

1-1 By: Staples S.B. No. 1073
1-2 (In the Senate - Filed March 7, 2005; March 21, 2005, read
1-3 first time and referred to Committee on Transportation and Homeland
1-4 Security; May 6, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
1-6 May 6, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1073 By: Staples

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the issuance of a temporary tag for use on an
1-11 unregistered motor vehicle.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

1-16 (a) Except as provided by this section, a [A] dealer may
1-17 issue a temporary cardboard tag for use on an unregistered vehicle
1-18 by the dealer or the dealer's employees only to:

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

1-21 (2) convey or cause to be conveyed the vehicle:

1-22 (A) from one of the dealer's places of business
1-23 in this state to another of the dealer's places of business in this
1-24 state;

1-25 (B) from the dealer's place of business to a
1-26 place the vehicle is to be repaired, reconditioned, or serviced;

1-27 (C) from the state line or a location in this
1-28 state where the vehicle is unloaded to the dealer's place of
1-29 business;

1-30 (D) from the dealer's place of business to a
1-31 place of business of another dealer;

1-32 (E) from the point of purchase by the dealer to
1-33 the dealer's place of business; or

1-34 (F) to road test the vehicle; or

1-35 (3) use the vehicle for or allow its use by a
1-36 charitable organization.

1-37 (d) Except as provided by Subsection (d-1), the [The]
1-38 department may not issue a dealer temporary cardboard tag or
1-39 contract for the issuance of a dealer temporary cardboard tag but
1-40 shall prescribe:

1-41 (1) the specifications, form, and color of a dealer
1-42 temporary cardboard tag; and

1-43 (2) the period for which a tag may be used for or by a
1-44 charitable organization.

1-45 (d-1) Notwithstanding the terms of this chapter, and to the
1-46 extent that the plan complies with the terms of this subsection and
1-47 other applicable law, the department may issue a dealer temporary
1-48 tag or contract for the issuance of a dealer temporary tag pursuant
1-49 to a plan adopted by the department. The department shall include
1-50 the following provisions in a plan adopted under this subsection:

1-51 (1) the plan must provide for equal access to
1-52 temporary tags by all dealers, without regard to whether or not a
1-53 dealer has access to electronic equipment or the Internet;

1-54 (2) the plan must provide that no dealer or other
1-55 person be required to purchase equipment or software in order to
1-56 have access to the system;

1-57 (3) the plan must provide that a fee, if any, charged
1-58 for temporary tags may not exceed \$2 per transaction and that the
1-59 fee charged for the temporary tag is payable by the purchaser of a
1-60 vehicle at the time of sale as a separate contract item;

1-61 (4) the plan must provide that temporary tags are
1-62 immediately available to a dealer during the dealer's regular
1-63 business hours;

2-1 (5) if the plan includes electronic components, the
 2-2 plan must provide for redundancy of processes;

2-3 (6) if the plan includes electronic components or the
 2-4 use of the Internet, it must include a procedure by which a
 2-5 temporary tag may be issued immediately when the system is not
 2-6 functioning;

2-7 (7) if the plan includes a provision by which the
 2-8 department is authorized or required to enter into a contract with a
 2-9 non-department entity for the provision of equipment or services
 2-10 related to the issuance of temporary tags, the plan must be written
 2-11 so that the provision of equipment or services is subject to a
 2-12 bidding process and multiple entities may reasonably qualify to
 2-13 provide the equipment or services;

2-14 (8) the plan must provide for immediate access by law
 2-15 enforcement officers and dealers to a real-time data base that is
 2-16 maintained by the department or other appropriate entity and that
 2-17 contains all appropriate information relating to temporary tags;
 2-18 and

2-19 (9) the plan must provide that access to temporary
 2-20 tags not be conditioned on compliance with another provision of law
 2-21 or rule by a dealer whose general distinguishing number is current
 2-22 and valid.

2-23 SECTION 2. Section 503.0625, Transportation Code, is
 2-24 amended by amending Subsections (b) and (e) and by adding
 2-25 Subsection (e-1) to read as follows:

2-26 (b) Except as provided by this section, a [A] converter may
 2-27 issue a temporary cardboard tag for use on an unregistered vehicle
 2-28 by the converter or the converter's employees only to:

2-29 (1) demonstrate or cause to be demonstrated to a
 2-30 prospective buyer who is an employee of a franchised motor vehicle
 2-31 dealer the vehicle; or

2-32 (2) convey or cause to be conveyed the vehicle:
 2-33 (A) from one of the converter's places of
 2-34 business in this state to another of the converter's places of
 2-35 business in this state;

2-36 (B) from the converter's place of business to a
 2-37 place the vehicle is to be assembled, repaired, reconditioned,
 2-38 modified, or serviced;

2-39 (C) from the state line or a location in this
 2-40 state where the vehicle is unloaded to the converter's place of
 2-41 business;

2-42 (D) from the converter's place of business to a
 2-43 place of business of a franchised motor vehicle dealer; or

2-44 (E) to road test the vehicle.

2-45 (e) Except as provided by Subsection (e-1), the [The]
 2-46 department may not issue a converter temporary cardboard tag or
 2-47 contract for the issuance of a converter temporary cardboard tag
 2-48 but shall prescribe the specifications, form, and color of a
 2-49 converter temporary cardboard tag.

