

BILL ANALYSIS

Senate Research Center

H.B. 310
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Transportation & Homeland Security
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, in every private 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. In private sales, it is the responsibility of the buyer to file the proper paperwork 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.

However, the motor vehicle title transfer process is not always followed by the buyer and the seller is improperly identified when the vehicle receives a ticket or infraction ranging from parking tickets to toll road violations. Furthermore, a vehicle can be sold numerous times, which then makes the process of determining to whom a motor vehicle belongs a very difficult task for law enforcement and other governmental entities when the required title transfer process is not followed.

H.B. 310 authorizes owners of motor vehicles in Texas to remove the license plate and registration insignia from a sold vehicle and requires owners to destroy the plate and insignia. This bill requires any person purchasing a previously owned vehicle to transfer title and obtain vehicle registration license and license plates for the vehicle. This bill authorizes TxDOT to establish an electronic title system and registration process.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.180(b), Transportation Code, to require the Texas Department of Transportation (TxDOT), subject to Subchapter I, to issue only one license plate or set of plates for a vehicle during a five-year period.

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

SUBCHAPTER I. REGISTRATION TRANSFER AND REMOVAL OF LICENSE PLATES FOR THE SALE OR TRANSFER OF USED VEHICLES

Sec. 502.451. TRANSFER OF VEHICLE REGISTRATION AND REMOVAL OF LICENSE PLATES. (a) Authorizes the seller or transferor of a motor vehicle to remove each license plate and the registration insignia issued for the motor vehicle.

(b) Requires a license plate removed from a motor vehicle under Subsection (a) to be disposed of in the manner specified by TxDOT; or transferred to another vehicle owned by the seller or transferor as provided by Section 502.453.

(c) Requires the part of the registration period remaining at the time of the sale or transfer to continue with the vehicle being sold or transferred and provides that it does not transfer with the license plates or registration validation insignia. Requires the purchaser or transferor, to continue the remainder of the registration

period, to file the documents required under Section 520.031 (Filing by Transferee; Application for Transfer of Title and Registration).

Sec. 502.452. REGISTRATION OF VEHICLE WITH JOINT OWNERS. Provides that if a motor vehicle is registered in the names of two or more persons, the license plates and registration insignia are not required to be removed on the change of ownership of the vehicle if any of the resultant owners is a person named in the registration records of TxDOT as an owner of the vehicle at the time of its sales or transfer, notwithstanding Section 502.451.

Sec. 502.453. TRANSFERS OF REMOVED PLATES. (a) Authorizes a person to use license plates removed from a vehicle under Section 502.451 on another motor vehicle that is titled in the person's name after the person obtains TxDOT's approval of an application to transfer the license plates, obtains a new registration insignia for the motor vehicle, and pays the appropriate fees required under Section 502.454.

(b) Sets forth circumstances under which a person is authorized to use the license plates removed from a motor vehicle under Section 502.451 on a new motor vehicle purchased from a dealer licensed under Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates).

Sec. 502.454. FEES REQUIRED FOR TRANSFER OF LICENSE PLATE AND REGISTRATION INSIGNIA. Provides that the fee for transferring license plates and receiving a new registration insignia under this subchapter from one motor vehicle to another vehicle that is titled in the name of the transferor is \$5.00.

Sec. 502.455. TEMPORARY PERMIT FOR A VEHICLE PURCHASED IN A PRIVATE PARTY TRANSACTION. (a) Authorizes a purchaser or transferee to obtain from TxDOT a temporary single-trip permit to operate a motor vehicle that is subject to registration in this state, from which the license plates and the registration insignia have been removed as required by Section 502.451, and that is not authorized to travel on a public roadway because the required license plates and the registration insignia are not attached to the vehicle.

(b) Authorizes TxDOT to issue the permit in accordance with this section.

(c) Provides that a permit issued under this section is valid for one trip between the point of origin and the destination and those intermediate points specified in the permit.

(d) Prohibits a permit issued under this section from being valid for longer than a five-day period.

(e) Authorizes a person to obtain a permit under this section by applying to TxDOT on a form provided by TxDOT. Authorizes the application to be made using TxDOT's Internet website.

(f) Provides that a person is eligible to receive only one permit under this section for a motor vehicle.

(g) Requires a permit receipt issued under this section to be on a form provided by TxDOT. Requires the receipt to contain the information required by this section and requires that it be carried in the vehicle at all times during which it is valid.

(h) Authorizes TxDOT to refuse to issue a permit under this section for any vehicle if in TxDOT's opinion the applicant has been involved in operations that constitute an abuse of the privilege granted under this section.

Sec. 502.456. APPLICATION OF SUBCHAPTER; TEMPORARY PROVISION. (a) Provides that this subchapter applies only to passenger cars and light trucks.

(b) Requires license plates, to be eligible for transfer under this subchapter, to be appropriate for the class of vehicle to which the plates are being transferred.

(c) Provides that this section expires August 31, 2011.

Sec. 502.457. DEPARTMENT SUPPORT. (a) Authorizes TxDOT to enter into a system design contract to determine the feasibility and benefits of an electronic registration and title system to facilitate the registration and titling of motor vehicles under this subchapter.

(b) Prohibits Subsection (a) from being construed to authorize TxDOT to implement a system or enter into a contract for the implementation of a system or enter into a contract for the implementation of a system that affects the issuance of temporary license tags under Chapter 503.

SECTION 3. Repealer: Section 520.021 (Current Registration Required), Transportation Code.

SECTION 4. Effective date: January 1, 2008.