

## **BILL ANALYSIS**

Senate Research Center  
797226 DWS-F

S.B. 1073  
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Transportation & Homeland Security  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently in Texas, cardboard tags are issued by dealers as a 21-day, temporary registration intended to allow a motor vehicle buyer sufficient time to apply for title, registration, and metal plates. Dealers order and receive tags directly from the printers and they are made of cardboard. The current vehicle registration tags are cheaply and easily counterfeited; they can be made by office printers and are sold in flea markets all over Texas. No one is required to disclose the number of tags purchased, printed, or issued.

As proposed, S.B. 1073 provides the Motor Vehicle Board (board) the authority to issue or contract for the issuance of dealer, converter, and buyer temporary tags for use in the sale of motor vehicles; authorizes the board to promulgate rules to establish a fee to recover costs associated with the issuance of the temporary tags; and establishes the expiration period for a temporary buyer's tag to eliminate the need to provide an extension.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Motor Vehicle Board of the Texas Department of Transportation in SECTION 4 (Section 503.062, Transportation Code), in SECTION 6 (Section 503.0625, Transportation Code), and SECTION 8 (Sections 503.063, Transportation Code).

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 501.022(d), Transportation Code, to provide that 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 tag, rather than temporary cardboard tag, attached to the vehicle as provided by Chapter 503 (Dealer's and Manufacturer's Vehicle License Plate).

SECTION 2. Amends Sections 503.038(a) and (c), Transportation Code, to make conforming changes.

SECTION 3. Amends the heading to Section 503.062, Transportation, to read as follows:

Sec. 503.062. DEALER'S TEMPORARY TAGS.

SECTION 4. Amends Section 503.062, Transportation Code, by amending Subsections (a) and (d) and adding Subsection (d-1), as follows:

(a) Authorizes a dealer to issue a temporary tag, as authorized by the Motor Vehicle Board (board) of the Texas Department of Transportation for use on an unregistered vehicle by the dealer or the dealer's employee only to demonstrate or convey certain sales actions. Makes a conforming change.

(d) Requires the board to prescribe certain terms for a vehicle tag. Deletes existing text related to prohibiting the dealer from issuing a dealer temporary tag. Makes a conforming change.

(d-1) Authorizes the board to issue a dealer temporary tag or contract for issuance of a dealer temporary tag. Requires the board, if the board issues or contracts for issuance of a dealer temporary tag, to establish by rule the fees for issuance of the dealer temporary

tag. Requires fees to be reasonable and not less than the amount necessary to allow the board to recover all costs to the board associated with the issuance or contract to issue dealer temporary tags.

SECTION 5. Amends the heading to section 503.0625, Transportation Code, to read as follows:

Sec. 503.0625. CONVERTER'S TEMPORARY TAGS.

SECTION 6. Amends Section 503.0625, Transportation Code, by amending Subsection (b), (e), and (f) and adding Subsection (e-1), as follows:

(b) Makes conforming changes.

(e) Makes conforming changes.

(e-1) Authorizes the board to issue a converter's temporary tag or contract for the issuance of a converter's temporary tag. Requires the board, if the board issues or contracts for issuance of a converter's temporary tag, to establish by rule the fees for issuance of the converter's temporary tag. Requires fees to be reasonable and not less than the amount necessary to allow the board to recover all costs to the board associated with the issuance or contract to issue converter's temporary tags.

(f) Makes a conforming change.

SECTION 7. Amends the heading to Section 503.063, Transportation Code, to read as follows:

Sec. 503.063. BUYER'S TEMPORARY TAGS.

SECTION 8. Amends Sections 503.063(a), (b), (c), (e), and (f), Transportation Code, as follows:

(a) Requires a dealer, at the time of delivery of a vehicle to the vehicle buyer or lessee, to issue certain tags or plates.

(b) Provides that the buyer's tag is valid for the operation of the vehicle until the earlier of certain dates. Deletes existing text related to an exception provided by this section.

(c) Provides that the dealer is responsible for affixing, rather than displaying, the tag to the vehicle. Deletes existing text related to tag requirements regarding vehicle purchase date and any other information.

(e) Requires the board to prescribe the specifications, color, and form of a buyer's tag. Makes a conforming change.

(f) Authorizes the board to issue a buyer's tag or contract for the issuance of a buyer's tag. Requires the board, if the board issues or contracts for issuance of a buyer's tag, to establish by rule the fees for issuance of the buyer's tags. Requires the fees to be reasonable and not less than the amount necessary to allow the board to recover all costs to the board associated with the issuance or contract to issue buyer's tags. Deletes existing text related to additional temporary cardboard tag and certain requirements of said tag.

SECTION 9. Amends Section 503.067, Transportation Code, as follows:

Sec. 503.067. New heading: UNAUTHORIZED REPRODUCTION OF TEMPORARY TAGS. Makes conforming changes.

SECTION 10. Amends Sections 503.068(a), (b), and (c), Transportation Code, to make conforming changes.

SECTION 11. Amends Section 503.069(a), Transportation Code, to makes a conforming change.

SECTION 12. Amends Section 601.002(12), Transportation Code, to make a conforming change.

SECTION 13. Effective date: upon passage or September 1, 2005.