of Chapter 224 of this title is not the only subchapter in Chapter 224 that applies to an appeal to the department under Transportation Code, §643.2526. Adopted amendments to re-lettered §224.124(b) expand the scope of the rule to be consistent with the expanded scope of Transportation Code, §643.2526 as amended by HB 1672.

Adopted new §224.124(d) states that on appeal under Transportation Code, §643.2526, the department will not rescind a revocation under Transportation Code, §643.252(b) based on the motor carrier taking corrective action that results in an upgrade to its unsatisfactory safety rating after the department has issued notice to the motor carrier that the department revoked the motor carrier's registration. DPS wants the department to immediately revoke a motor carrier's registration under Transportation Code,

Chapter 643 once DPS requests the department to revoke under Transportation Code, §643.252(b). The department will not wait to see if the motor carrier takes either of the following actions prior to revoking the motor carrier's registration: 1) requests DPS or FMCSA, as applicable, to change the final safety rating or to conduct a review regarding the final safety rating; or 2) appeals their final safety rating to a court under the laws that govern the DPS or FMCSA order, as applicable.

FMCSA's regulation states that a motor carrier that has taken action to correct the deficiencies that resulted in a final rating of "unsatisfactory" may request a rating change at any time. See 49 C.F.R. §385.17(a). Another FMCSA regulation states as follows: 1) that a motor carrier may request FMCSA to conduct an administrative review if it believes that FMCSA committed an error in assigning the final safety rating; 2) that FMCSA's decision under the administrative review constitutes the final agency action; and 3) that a motor carrier may request a rating change under the provisions of 49 C.F.R. §385.17. See 49 C.F.R. §385.15. In addition, federal law authorizes the motor carrier to appeal FMCSA's final order to the applicable United States Court of Appeals under 49 U.S.C. §521(b)(9) and 49 C.F.R. §386.67. Therefore, it is possible that FMCSA could change a motor carrier's safety rating from unsatisfactory to satisfactory or conditional after FMCSA issued the out-of-service order to the motor carrier and after the department revoked the motor carrier's registration pursuant to DPS's request under Transportation Code, §643.252(b).

The DPS administrative rule states that a motor carrier that has taken action to correct the deficiencies that resulted in a final rating of "unsatisfactory" may request a rating change at any time. See 37 TAC §4.15(b)(3)(G). The DPS rule also states that the motor carrier may request DPS to conduct a departmental review if the motor carrier believes that DPS has committed error in assigning the final safety rating, that the final safety rating under the DPS departmental review constitutes a final agency decision, and that any judicial review of the DPS final agency decision is subject to Government Code, Chapter 2001. See 37 TAC §4.15(b)(3)(H) and (I). Therefore, it is possible that DPS could change a motor carrier's safety rating from unsatisfactory to satisfactory or conditional after DPS issued the order to cease to the motor carrier and after the department revoked the motor carrier's registration pursuant to DPS's request under Transportation Code, §643.252(b).

Once the department issues a revocation under Transportation Code, §643.2526, the revocation is effective and cannot be rescinded unless the motor carrier submits a timely appeal under §643.2526. If the motor carrier timely submits an appeal under Transportation Code, §643.2526, if the underlying order from DPS or FMCSA was issued to the correct motor carrier in compliance with the motor carrier's due process rights, and if the applicable requirements under Transportation Code, §643.252(b) were met at the time DPS requested the department to revoke the motor carrier's registration, the department's revocation will not be rescinded on appeal to the department. If the motor carrier resolves its unsatisfactory safety rating and is no longer subject to the order to cease or out-of-service order after the department revokes the motor carrier's registration, the evidence on appeal will not show any error regarding the department's revocation. However, an appeal of a revocation under Transportation Code, §643.2526 may result in a rescission of the revocation if the underlying order from DPS or FMCSA, as applicable, was issued in violation of the motor carrier's due process rights or was issued to the motor carrier in error.

When determining whether to request the department to revoke the motor carrier's registration under Transportation Code, §643.252(b), it is within DPS's discretion to consider whether the motor carrier's unsatisfactory safety rating might change to a satisfactory or conditional safety rating after the issuance of an order to cease or an out-of-service order. Once the department receives the request from DPS to revoke the motor carrier's registration under Transportation Code, §643.252(b), the department will immediately revoke the registration if the applicable requirements under §643.252(b) were met. If the department revoked a motor carrier's registration pursuant to DPS's request under Transportation Code, §643.252(b), and the motor carrier later improves its safety rating and is no longer subject to an out-of-service order or an order to cease, the department will consider this fact when reviewing the motor carrier's application for reregistration under Transportation Code, §643.0585 or the motor carrier's application for registration under Transportation Code, §643.052.

Adopted new §224.124(e) requires the person who submits an appeal to the department under Transportation Code, §643.2526 to state why the person claims the department's action is erroneous, as well as the legal and factual basis for the claimed error. This information is necessary to enable the department to comply with a requirement to docket the contested case with the State Office of Administrative Hearings under 1 TAC §155.53(a)(1), which requires the Request to Docket Case form to be submitted together with the complaint or other pertinent documents describing the agency action giving rise to the contested case.

#### SUMMARY OF COMMENTS.

No comments on the proposed revisions were received.

**STATUTORY AUTHORITY.** The department adopts amendments under Transportation Code, §643.2526(d), as amended by House Bill (HB) 1672, 89th Legislature, Regular Session (2025), which requires the department to adopt rules as necessary to implement §643.2526, including rules governing the requirements and procedures under §643.2526; Government Code, §2001.004, which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; Transportation Code, §643.252, which authorizes the department to suspend, revoke, or deny a registration issued under Transportation Code, Chapter 643 or place on probation a motor carrier whose registration is suspended; Transportation Code, §1002.001,

which authorizes the board to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and the statutory authority referenced throughout this preamble and in the rule text, which is incorporated herein by reference.

**CROSS REFERENCE TO STATUTE.** The adopted amendments implement Government Code, Chapter 2001; and Transportation Code, §§643.252(b), 643.2526, and 1002.001.

*§224.121. Administrative Proceedings under Transportation Code, §643.2526.*

(a) The department will only revoke the registration of a motor carrier under Transportation Code, §643.2526 pursuant to a request from the Texas Department of Public Safety under Transportation Code, §643.252(b) after the issuance of an order by the following, as applicable:

(1) the Federal Motor Carrier Safety Administration regarding an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) the Texas Department of Public Safety regarding multiple violations of the following:

(A) Transportation Code, Chapter 644;

(B) a rule adopted under Transportation Code, Chapter 644; or

(C) Subtitle C of Title 7 of the Transportation Code.

(b) The department will issue notice of the department's action under Transportation Code, §643.2526 to the person by email and first-class mail using the person's last known address in the department's records.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on September 19, 2025.

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

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