

By: Brimer

S.B. No. 926

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance and use of temporary cardboard tags on
3 vehicles; providing penalties.

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 for use
17 on a [~~an unregistered~~] vehicle by the dealer or the dealer's
18 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) A dealer shall obtain temporary tags as provided by
18 Section 503.0635.

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

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

22 SECTION 6. Sections 503.0625(b), (e), and (f),
23 Transportation Code, are amended to read as follows:

24 (b) A converter may issue a temporary [~~cardboard~~] tag for
25 use on an unregistered vehicle by the converter or the converter's
26 employees only to:

27 (1) demonstrate or cause to be demonstrated to a

1 prospective buyer who is an employee of a franchised motor vehicle
2 dealer the vehicle; or

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

4 (A) from one of the converter's places of
5 business in this state to another of the converter's places of
6 business in this state;

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

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

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

15 (E) to road test the vehicle.

16 (e) A converter shall obtain temporary tags as provided by
17 Section 503.0635 [~~The department may not issue a converter~~
18 ~~temporary cardboard tag or contract for the issuance of a converter~~
19 ~~temporary cardboard tag but shall prescribe the specifications,~~
20 ~~form, and color of a converter temporary cardboard tag~~].

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

25 SECTION 7. Section 503.063, Transportation Code, is amended
26 to read as follows:

27 Sec. 503.063. BUYER'S TEMPORARY [~~CARDBOARD~~] TAGS. (a) At

1 the time of delivery of a vehicle to the buyer or lessee of the
2 ~~[Except as provided by this section, a dealer may issue to a person~~
3 ~~who buys an unregistered]~~ vehicle, a dealer shall issue one
4 temporary ~~[cardboard]~~ buyer's tag for the vehicle.

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

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

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

10 (c) The dealer ~~[+~~
11 ~~[(1) must show in ink on the buyer's tag the actual~~
12 ~~date of sale and any other required information; and~~
13 ~~[(2)]~~ is responsible for affixing ~~[displaying]~~ the tag
14 to the vehicle.

15 (d) A dealer shall obtain buyer's temporary tags as provided
16 by Section 503.0635. The dealer is responsible for the safekeeping
17 and distribution of each buyer's tag the dealer obtains.

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

21 ~~[(f) A dealer may issue an additional temporary cardboard~~
22 ~~buyer's tag to a person after the expiration of 21 days after the~~
23 ~~issue of a temporary cardboard buyer's tag, and the person may~~
24 ~~operate the vehicle for which the tag was issued on the additional~~
25 ~~temporary cardboard buyer's tag if the dealer has been unable to~~
26 ~~obtain on behalf of the vehicle's owner the necessary documents to~~
27 ~~obtain permanent metal license plates because the documents are in~~

1 ~~the possession of a lienholder who has not complied with the terms~~
2 ~~of Section 501.115(a) of this code. An additional tag issued under~~
3 ~~the terms of this subsection is valid for a maximum of 21 days after~~
4 ~~the date of issue.]~~

5 SECTION 8. Subchapter C, Chapter 503, Transportation Code,
6 is amended by adding Section 503.0635 to read as follows:

7 Sec. 503.0635. PRODUCTION AND ISSUANCE OF TEMPORARY TAGS.

8 (a) The department may produce all dealer's, converter's, and
9 buyer's temporary tags and issue the tags to dealers or converters,
10 as appropriate.

11 (b) The department may contract to have temporary tags
12 produced or issued to dealers or converters by one or more private
13 or public entities. Temporary tags may be issued to dealers or
14 converters electronically.

15 (c) If the department chooses to produce and issue temporary
16 tags under this chapter, the department shall establish a
17 reasonable fee for the production and issuance of the tags that may
18 not be less than the amount necessary to allow the department to
19 recover all costs to the department associated with producing and
20 issuing the temporary tags. The fee charged for the temporary
21 buyer's tag is payable by the purchaser of a vehicle at the time of
22 sale as a separate contract item.

23 (d) If the department chooses to produce and issue temporary
24 tags under this chapter, the commission shall adopt rules for the
25 administration of the process.

26 (e) If the department does not adopt rules under Subsection
27 (d):

1 (1) a dealer may produce a dealer's or buyer's
2 temporary tag as prescribed by department rule;

3 (2) a converter may produce a converter's temporary
4 tag as prescribed by department rule; and

5 (3) the commission by rule shall prescribe the
6 specifications, form, material, and color to be used for each type
7 of temporary tag.

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

10 Sec. 503.067. UNAUTHORIZED REPRODUCTION OF TEMPORARY
11 [~~CARDBOARD~~] TAGS. (a) Except as authorized by Section 503.0635(e),
12 a [A] person [~~other than a dealer~~] may not produce or reproduce a
13 [~~buyer's or dealer's~~] temporary [~~cardboard~~] tag.

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

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

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

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

23 (1) a service or work vehicle; or

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

25 (c) For purposes of this section, a boat trailer carrying a
26 boat is not a commercial vehicle carrying a load. A dealer
27 complying with this chapter may affix to the rear of a boat trailer

1 the dealer owns or sells a metal dealer's license plate or temporary
2 [~~cardboard~~] tag issued under Section 503.061, 503.062, or 503.063.

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

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

8 SECTION 12. Section 503.094, Transportation Code, is
9 amended by amending Subsection (b) and adding Subsection (d) to
10 read as follows:

11 (b) Except as provided by Subsection (d), an [~~An~~] offense
12 under this section is a misdemeanor punishable by a fine of not less
13 than \$50 or more than \$5,000.

14 (d) An offense that is a violation of Section 503.067 is a
15 Class A misdemeanor.

16 SECTION 13. Section 601.002(12), Transportation Code, is
17 amended to read as follows:

18 (12) "Vehicle registration" means:

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

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

23 SECTION 14. (a) As soon as practicable after the effective
24 date of this Act, the Texas Transportation Commission shall adopt
25 rules to implement Section 503.0635, Transportation Code, as added
26 by this Act.

27 (b) The Texas Department of Transportation may not enforce

1 Section 503.0635, Transportation Code, as added by this Act, until
2 the rules adopted under Subsection (a) of this section take effect.

3 SECTION 15. The changes in law made by this Act to Sections
4 503.067 and 503.094, Transportation Code, apply to an offense
5 committed on or after the effective date of this Act. An offense
6 committed before the effective date of this Act is governed by the
7 law in effect when the offense was committed, and the former law is
8 continued in effect for that purpose. For purposes of this section,
9 an offense was committed before the effective date of this Act if
10 any element of the offense was committed before that date.

11 SECTION 16. This Act takes effect September 1, 2007.