

CORRECTED

SENATE AMENDMENTS

2nd Printing

By: Goolsby, Crabb

H.B. No. 310

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of registration and removal of license plates for the sale or transfer of used vehicles.

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

SECTION 1. Section 502.180(b), Transportation Code, is amended to read as follows:

(b) Subject to Subchapter I, the ~~[The]~~ department shall issue only one license plate or set of plates for a vehicle during a five-year period.

SECTION 2. Chapter 502, Transportation Code, is amended by adding Subchapter I to read 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) On the sale or transfer of a motor vehicle, the seller or transferor may remove each license plate and the registration insignia issued for the motor vehicle.

(b) A license plate removed from a motor vehicle under Subsection (a) must be:

(1) disposed of in the manner specified by the department; or

(2) transferred to another vehicle owned by the seller or transferor as provided by Section 502.453.

(c) The part of the registration period remaining at the

time of the sale or transfer shall continue with the vehicle being sold or transferred and does not transfer with the license plates or registration validation insignia. To continue the remainder of the registration period, the purchaser or transferee must file the documents required under Section 520.031.

Sec. 502.452. REGISTRATION OF VEHICLE WITH JOINT OWNERS.

Notwithstanding Section 502.451, 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 the department as an owner of the vehicle at the time of its sale or transfer.

Sec. 502.453. TRANSFER OF REMOVED PLATES. (a) A person may

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:

(1) obtains:

(A) the department's approval of an application to transfer the license plates; and

(B) a new registration insignia for the motor vehicle; and

(2) pays the appropriate fees required under Section 502.454.

(b) A person may 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 after the person:

(1) obtains the department's approval of a title and

1 registration application; and

2 (2) pays the applicable title and vehicle registration
3 fees and the transfer fee required under Section 502.454.

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

9 Sec. 502.455. TEMPORARY PERMIT FOR A VEHICLE PURCHASED IN A
10 PRIVATE PARTY TRANSACTION. (a) A purchaser or transferee may
11 obtain from the department a temporary single-trip permit to
12 operate a motor vehicle:

13 (1) that is subject to registration in this state;
14 (2) from which the license plates and the registration
15 insignia have been removed as required by Section 502.451; and
16 (3) that is not authorized to travel on a public
17 roadway because the required license plates and the registration
18 insignia are not attached to the vehicle.

19 (b) The department may issue the permit in accordance with
20 this section.

21 (c) A permit issued under this section is valid for one trip
22 between the point of origin and the destination and those
23 intermediate points specified in the permit.

24 (d) A permit issued under this section may not be valid for
25 longer than a five-day period.

26 (e) A person may obtain a permit under this section by
27 applying, on a form provided by the department, to the department.

1 Application may be made using the department's Internet website.

2 (f) A person is eligible to receive only one permit under
3 this section for a motor vehicle.

4 (g) A permit receipt issued under this section must be on a
5 form provided by the department. The receipt must contain the
6 information required by this section and shall be carried in the
7 vehicle at all times during which it is valid.

8 (h) The department may refuse to issue a permit under this
9 section for any vehicle if in the department's opinion the
10 applicant has been involved in operations that constitute an abuse
11 of the privilege granted under this section.

12 Sec. 502.456. APPLICATION OF SUBCHAPTER; TEMPORARY
13 PROVISION. (a) This subchapter applies only to passenger cars and
14 light trucks.

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

18 (c) This section expires August 31, 2011.

19 Sec. 502.457. DEPARTMENT SUPPORT. (a) The department may
20 enter into a system design contract to determine the feasibility
21 and benefits of an electronic registration and title system to
22 facilitate the registration and titling of motor vehicles under
23 this subchapter.

24 (b) Subsection (a) may not be construed to authorize the
25 department to implement a system or enter into a contract for the
26 implementation of a system that affects the issuance of temporary
27 license tags under Chapter 503.

H.B. No. 310

1 SECTION 3. Section 520.021, Transportation Code, is
2 repealed.

3 SECTION 4. This Act takes effect January 1, 2008.

ADOPTED

APR 30 2007

Larry Saw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Caum*

Amend H.B. No. 310 (Senate committee printing) as follows:

(1) In SECTION 2 of the bill, strike proposed Subsection (a), Section 502.451, Transportation Code (page 1, lines 22-24), and substitute:

(a) On the sale or transfer of a motor vehicle to a dealer, as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, the dealer shall remove each license plate and the registration insignia issued for the motor vehicle.

