

BILL ANALYSIS

C.S.H.B. 2394
By: Hill
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

To provide the Department of Transportation the authority by rule to develop a plan to issue or contract for the issuance of dealer, converter and buyer temporary tags for use in the sale of motor vehicles. Require the department to include in the plan provisions regarding access, availability, fees, and an administrative appeal process. To increase the expiration period for a temporary buyer's tag to eliminate the need to provide an extension.

Buyer temporary cardboard tags are issued by Texas dealers and are valid for a period of 21 days from the sale of the motor vehicle. The tag currently allows operation of a motor vehicle without registration during the time that the dealer applies for title, registration, and the metal license plates. Section 503.063(e) Transportation Code, allows the Department of Transportation to prescribe the specifications and form, but prohibits it from issuing the temporary tag.

Currently, blank temporary tags are purchased directly from printers. The dealer fills in the required information, including the expiration date. The tags are not secure and are easily duplicated and counterfeited. Counterfeit tags can be used to avoid taxes, registration fees, and insurance costs. In addition, law enforcement officers have no means of verifying the validity of the information contained on the temporary tag, preventing their ability to trace ownership of the vehicle.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Transportation in SECTIONS 4, 6, and 8 of this bill.

ANALYSIS

- SECTION 1. Amends Section 501.022(d), Transportation Code, by deleting the word "cardboard" to accommodate changes made to issuance of dealer, converter, or buyer temporary tags.
- SECTION 2. Amends Section 503.038 (a) and (c) Transportation Code, by deleting the word "cardboard" to correspond with changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 3. Amends the heading to Section 503.062, Transportation Code by deleting the word "cardboard" to correspond to changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 4. Amends Section 503.062, Transportation Code, to authorize the department to develop a plan to issue or contract for the issuance of temporary dealer tags. The language requires the department to include in the plan provisions regarding alternative access to the system to accommodate non-web based use, access to system information by governmental entities, availability to the system during dealer's business hours, fees to cover the costs to the department, and an administrative process for contested issues. Language is deleted that prevented the Department from issuing dealer temporary tags. The word "cardboard" is deleted to allow other materials to be considered for the temporary tag.

- SECTION 5. Amends the heading to Section 503.0625, Transportation Code by deleting the word “cardboard” to correspond to changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 6. Amends Section 503.0625, Transportation Code, to authorize the Department to promulgate rules to develop a plan to issue or contract for the issuance of temporary converter tags. The language requires the department to include in the plan provisions regarding alternative access to the system to accommodate non-web based use, access to system information by governmental entities, availability to the system during dealer’s business hours, fees to cover the costs to the department, and an administrative process for contested issues. Language is deleted that prevented the Department from issuing converter temporary tags. The word “cardboard” is deleted to allow other materials to be considered for the temporary tag.
- SECTION 7. Amends the heading to Section 503.063, Transportation Code by deleting the word “cardboard” to correspond to changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 8. Amends Section 503.063, Transportation Code, to authorize the Department to require the dealer to issue a temporary buyer tag or, if deputized by the county tax assessor, issue a registration or license plate for each vehicle sold or leased. Extends the expiration period for the buyer tag from 21 to 45 days and deletes the language authorizing an extension of an additional 21 days. As in Sections 2 and 3 the statute is amended to authorize the Department to promulgate rules to issue or contract for the issuance of temporary buyer tags. The language requires the department to include in the plan provisions regarding alternative access to the system to accommodate non web based use, access to system information by governmental entities, availability to the system during dealer’s business hours, fees to cover the costs to the department, and an administrative process for contested issues. Language is deleted that prevented the Department from issuing buyer temporary tags. The word “cardboard” is deleted to allow other materials to be considered for the temporary tag.
- SECTION 9. Amends Section 506.067, Transportation Code, by deleting the word “cardboard” to correspond with changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 10. Amends Section 506.068, Transportation Code, by deleting the word “cardboard” to correspond with changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 11. Amends Section 506.069(a) Transportation Code, by deleting the word “cardboard” to correspond with changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 12. Amends Section 601.002(12), Transportation Code, by deleting the word “cardboard” to correspond with changes made to the issuance of dealer, converter, and buyer tags.
- SECTION 13. Provides that the current law regarding the issuance of temporary tags remains in effect until the department’s plan becomes functional.
- SECTION 14. Provides for immediate effect.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 2394 differs from the original by:

1. requiring the department by rule to formulate a plan for the issuance or contract to issue temporary dealer, converter, or buyer tags;
2. requiring the plan to include provisions regarding access to the system during the dealer's reasonable business hours, alternative access to accommodate non-web based use, access to the system information by other government entities, and a back-up process to provide continued operation;
3. provides for an administrative process prior to restricting the issuance of the temporary tags to a dealer who holds a valid general distinguishing number; and
4. provides that the current law remains in effect until the department's plan becomes functional.