Plate-to-Owner FAQs

A new law called Plate-to-Owner allows Texans to keep the license plates when they sell their vehicles. It took effect January 1, 2008.

The law only applies to passenger vehicles (not motor homes) and light trucks.

Licensed dealers must remove the license plates and registration stickers from vehicles they buy or take in trade.

Any dealer inventory acquired before January 1, 2008, is not subject to the new law.

WHAT TO DO
1. What can customers (plate owners) do with the license plates?
   • Transfer the plates (now or later) to another vehicle, providing it is the same type of vehicle (car-to-car or truck-to-truck), for only a $5 plate transfer fee or
   • Dispose of plates and registration stickers to prevent fraudulent use (mark up the plates with an indelible marker before recycling).

2. What should dealers do with the license plates?
   • Give the plates to the owner.

3. Does the customer have to transfer the plates?
   • No. The law requires that licensed dealers remove the plates/sticker from vehicles but customers are not required to transfer the plates to another vehicle.

4. What if the customer does not want to take the plates?
   • Dealers should deface the front of the plates, either with indelible black ink or use another method to prevent fraudulent use.

5. What does a dealer do with the registration stickers?
   • We recommend dealers without access to the motor vehicle database keep the registration sticker so they can determine when the vehicle's registration expires or
   • Properly dispose of old stickers in a way to prevent fraudulent use or
   • Return to the customer with instructions to destroy to prevent fraudulent use.

Note: Even though the plates and sticker are removed, the registration remains with the vehicle. After removal of plates/sticker, registration is valid until the month/year of expiration.

DEALER AUCTIONS & DEALER LOTS
6. Are dealer auctions required to remove plates and stickers from vehicles?
   • Only auctions that are licensed dealers and acquire a vehicle in sale or trade must remove plates/stickers.
   • If the selling dealer purchased the vehicle before January 1, 2008, it may auction the vehicle with the plates and sticker.
   • Any dealer that purchases a vehicle at auction is required to remove the plates and sticker.
7. If no registration sticker is available (i.e., dealer auctions), how does a dealer determine the expiration month and year?

- Run an inquiry through the motor vehicle database (for subscribers) or
- Contact the local county tax office or
- Continue to use any other reliable resource to obtain the information.

8. May a vehicle acquired by a dealer remain on the lot without plates (or temporary tags) and stickers?

- Yes, as long as the vehicle does not leave the lot. A temporary tag must be on a vehicle that leaves the lot for test drive purposes or any other reason.

DEALER TRANSFER

9. What does a dealer do to transfer license plates for a customer?

- Remove the plates and registration sticker from the vehicle sold or traded and
- Give plates to customer and destroy sticker (unless customer wants sticker returned) and
- Collect the $5 plate transfer fee (and other applicable fees) and
- Submit title application for the customer and
- Mount plates on the vehicle with buyer's temporary tag on top of the rear plate.

Note: Customers should remove the buyer's temporary tag when they receive their registration sticker.

10. How do dealers account for payment of the $5 plate transfer fee?

- There are two ways:
  A. On the Form 130-U, dealers should write "plate transfer fee $5" in the upper right-hand margin of the Form 130-U.
  B. On the Form VTR-31-RTS, we recommend dealers include the fee in field 34 ("Total Reg. Trans. Fee") since the fee will be itemized on the registration receipt for the customer.

11. How will the customer know he/she has paid the $5 fee?

- The customer's registration receipt from the county will itemize the $5 fee along with other fees paid.

EXAMPLES

12. If a customer purchases a vehicle with current registration (June 2008) and chooses to transfer plates from a previously-owned (same type) vehicle, what fees are charged?

- $5 plate transfer fee + $2.50 registration transfer fee + $1 automation fee (applicable counties) + $.30 reflectorization fee + applicable fees.

13. If registration is expired and the customer wants to transfer the license plates from a vehicle traded-in, what would the customer pay?

- $5 plate transfer fee + regular registration fees + other applicable fees.

14. If vehicle registration is expired and the customer does not wish to transfer plates, what would the customer pay?

- Regular registration fees (no charge for new plates and sticker) + other applicable fees.
RESTRICTIONS
15. Which plates cannot be transferred to another vehicle?
   A. Any general issue license plate that is not a passenger car or light truck plate.
   B. Plates may only be transferred to the same vehicle classification, car-to-car or truck-to-truck.
   C. Plates that are seven years old or older (these plates must be replaced due to loss of reflectivity).

16. Can I transfer my motorcycle plate? What about my trailer plate?
   • No, you may only transfer plates to an eligible car or truck.

17. Can I transfer my plates to a leased vehicle?
   • Yes.

18. Can I transfer my plates from a vehicle titled jointly to a vehicle titled in my name alone?
   • Yes, if your name has not changed.

FUTURE ENHANCEMENTS
19. Will there be a method to allow me to drive a vehicle on the weekend in a private sale when there are no plates/sticker on the vehicle?
   • An online process is being developed to provide for immediate issuance of a transit permit in private sales and will be available later this year. This will only be available if the vehicle is titled in Texas.

20. What will be the cost of the transit permit?
   • No fee is planned for the transit permit.

21. How long is the transit permit good for?
   • Five (5) days from date of printing, to give you ample time to get to the county tax office.

22. Is the transit permit the same as the new “Buyer Temp Tag” (e-tag) that I’ve heard about?
   • No, the new Buyer Temp Tag is not related in any way to the transit permit or the plate-to-owner program.

FEES
23. Must dealers collect a $5 plate transfer fee from all customers?
   • No, only for customers who decide to transfer the plates.

24. I bought a vehicle without plates or a sticker, but the vehicle is currently registered. Will there be a replacement fee for the new license plates and registration sticker?
   • No.

25. What other fees apply at the county tax office?
   • All title and registration fees remain applicable.

26. When I pay the $5 plate transfer fee for a car I already own, do I still have to pay registration fees?
• 26.a. If the vehicle you are transferring plates to is currently registered, you will pay the $5 plate transfer fee, the $1 automation fee and the $0.30 reflectorization fee.

• 26.b. The Office of Consumer Credit Commissioner (OCCC) advises that the fee should be placed on a retail installment contract under the itemization of amount financed of either a separate itemized charge of "plate transfer fee" under "Other" or including the charge in the "Government license and/or registration fees."

27. What about when the registration is current and the Plate Age is 7 years?

• Due to plate-to-owner programming in RTS, transactions in the Title Event now require the issuance of new plates and sticker if the Plate Age is 7 (Needs Program) even if the registration has not expired.

MISCELLANEOUS
28. How do I provide proof of ownership of the plates that I would like to transfer?

• A motor vehicle inquiry at the county.
• A registration receipt in your name that shows the plate number.

29. When will dealer enforcement by the Motor Vehicle Division (MVD) begin for plate-to-owner?

• March 1, 2008. Dealers are being allowed approximately 60 days to familiarize themselves with the law's new procedures before enforcement begins.

If you have any questions, please contact your local county tax assessor-collector's office. Thank you.

Sincerely,

[Signature]
Rebecca Davio, Ph.D., Director
Vehicle Titles and Registration Division