

BILL ANALYSIS

Senate Research Center
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S.B. 1268
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, in nearly every sale or ownership transfer of a motor vehicle in Texas, the license plate and registration insignia that is affixed to the motor vehicle remains on the vehicle even after the sale or transfer. It is the responsibility of the owner or the used or new car business facilitating the sale of a motor vehicle to file the proper paper work with the Texas Department of Transportation (TxDOT) to transfer required vehicle information and ownership of the motor vehicle so that it is properly documented in Texas motor vehicle records. Unfortunately, the motor vehicle title transfer process in Texas is not always followed and, as a result, the transfer and documentation of ownership of vehicles in Texas is difficult to verify. Consequently, vehicles can be sold numerous times and the required title transfer process is not followed, which then makes the process of determining to whom a motor vehicle belongs a nearly impossible task for law enforcement and other governmental entities.

As proposed, S.B. 1268 requires owners of motor vehicles in Texas to retain license plates for a five-year period and place them on any subsequent vehicle owned during the specified period. Any person purchasing a previously owned vehicle is mandated to file proper registration paper work with TxDOT, and the vehicle owner will continue to utilize the same license plate number, rather than getting newly assigned license plates with each new vehicle.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.180(b), Transportation Code, to provide an exception to this Subsection as provided by Subchapter I.

SECTION 2. Amends Chapter 502, Transportation Code, by adding Subchapter I, as follows:

SUBCHAPTER I. REGISTRATION EXPIRATION OR TRANSFER UNDER CERTAIN CIRCUMSTANCES AND TRANSFER OF LICENSE PLATES

Sec. 502.451. EXPIRATION OF REGISTRATION ON TRANSFER OR DESTRUCTION OF VEHICLE. (a) Provides that a vehicle's registration expires on the date on which ownership of the vehicle is transferred or the vehicle is destroyed, notwithstanding Section 502.158 (Registration Year).

(b) Requires the transferor of a transferred vehicle or the owner of a destroyed vehicle to remove the license plates from the transferred or destroyed vehicle and surrender the plates to the Texas Department of Transportation (TxDOT) or transfer the plates to another vehicle under Section 502.454.

Sec. 502.452. REGISTRATION OF VEHICLE WITH JOINT OWNERS. Provides that the registration of a vehicle registered in the names of two or more persons, as partners or otherwise, does not expire on a change in ownership of the vehicle as long as any of the persons named in the registration as owners of the vehicle is the owner or part owner of the vehicle. Requires the owner or owners, if any change in the ownership of the vehicle

occurs and the registration does not expire, to file with TxDOT a statement of the ownership of the vehicle as required by TxDOT rule and pay a fee of \$7.75.

Sec. 502.453. PLATES ON VEHICLE TAKEN OUT OF STATE. Authorizes the owner to remove the license plates from a vehicle and to use the plates on another vehicle as provided by Section 502.454, if the vehicle is permanently removed from this state,.

Sec. 502.454. TRANSFER OF REMOVED PLATES. (a) Authorizes a person to use license plates removed from a vehicle under Section 502.451 or 502.453 on another vehicle currently registered to the person if the person, when registering the vehicle under certain conditions.

(b) Requires TxDOT to issue a new registration insignia for a vehicle to which license plates are transferred under this section.

(c) Requires TxDOT, if the license plates of the vehicle from which the plates were removed are not appropriate for the vehicle being registered, to on surrender of the inappropriate plates, issue appropriate license plates.

Sec. 502.455. TRANSFER OF PLATES BETWEEN VEHICLES WITH SAME OWNER. (a) Authorizes the owner of a registered vehicle to transfer the registration and, if appropriate, the plates of the vehicle to a second vehicle owned by the person if the person follows certain procedures.

(b) Requires a person who transfers registration under Subsection (a) to take certain actions.

(c) Requires TxDOT to issue a new registration insignia for a vehicle to which license plates are transferred under this section.

(d) Requires TxDOT, if the license plates of one vehicle are not appropriate for another vehicle, on surrender of the inappropriate license plates, to issue appropriate license plates.

SECTION 3. Effective date: September 1, 2005.