

By: Hill

H.B. No. 2394

Substitute the following for H.B. No. 2394:

By: Hamric

C.S.H.B. No. 2394

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the issuance of a temporary tag for use on an
3 unregistered motor vehicle.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 501.022(d), Transportation Code, is
6 amended to read as follows:

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

11 SECTION 2. Sections 503.038(a) and (c), Transportation
12 Code, are amended to read as follows:

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

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

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

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

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

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

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

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

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

13 (9) has been licensed for at least 12 months and has
14 not assigned at least five vehicles during the previous 12-month
15 period;

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

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

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

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

27 (14) otherwise violates this chapter or a rule adopted

1 under this chapter.

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

10 SECTION 3. The heading to Section 503.062, Transportation
11 Code, is amended to read as follows:

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

13 SECTION 4. Section 503.062, Transportation Code, is amended
14 by amending Subsections (a) and (d) and adding Subsection (d-1) to
15 read as follows:

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

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

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

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

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

27 (C) from the state line or a location in this

1 state where the vehicle is unloaded to the dealer's place of
2 business;

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

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

7 (F) to road test the vehicle; or

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

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

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

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

17 (d-1) The department by rule may issue a dealer temporary
18 tag or contract for the issuance of a dealer temporary tag. If the
19 department issues or contracts for issuance of a dealer temporary
20 tag, the department's plan shall include the following provisions:

21 (1) the plan must provide for access to temporary tags
22 by all dealers, without regard to whether or not a dealer has access
23 to the internet;

24 (2) the plan must establish official fees for issuance
25 of the dealer temporary tag. Fees must be reasonable and not more
26 than the amount necessary to allow the department to recover all
27 costs to the department associated with the issuance or contract to

1 issue dealer temporary tags;

2 (3) the plan must ensure availability of the dealer
3 temporary tag during reasonable business hours of the dealer;

4 (4) if the plan includes electronic components or the
5 use of the internet, the plan must provide for redundancy of
6 processes and include an alternate procedure when the system is not
7 functioning;

8 (5) the plan must provide for access to appropriate
9 system information by any federal, state, or local agency; and

10 (6) if a dealer has a current and valid general
11 distinguishing number, the dealer's ability to issue temporary tags
12 cannot be restricted without application of the administrative
13 contested case process.

14 SECTION 5. The heading to Section 503.0625, Transportation
15 Code, is amended to read as follows:

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

17 SECTION 6. Section 503.0625, Transportation Code, is
18 amended by amending Subsections (b), (e), and (f) and adding
19 Subsection (e-1) to read as follows:

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

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

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

27 (A) from one of the converter's places of

1 business in this state to another of the converter's places of
2 business in this state;

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

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

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

11 (E) to road test the vehicle.

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

16 (e-1) The department by rule may issue a converter's
17 temporary tag or contract for the issuance of a converter's
18 temporary tag. If the department issues or contracts for issuance
19 of a converter's temporary tag, the department's plan shall include
20 the following provisions:

21 (1) the plan must provide for access to temporary tags
22 by all converters, without regard to whether or not a converter has
23 access to the internet;

24 (2) the plan must establish official fees for issuance
25 of the converter's temporary tag. Fees must be reasonable and not
26 more than the amount necessary to allow the department to recover
27 all costs to the department; associated with the issuance or

1 contract to issue dealer temporary tags;

2 (3) the plan must ensure availability of the
3 converter's temporary tag during reasonable business hours of the
4 converter;

5 (4) if the plan includes electronic components or the
6 use of the internet, the plan must provide for redundancy of
7 processes and include a procedure by which a temporary tag may be
8 issued when the system is not functioning;

9 (5) the plan must provide for access to appropriate
10 system information by any federal, state, or local agency; and

11 (6) if a converter has a current and valid converter's
12 license, the converter's ability to issue temporary tags cannot be
13 restricted without application of the administrative contested
14 case process.

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

19 SECTION 7. The heading to Section 503.063, Transportation
20 Code, is amended to read as follows:

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

22 SECTION 8. Sections 503.063(a), (b), (c), (e), and (f),
23 Transportation Code, are amended to read as follows:

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

26 (1) [~~Except as provided by this section, a dealer may~~
27 ~~issue to a person who buys an unregistered vehicle]~~ one temporary

1 ~~[cardboard]~~ buyer's tag for the vehicle; or

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

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

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

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

11 (c) The dealer ~~[+~~

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

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

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

19 (f) The department by rule may issue a buyer's tag or
20 contract for the issuance of a buyer's tag. If the department
21 issues or contracts for issuance of a buyer's tag, the department's
22 plan shall include the following provisions: ~~[A dealer may issue an~~
23 ~~additional temporary cardboard buyer's tag to a person after the~~
24 ~~expiration of 21 days after the issue of a temporary cardboard~~
25 ~~buyer's tag, and the person may operate the vehicle for which the~~
26 ~~tag was issued on the additional temporary cardboard buyer's tag if~~
27 ~~the dealer has been unable to obtain on behalf of the vehicle's~~

1 ~~owner the necessary documents to obtain permanent metal license~~
2 ~~plates because the documents are in the possession of a lienholder~~
3 ~~who has not complied with the terms of Section 501.115(a) of this~~
4 ~~code. An additional tag issued under the terms of this subsection~~
5 ~~is valid for a maximum of 21 days after the date of issue.]~~

6 (1) the plan must provide for access to temporary tags
7 by all dealers, without regard to whether or not a dealer has access
8 to the internet;

9 (2) the plan must establish official fees for issuance
10 of the buyer's tag. Fees must be reasonable and not more than the
11 amount necessary to allow the department to recover all costs to the
12 department associated with the issuance or contract to issue
13 buyer's tags;

14 (3) the plan must ensure availability of the buyer's
15 tag during reasonable business hours of the dealer;

16 (4) if the plan includes electronic components or the
17 use of the internet, the plan must provide for redundancy of
18 processes and include a procedure by which a temporary tag may be
19 issued when the system is not functioning;

20 (5) the plan must provide for access to appropriate
21 system information by any federal, state, or local agency; and

22 (6) if a dealer has a current and valid general
23 distinguishing number, the dealer's ability to issue buyer's tags
24 cannot be restricted without application of the administrative
25 contested case process.

26 SECTION 9. Section 503.067, Transportation Code, is amended
27 to read as follows:

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

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

6 SECTION 10. Sections 503.068(a), (b), and (c),
7 Transportation Code, are amended to read as follows:

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

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

13 (1) a service or work vehicle; or

14 (2) a commercial vehicle that is carrying a load.

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

20 SECTION 11. Section 503.069(a), Transportation Code, is
21 amended to read as follows:

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

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

27 (12) "Vehicle registration" means:

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

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

5 SECTION 13. The law applicable to the issuance of temporary
6 tags on January 1, 2005 remains in force and effect until the new
7 plan becomes functional, at which time it shall be revoked and
8 become invalid.

9 SECTION 14. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2005.