

BILL ANALYSIS

S.B. 1786
By: Carona
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Temporary cardboard license tags cannot be traced to an individual. There is no way to track the temporary tags and know how many are printed, how many are used, who issues them, and how many are issued to one buyer. This situation can be problematic for law enforcement officers.

S.B. 1786 creates a real-time database in which auto dealers are required to enter information that is helpful to law enforcement. Each temporary tag would be given a unique number that can be traced by law enforcement. This new information would help protect officers' safety by substantially reducing the amount of blind traffic stops an officer must make. Blind stops place officers at risk because they have no way of knowing if the person pulled over is a dangerous criminal.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Transportation in SECTIONS 4 and 6 of this bill. SECTION 11 states that the rulemaking in SECTION 4 and SECTION 6 is to take place as soon as practicable after the effective date of the Act.

ANALYSIS

SECTION 1. Amends Section 503.005, Transportation Code, by adding Subsections (c) and (d), as follows:

(c) Provides that a dealer who submits information to the database under Section 503.0631 satisfies the requirement for the dealer to notify TxDOT of the sale or transfer of a motor vehicle, trailer, or semitrailer under this section.

(d) Provides that the notice required under this section is in addition to the application for vehicle registration and certificate of title a dealer is required to submit under Section 501.0234 (Duty of Vehicle Dealer on Sale of Certain Vehicles), Transportation Code.

SECTION 2. Amends Section 503.062(d), Transportation Code, to include procedures for a dealer to generate a vehicle-specific number using the database developed under Section 503.0626 and assign it to each tag and the procedures to clearly display the vehicle-specific number on the tag to the list of items TxDOT is required to prescribe. Makes conforming changes.

SECTION 3. Amends Section 503.0625(e), Transportation Code, to include procedures for a converter to generate a vehicle-specific number using the database developed under Section 503.0626 and assign it to each tag and procedure to clearly display the vehicle-specific number on the tag to the list of items TxDOT is required to prescribe. Makes a conforming change.

SECTION 4. Amends Subchapter C, Chapter 503, Transportation Code, by adding Section 503.0626, as follows:

Sec. 503.0626. DEALER'S AND CONVERTER'S TEMPORARY TAG DATABASE.
(a) Requires TxDOT to develop and maintain a secure, real-time database of information on vehicles to which dealers and converters have affixed temporary cardboard tags.

Requires the database to be managed by the vehicle titles and registration division of TxDOT.

(b) Requires that the database must allow law enforcement agencies to use the vehicle-specific number assigned to and displayed on the tag as required by Section 503.062(d) or Section 503.0625(e) to obtain information about the dealer or converter that owns the vehicle.

(c) Requires a dealer or converter, before a dealer's or converter's temporary cardboard tag is authorized to be displayed on a vehicle, to enter into the database through the Internet information on the vehicle and information about the dealer or converter as prescribed by TxDOT. Prohibits TxDOT from denying access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code, or to any converter licensed under Chapter 2301, Occupations Code.

(d) Requires TxDOT to adopt rules and prescribe procedures as necessary to implement this section.

SECTION 5. Amends Section 503.063, Transportation Code, by amending Subsections (a), (e), and (f) and adding Subsections (g) and (h), as follows:

(a) Requires, rather than authorizes, a dealer to issue to a person who buys a vehicle, rather than an unregistered vehicle, one temporary cardboard buyer's tag for the vehicle, except as provided by this section.

(e) Includes certain procedures for a dealer among the items TxDOT is required to prescribe. Makes conforming changes.

(f) Requires TxDOT to ensure that a dealer is authorized to generate in advance a sufficient amount of vehicle-specific numbers under Subsection (e)(2)(B) in order to continue selling vehicles for a period of up to two weeks in which a dealer is unable to access the Internet due to an emergency. Requires TxDOT to establish an expedited procedure to allow affected dealers to apply for additional vehicle-specific numbers so they may remain in business during an emergency.

(g) Authorizes a dealer, using the same vehicle-specific number generated under Subsection (e)(2)(A), to issue an additional temporary cardboard buyer's tag to a person after the expiration of 20 working days, rather than 21 days, after the temporary cardboard buyer's tag is issued. Makes a conforming change.