(a-1) On a sale or transfer of a motor vehicle to a person that does not hold a general distinguishing number issued under Chapter 503, the seller or transferor may remove each license plate and the registration insignia issued for the motor vehicle.

(2) In SECTION 2 of the bill, in proposed Subsection (b), Section 502.451, Transportation Code (page 1, line 26), between "a," and "must" insert "or (a-1)".

(3) In SECTION 2 of the bill, strike proposed Section 502.452, Transportation Code, and renumber applicable cross-references and subsequent sections in proposed Subchapter I, Chapter 502, Transportation Code.

(4) In SECTION 2 of the bill, in proposed Subsection (a), Section 502.455, Transportation Code (page 2, line 9), strike "as required by Section 502.451" and substitute "as authorized by Section 502.451(a-1)".

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 21, 2007

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB310 by Goolsby (Relating to the transfer of registration and removal of license plates for the sale or transfer of used vehicles.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB310, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from STATE HIGHWAY FUND 6
2008	\$14,508,535
2009	\$14,769,690
2010	\$15,035,545
2011	\$15,306,185
2012	\$15,581,695

Fiscal Analysis

The bill would amend the Transportation Code to specify that a seller or transferor of a motor vehicle may remove the vehicle's license plates and registration insignia upon the sale or transfer of the vehicle and either dispose of the plates in the manner specified by TxDOT or transfer the plates to another vehicle owned by the seller or transferor. The bill would specify that any period remaining on a registration would continue with the vehicle being sold or transferred and would not transfer with the license plates or registration validation insignia; and, to continue the remainder of the vehicle's registration period, the purchaser or transferee must file an application for transfer of title or other document required by TxDOT. The bill would authorize the transfer of plates from a sold or transferred vehicle to another vehicle titled in the seller or transferor's name after the person obtains an approval of an application for transfer by TxDOT, a new registration insignia, and pays a \$5 fee for the transfer of the plates and insignia. The bill would authorize a purchaser or transferor to apply for a

temporary permit from TxDOT to move a vehicle purchased in a private-party transaction and without the plates and registration insignia. The bill would authorize 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 vehicles under the provisions of the bill.

The bill would take effect on January 1, 2008.

Methodology

Based on the analysis and information provided by TxDOT, it is assumed revenue gains to the state would result from approximately 2.9 million transfers in fiscal year 2008, with a growth rate of 1.8 percent each year, for a fee of \$5. It is assumed all revenues collected from the transfer fees would be deposited to the State Highway Fund. Based on the analysis of TxDOT, it is assumed any additional costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation, 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, MW, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 23, 2007

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB310 by Goolsby (Relating to the transfer of registration and license plates between vehicles with the same owner.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB310, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from STATE HIGHWAY FUND 6
2008	\$14,508,535
2009	\$14,769,690
2010	\$15,035,545
2011	\$15,306,185
2012	\$15,581,695

Fiscal Analysis

The bill would amend the Transportation Code to allow the Texas Department of Transportation (TxDOT) to implement an electronic registration and title system that facilitates vehicle registration and the transfer of license plates, in which the title record maintained by TxDOT is the official record of vehicle ownership. The bill would allow the system to be separate from or a part of TxDOT's automated registration and title system. The bill would require a seller or transferor of a motor vehicle to remove the vehicle's license plates and registration insignia upon the sale or transfer of the vehicle and either dispose of the plates in the manner specified by TxDOT or transfer the plates to another vehicle owned by the seller or transferor. The bill would specify that any period remaining on a registration would continue with the vehicle being sold or transferred and would not transfer with the license plates or registration validation insignia; and, to continue the remainder of the vehicle's registration period, the purchaser or transferee must file an application for transfer of title or other

document required by TxDOT. The bill would authorize the transfer of plates from a sold or transferred vehicle to another vehicle titled in the seller or transferor's name after the person obtains an approval of an application for transfer by TxDOT, a new registration insignia, and pays a \$5 fee for the transfer of the plates and insignia. The bill would authorize a purchaser or transferor to apply for a temporary permit from TxDOT to move a vehicle purchased in a private-party transaction and without the plates and registration insignia.

