

Amend CSHB 2702 by adding the following appropriately numbered ARTICLE and SECTIONS to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE ____ . TEMPORARY VEHICLE TAGS

SECTION __.01. Section 501.022(d), Transportation Code, is amended to read as follows:

(d) Subsection (c) does not apply to a motor vehicle operated on a public highway in this state with a metal dealer's license plate or a dealer's or buyer's temporary [~~cardboard~~] tag attached to the vehicle as provided by Chapter 503.

SECTION __.02. Sections 503.038(a) and (c), Transportation Code, are amended to read as follows:

(a) The department may cancel a dealer's general distinguishing number if the dealer:

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

(2) files a false or forged tax document, including a sales tax affidavit;

(3) fails to take assignment of any basic evidence of ownership, including a certificate of title or manufacturer's certificate, for a vehicle the dealer acquires;

(4) fails to assign any basic evidence of ownership, including a certificate of title or manufacturer's certificate, for a vehicle the dealer sells;

(5) uses or permits the use of a metal dealer's license plate or a dealer's temporary [~~cardboard~~] tag on a vehicle that the dealer does not own or control or that is not in stock and offered for sale;

(6) makes a material misrepresentation in an application or other information filed with the department;

(7) fails to maintain the qualifications for a general distinguishing number;

(8) fails to provide to the department within 30 days after the date of demand by the department satisfactory and reasonable evidence that the person is regularly and actively engaged in business as a wholesale or retail dealer;

(9) has been licensed for at least 12 months and has

not assigned at least five vehicles during the previous 12-month period;

(10) has failed to demonstrate compliance with Sections 23.12, 23.121, and 23.122, Tax Code;

(11) uses or allows the use of the dealer's general distinguishing number or the location for which the general distinguishing number is issued to avoid the requirements of this chapter;

(12) misuses or allows the misuse of a temporary [~~cardboard~~] tag authorized under this chapter;

(13) refuses to show on a buyer's temporary [~~cardboard~~] tag the date of sale or other reasonable information required by the department; or

(14) otherwise violates this chapter or a rule adopted under this chapter.

(c) A person whose general distinguishing number is canceled under this chapter shall surrender to a representative of the department each license, license plate, temporary [~~cardboard~~] tag, sticker, and receipt issued under this chapter not later than the 10th day after the date the general distinguishing number is canceled. The department shall direct any peace officer to secure and return to the department any plate, tag, sticker, or receipt of a person who does not comply with this subsection.

SECTION __.03. Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0616 to read as follows:

Sec. 503.0616. TEMPORARY TAGS: TOLL ENFORCEMENT CAMERA READABILITY. A temporary tag issued under this subchapter must be designed to be readable by a toll enforcement camera system.

SECTION __.04. The heading to Section 503.062, Transportation Code, is amended to read as follows:

Sec. 503.062. DEALER'S TEMPORARY [~~CARDBOARD~~] TAGS.

SECTION __.05. Section 503.062, Transportation Code, is amended by amending Subsections (a) and (d) and adding Subsection (d-1) to read as follows:

(a) A dealer may issue a temporary [~~cardboard~~] tag, as authorized by the department, for use on a [~~an unregistered~~] vehicle by the dealer or the dealer's employees only to:

(1) demonstrate or cause to be demonstrated to a prospective buyer the vehicle for sale purposes only;

(2) convey or cause to be conveyed the vehicle:

(A) from one of the dealer's places of business in this state to another of the dealer's places of business in this state;

(B) from the dealer's place of business to a place the vehicle is to be repaired, reconditioned, or serviced;

(C) from the state line or a location in this state where the vehicle is unloaded to the dealer's place of business;

(D) from the dealer's place of business to a place of business of another dealer;

(E) from the point of purchase by the dealer to the dealer's place of business; or

(F) to road test the vehicle; or

(3) use the vehicle for or allow its use by a charitable organization.

(d) The department [~~may not issue a dealer temporary cardboard tag or contract for the issuance of a dealer temporary cardboard tag but~~] shall prescribe:

(1) the specifications, form, and color of a dealer temporary [~~cardboard~~] tag; and

(2) the period for which a tag may be used for or by a charitable organization.

