

By: Hill

H.B. No. 2394

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. 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 2. 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;

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 board, for use on an unregistered vehicle by the  
18 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 board ~~[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 board may issue a dealer temporary tag or contract  
18 for the issuance of a dealer temporary tag. If the board issues or  
19 contracts for issuance of a dealer temporary tag, the board shall by  
20 rule establish the fees for issuance of the dealer temporary tag.  
21 Fees must be reasonable and not less than the amount necessary to  
22 allow the board to recover all costs to the board associated with  
23 the issuance or contract to issue dealer temporary tags.

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

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

27 SECTION 6. Section 503.0625, Transportation Code, is

1 amended by amending Subsections (b), (e), and (f) and adding  
2 Subsection (e-1) to read as follows:

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

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

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

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

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

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

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

21 (E) to road test the vehicle.

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

26 (e-1) The board may issue a converter's temporary tag or  
27 contract for the issuance of a converter's temporary tag. If the

1 board issues or contracts for issuance of a converter's temporary  
2 tag, the board shall by rule establish the fees for issuance of the  
3 converter's temporary tag. Fees must be reasonable and not less  
4 than the amount necessary to allow the board to recover all costs to  
5 the board associated with the issuance or contract to issue  
6 converter's temporary tags.

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

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

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

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

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

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

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

26 (b) The [~~Except as provided by this section, the~~] buyer's  
27 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 board [~~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 board may issue a buyer's tag or contract for the issuance of a buyer's tag. If the board issues or contracts for issuance of a buyer's tag, the board shall by rule establish the fees for issuance of the buyer's tag. Fees must 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. [~~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.~~]

1           SECTION 9. Section 503.067, Transportation Code, is amended  
2 to read as follows:

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

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

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

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

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

15               (1) a service or work vehicle; or

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

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

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

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

27          SECTION 12. Section 601.002(12), Transportation Code, is



1 amended to read as follows:

2 (12) "Vehicle registration" means:

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

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

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