The bill would take effect on January 1, 2008.

Methodology

Based on the analysis and information provided by TxDOT, it is assumed revenue gains to the state would result from approximately 2.9 million transfers in fiscal year 2008, with a growth rate of 1.8 percent each year, for a fee of \$5. It is assumed all revenues collected from the transfer fees would be deposited to the State Highway Fund. Based on the analysis of TxDOT, it is assumed any additional costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, KJG, MW, TG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 5, 2007

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB310** by Goolsby (Relating to the transfer of registration and license plates between vehicles with the same owner.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB310, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from STATE HIGHWAY FUND 6	Probable Revenue Gain from STATE HIGHWAY FUND 6
2008	(\$8,544,200)	\$22,035,551
2009	\$0	\$22,432,190
2010	\$0	\$18,948,996
2011	\$0	\$19,290,078
2012	\$0	\$19,637,300

Fiscal Analysis

The bill would amend Chapter 502 of the Transportation Code by adding Subchapter I, relating to the transfer of vehicle registration and license plates between vehicles with the same owner.

Notwithstanding current registration year requirements, under the provisions of the bill, a vehicle's registration would expire upon transfer of ownership or when the vehicle was destroyed. At that time, the transferor or owner would be required to remove the license plates from the transferred or destroyed vehicle and either surrender the plates to the Texas Department of Transportation (TxDOT) or transfer the plates to another vehicle currently registered to the transferor or owner. The transferor or owner would be required to file a statement of ownership on a form prescribed by TxDOT; pay a transfer fee of \$9.75; and pay the annual registration fee due for the vehicle, less that portion of the registration remaining on the replaced vehicle. In addition to the transfer fee, the transferor would be

required to pay an additional fee of \$2.00. The provision for the \$2.00 fee would expire on September 1, 2009.

Under the provisions of the bill, the registration of a vehicle registered in the names of two or more persons, as partners or otherwise, would not expire on a change in ownership as long as any person currently registered as an owner remains an owner or part owner, files a statement of ownership required by TxDOT, and pays a fee of \$9.75, plus an additional fee of \$2.00. The provision for the \$2.00 fee would expire on September 1, 2009.

The bill would allow the owner of a vehicle that is permanently removed from this state to remove the license plates from the vehicle and use the plates on another vehicle currently registered to the owner. The owner would have to pay a transfer fee of \$9.75 and pay the annual registration fee due for the vehicle less that portion of the registration remaining on the replaced vehicle. In addition to the transfer fee, the transferor would be required to pay an additional fee of \$2.00. The provision for the \$2.00 fee would expire on September 1, 2009.

The bill would allow the owner of a registered vehicle to transfer the registration and license plates to a second vehicle owned by the person, provided that the owner submits the proper application; pays the \$9.75 transfer fee; and pays the annual registration fee due for the second vehicle less that portion of the registration remaining on the replaced vehicle. The owner would have to cancel the registration for the second vehicle and surrender the plates on the second vehicle to TxDOT, or transfer the registration and plates on the second vehicle to a third vehicle.

The bill would require TxDOT to issue new registration insignia for vehicles with license plates transferred and replace with the appropriate plates any plates that are not appropriate for another vehicle.

The bill would take effect September 1, 2007.

Methodology

Based on the information and analysis provided by TxDOT, it is assumed revenue gains to the state would result from approximately 2.8 million annual license plate transfers, with a growth rate of 1.8 percent each year. Based on the analysis of the Comptroller of Public Accounts, it is assumed the \$9.75 transfer fee (plus the additional \$2.00 fee in FY 2008 and FY 2009) would be split two-thirds to the State Highway Fund and one-third to the counties. The revenue gain to the State Highway Fund from transfer fees is estimated to be \$22,035,551 beginning in fiscal year 2008.

TxDOT reported that major programming costs of \$8,554,200 will be necessary to modify the department's Registration and Title System (RTS). It is assumed any costs and duties associated with the development of the transfer application forms, processing of surrendered plates, and issuance of replacement registration insignia could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Counties would see some gains from the localities' portion of the \$9.75 fee, but these gains are not expected to be significant.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, MW, TG, KJG