(d-1) The department by rule may issue a dealer temporary tag or contract for the issuance of a dealer temporary tag. If the department issues or contracts for issuance of a dealer temporary tag, the department must do so under a plan that:

(1) provides for access to temporary tags by all dealers, without regard to whether a dealer has access to the Internet;

(2) establishes official fees for issuance of the dealer temporary tags in amounts that are reasonable and not more than necessary to allow the department to recover all costs to the department associated with the issuance or contract to issue dealer temporary tags;

(3) ensures availability of the dealer temporary tag during reasonable business hours of the dealer;

(4) provides for redundancy of processes and includes an alternate procedure when the system is not functioning, if the plan includes electronic components or the use of the Internet;

(5) provides for access to appropriate system information by any federal, state, or local agency, including the Department of Public Safety and peace officers through the established law enforcement communication network; and

(6) if a dealer has a current and valid general distinguishing number, does not restrict the dealer's ability to issue temporary tags except through the administrative contested case process.

SECTION __.06. The heading to Section 503.0625, Transportation Code, is amended to read as follows:

Sec. 503.0625. CONVERTER'S TEMPORARY [~~CARDBOARD~~] TAGS.

SECTION __.07. Section 503.0625, Transportation Code, is amended by amending Subsections (b), (e), and (f) and adding Subsection (e-1) to read as follows:

(b) A converter may issue a temporary [~~cardboard~~] tag, as authorized by the department, for use on an unregistered vehicle by the converter or the converter's employees only to:

(1) demonstrate or cause to be demonstrated to a prospective buyer who is an employee of a franchised motor vehicle dealer the vehicle; or

(2) convey or cause to be conveyed the vehicle:

(A) from one of the converter's places of business in this state to another of the converter's places of business in this state;

(B) from the converter's place of business to a place the vehicle is to be assembled, repaired, reconditioned, modified, or serviced;

(C) from the state line or a location in this state where the vehicle is unloaded to the converter's place of business;

(D) from the converter's place of business to a place of business of a franchised motor vehicle dealer; or

(E) to road test the vehicle.

(e) The department [~~may not issue a converter temporary cardboard tag or contract for the issuance of a converter temporary cardboard tag but~~] shall prescribe the specifications, form, and color of a converter temporary [~~cardboard~~] tag.

(e-1) The department by rule may issue a converter temporary tag or contract for the issuance of a converter temporary tag. If the department issues or contracts for issuance of a converter temporary tag, the department must do so under a plan that:

(1) provides for access to temporary tags by all converters, without regard to whether a converter has access to the Internet;

(2) establishes official fees for issuance of the converter temporary tags in amounts that are reasonable and not more than necessary to allow the department to recover all costs to the department associated with the issuance or contract to issue converter temporary tags;

(3) ensures availability of the converter temporary tag during reasonable business hours of the converter;

(4) provides for redundancy of processes and includes an alternate procedure when the system is not functioning, if the plan includes electronic components or the use of the Internet;

(5) provides for access to appropriate system information by any federal, state, or local agency, including the Department of Public Safety and peace officers through the established law enforcement communication network; and

(6) if a converter has a current and valid general distinguishing number, does not restrict the converter's ability to issue temporary tags except through the administrative contested case process.

(f) A converter or employee of a converter may not use a temporary [~~cardboard~~] tag issued under this section as authorization to operate a vehicle for the converter's or the employee's personal use.

SECTION __.08. The heading to Section 503.063, Transportation Code, is amended to read as follows:

Sec. 503.063. BUYER'S TEMPORARY [~~CARDBOARD~~] TAGS.

SECTION __.09. Sections 503.063(a), (b), (c), (e), and (f), Transportation Code, are amended to read as follows:

(a) At the time of delivery of a vehicle to the vehicle buyer or lessee, a dealer must issue:

(1) [~~Except as provided by this section, a dealer may issue to a person who buys an unregistered vehicle~~] one temporary [~~cardboard~~] buyer's tag for the vehicle; or

(2) if the dealer has been deputized as a deputy assessor-collector under Section 502.112, a license plate or set of plates or a device that, when attached to the vehicle as prescribed by the department, is the registration insignia for the period for which it is issued.