(h) Requires a dealer to charge the buyer a registration fee of not more than \$5 as prescribed by TxDOT to be sent to the comptroller for deposit to the credit of the state highway fund.

SECTION 6. Amends Subchapter C, Chapter 503, Transportation Code, by adding Sections 503.0631 and 503.0632, as follows:

Sec. 503.0631. BUYER'S TEMPORARY TAG DATABASE. (a) Requires TxDOT to develop and maintain a secure, real-time database of information on persons to whom temporary buyer's tags are issued that are authorized to be used by a law enforcement agency in the same manner that the agency uses vehicle registration information. Requires that the database be managed by the vehicle titles and registration division of TxDOT.

(b) Requires that the database allow law enforcement agencies to use a vehicle-specific number assigned to and displayed on the tag as required by Section 503.063(e)(2) to obtain information about the person to whom the tag was issued.

(c) Requires a dealer, before a buyer's temporary cardboard tag is authorized for display on a vehicle, to enter into the database through the Internet information about the buyer of the vehicle for which the tag was issued as prescribed by TxDOT and generate a vehicle-specific number for the tag as required by Section 503.063(e), except as provided by Subsection (d). Prohibits TxDOT from denying access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code.

(d) Requires a dealer to obtain 24-hour Internet access at its place of business, but if the dealer is unable to access the Internet at the time of the sale or vehicle the dealer is required to complete and sign a form, as prescribed by TxDOT, that states the dealer has Internet access, but was unable to access the Internet at the time of sale. Requires the buyer to keep the original copy of the form in the vehicle until the vehicle is registered to the buyer. Requires the dealer to submit the information required under Subsection (c) not later than the next business day after the time of sale.

(e) Requires TxDOT to adopt rules and prescribed procedures as necessary to implement this section.

Sec. 503.0632. NOTICE TO BUYER. (a) Requires each dealer to provide a one-page written notice to a buyer that explains certain information.

(b) Requires the dealer to require the buyer to sign a statement indicating the buyer received the notice under this section.

(c) Requires TxDOT to adopt certain rules.

SECTION 7. Amends the heading to Section 503.067, Transportation Code, to read as follows:

Sec. 503.067. UNAUTHORIZED REPRODUCTION, PURCHASE, USE, OR SALE OF TEMPORARY CARDBOARD TAGS.

SECTION 8. Amends Section 503.067, Transportation Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Prohibits a person from producing or reproducing a temporary cardboard tag, rather than a buyer's or dealer's temporary cardboard tag, or an item represented to be a temporary cardboard tag for the purpose of distributing the tag to someone other than a dealer or converter. Deletes existing text exempting a dealer from this prohibition.

(c) Prohibits a person other than a dealer or converter from purchasing a temporary cardboard tag.

(d) Prohibits a person from selling or distributing a temporary cardboard tag or an item represented to be a temporary cardboard tag except for certain persons.

SECTION 9. Amends Section 503.094, Transportation Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Provides that an offense under this section is a misdemeanor punishable by a fine of not less than \$50 or more than \$5,000, except as otherwise provided by this section.

(d) Sets forth certain punishments for an offense involving a violation of certain subsections of Section 503.067 (Unauthorized Reproduction of Temporary Cardboard Tags), Transportation Code.

SECTION 10. Amends Section 2301.651(a), Occupations Code, to include a person who violates the requirements of Section 503.0631, Transportation Code, in the list of persons the

board is authorized to deny an application for, revoke or suspend a license, place on probation, or reprimand.

SECTION 11. Requires TxDOT to adopt rules to implement Sections 503.0626 and 503.0631, Transportation Code, as added by this Act, as soon as practicable after the effective date of this Act. Prohibits TxDOT from enforcing Sections 503.0626 or 503.0631, Transportation Code, as added by this Act, until the rules adopted under Subsection (a) of this section take effect and the databases are operational and available to dealers with a general distinguishing number or a converter's license issued under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code.

SECTION 12. Makes application of the changes in law made by this Act to Sections 503.067 and 503.094, Transportation Code, prospective.

SECTION 13. Effective date: September 1, 2007.

EFFECTIVE DATE

September 1, 2007.