2-50 (e-1) Notwithstanding the terms of this chapter, and to the
 2-51 extent that the plan complies with the terms of this subsection and
 2-52 other applicable law, the department may issue a converter
 2-53 temporary tag or contract for the issuance of a converter temporary
 2-54 tag pursuant to a plan adopted by the department. The department
 2-55 shall include the following provisions in a plan adopted under this
 2-56 subsection:

2-57 (1) the plan must provide for equal access to
 2-58 temporary tags by all converters, without regard to whether or not a
 2-59 converter has access to electronic equipment or the Internet;

2-60 (2) the plan must provide that no converter or other
 2-61 person be required to purchase equipment or software in order to
 2-62 have access to the system;

2-63 (3) the plan must provide that a fee, if any, charged
 2-64 for temporary tags may not exceed \$2 per transaction and that the
 2-65 fee charged for the temporary tag is payable by the purchaser of a
 2-66 vehicle at the time of sale as a separate contract item;

2-67 (4) the plan must provide that temporary tags are
 2-68 immediately available to a converter during the converter's regular
 2-69 business hours;

3-1 (5) if the plan includes electronic components, the
3-2 plan must provide for redundancy of processes;

3-3 (6) if the plan includes electronic components or the
3-4 use of the Internet, it must include a procedure by which a
3-5 temporary tag may be issued immediately when the system is not
3-6 functioning;

3-7 (7) if the plan includes a provision by which the
3-8 department is authorized or required to enter into a contract with a
3-9 non-department entity for the provision of equipment or services
3-10 related to the issuance of temporary tags, the plan must be written
3-11 so that the provision of the equipment or services is subject to a
3-12 bidding process and multiple entities may reasonably qualify to
3-13 provide the equipment or services;

3-14 (8) the plan must provide for immediate access by law
3-15 enforcement officers and converters to a real-time data base that
3-16 is maintained by the department or other appropriate entity and
3-17 that contains all appropriate information relating to temporary
3-18 tags; and

3-19 (9) the plan must provide that access to temporary tags
3-20 not be subject to compliance with another provision of law or rule
3-21 by a converter whose license is current and valid.

3-22 SECTION 3. Section 503.063, Transportation Code, is amended
3-23 by amending Subsection (e) and adding Subsection (e-1) to read as
3-24 follows:

3-25 (e) Except as provided by this section, the [The] department
3-26 may not issue a buyer's tag or contract for the issuance of a buyer's
3-27 tag but shall prescribe the specifications, color, and form of a
3-28 buyer's tag.

3-29 (e-1) Notwithstanding the terms of this chapter, and to the
3-30 extent that the plan complies with the terms of this subsection and
3-31 other applicable law, the department may issue a buyer's temporary
3-32 tag or contract for the issuance of a buyer's temporary tag pursuant
3-33 to a plan adopted by the department. The department shall include
3-34 the following provisions in a plan adopted under this subsection:

3-35 (1) the plan must provide for equal access to
3-36 temporary tags by all dealers, without regard to whether or not a
3-37 dealer has access to electronic equipment or the Internet;

3-38 (2) the plan must provide that no dealer or other
3-39 person be required to purchase equipment or software in order to
3-40 have access to the system;

3-41 (3) the plan must provide that a fee, if any, charged
3-42 for temporary buyer's tags may not exceed \$2 per transaction and
3-43 that the fee charged for the temporary tag is payable by the
3-44 purchaser of a vehicle at the time of sale as a separate contract
3-45 item;

3-46 (4) the plan must provide that temporary buyer's tags
3-47 are immediately available to a dealer during the dealer's regular
3-48 business hours;

3-49 (5) if the plan includes electronic components, the
3-50 plan must provide for redundancy of processes;

3-51 (6) if the plan includes electronic components or the
3-52 use of the Internet, it must include a procedure by which a
3-53 temporary buyer's tag may be issued by a dealer immediately when the
3-54 system is not functioning;

3-55 (7) if the plan includes a provision by which the
3-56 department is authorized or required to enter into a contract with a
3-57 non-department entity for the provision of equipment or services
3-58 related to the issuance of temporary buyer's tags, the plan must be
3-59 written so that the provision of the equipment or services is
3-60 subject to a bidding process and multiple entities may reasonably
3-61 qualify to provide the services;

3-62 (8) the plan must provide for immediate access by law
3-63 enforcement officers and dealers to a real-time data base that is
3-64 maintained by the department or other appropriate entity and that
3-65 contains all appropriate information relating to temporary tags;
3-66 and

3-67 (9) the plan must provide that access to temporary
3-68 buyer's tags not be subject to compliance with another provision of
3-69 law or rule by a dealer whose general distinguishing number is

4-1 current and valid.

4-2 SECTION 4. (a) Notwithstanding the terms of Sections 1 and
4-3 2 of this Act, neither the Texas Department of Transportation nor
4-4 the Motor Vehicle Board of the Texas Department of Transportation
4-5 may adopt a plan for the issuance of a temporary tag for use on an
4-6 unregistered motor vehicle:

4-7 (1) until the department has conducted a thorough
4-8 study comparing the current system to other potential systems and
4-9 eliciting evidence and opinions from all parties interested in the
4-10 issue; and

4-11 (2) unless a proposed system, from the standpoint of
4-12 the public, dealers, converters, and law enforcement interests, is
4-13 demonstrably and substantially more efficient and reliable than the
4-14 system in place on January 1, 2005.

4-15 (b) A plan adopted as provided by this Act may include tags
4-16 made of material other than cardboard.

4-17 (c) A plan that does not comply with the terms of this
4-18 section and other provisions of this Act is invalid. A plan that is
4-19 not fully functional by February 15, 2007, is invalid.

4-20 (d) Until a plan adopted pursuant to, and in full compliance
4-21 with, the terms of this Act is fully functional, the law applicable
4-22 to the issuance of temporary tags on January 1, 2005, remains in
4-23 force and effect.

4-24 SECTION 5. This Act takes effect September 1, 2005.

4-25 * * * * *