(b) The [~~Except as provided by this section, the~~] buyer's tag is valid for the operation of the vehicle until the earlier of:

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

(2) the 45th [~~21st~~] day after the date of purchase.

(c) The dealer [~~+~~

~~[(1) must show in ink on the buyer's tag the actual date of sale and any other required information; and~~

~~[(2)]~~ is responsible for affixing [~~displaying~~] the tag to the vehicle.

(e) The department [~~may not issue a buyer's tag or contract for the issuance of a buyer's tag but~~] shall prescribe the specifications, color, and form of a buyer's tag.

(f) The department by rule may issue a buyer's tag or contract for the issuance of a buyer's tag. If the department issues or contracts for issuance of a buyer's tag, the department must do so under a plan that:

(1) provides for access to temporary tags by all dealers, without regard to whether a dealer has access to the Internet;

(2) establishes official fees for issuance of the buyer's tags in amounts that are reasonable and not more than necessary to allow the department to recover all costs to the department associated with the issuance or contract to issue buyer's tags;

(3) ensures availability of the buyer's tag during

reasonable business hours of the dealer;

(4) provides for redundancy of processes and includes an alternate procedure when the system is not functioning, if the plan includes electronic components or the use of the Internet;

(5) provides for access to appropriate system information by any federal, state, or local agency, including the Department of Public Safety and peace officers through the established law enforcement communication network; and

(6) if a dealer has a current and valid general distinguishing number, does not restrict the dealer's ability to issue temporary tags except through the administrative contested case process. ~~[A dealer may issue an additional temporary cardboard buyer's tag to a person after the expiration of 21 days after the issue of a temporary cardboard buyer's tag, and the person may operate the vehicle for which the tag was issued on the additional temporary cardboard buyer's tag if the dealer has been unable to obtain on behalf of the vehicle's owner the necessary documents to obtain permanent metal license plates because the documents are in the possession of a lienholder who has not complied with the terms of Section 501.115(a) of this code. An additional tag issued under the terms of this subsection is valid for a maximum of 21 days after the date of issue.]~~

SECTION __.10. Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0635 to read as follows:

Sec. 503.0635. FEE FOR TEMPORARY TAG. The fee for a temporary tag under Section 503.062, 503.0625, or 503.063 is payable by the purchaser at the time of sale and may be included with the fees for registration, certificate of title, and license.

SECTION __.11. Section 503.067, Transportation Code, is amended to read as follows:

Sec. 503.067. UNAUTHORIZED REPRODUCTION OF TEMPORARY ~~[CARDBOARD]~~ TAGS. (a) A person other than a dealer may not produce or reproduce a buyer's or dealer's temporary ~~[cardboard]~~ tag.

(b) A person may not operate a vehicle that displays an unauthorized temporary ~~[cardboard]~~ tag.

SECTION __.12. Sections 503.068(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) A dealer or an employee of a dealer may not use a dealer's temporary [~~cardboard~~] tag as authorization to operate a vehicle for the dealer's or the employee's personal use.

(b) A person may not use a metal dealer's license plate or dealer's temporary [~~cardboard~~] tag on:

- (1) a service or work vehicle; or
- (2) a commercial vehicle that is carrying a load.

(c) For purposes of this section, a boat trailer carrying a boat is not a commercial vehicle carrying a load. A dealer complying with this chapter may affix to the rear of a boat trailer the dealer owns or sells a metal dealer's license plate or temporary [~~cardboard~~] tag issued under Section 503.061, 503.062, or 503.063.

SECTION __.13. Section 503.069(a), Transportation Code, is amended to read as follows:

(a) A license plate, other than an in-transit license plate, or a temporary [~~cardboard~~] tag issued under this chapter shall be displayed in accordance with board rules.

SECTION __.14. Section 601.002(12), Transportation Code, is amended to read as follows:

(12) "Vehicle registration" means:

(A) a registration certificate, registration receipt, or number plate issued under Chapter 502; or

(B) a dealer's license plate or temporary [~~cardboard~~] tag issued under Chapter 503.

SECTION __.15. The changes in law made by this article take effect on the date the Texas Department of Transportation issues a determination that the plan created by those changes is functional. The law amended by this article as it exists immediately before the effective date of this article continues in effect until that date.