

BILL ANALYSIS

C.S.H.B. 3433
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Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, a company with a fleet of motor vehicles in Texas is required to register the vehicles annually. The annual acquisition and distribution of plates, stickers, and registration cards is time consuming and costly. Companies with fleets of thousands of motor vehicles find themselves performing renewals on a monthly basis throughout the calendar year.

C.S.H.B. 3433 eliminates this inefficient process by providing for a semi-permanent plate process that allows companies with at least 25 fleet vehicles to purchase license plates and registration cards for a renewal period of not less than one year or more than eight years. The bill will help Texas companies enjoy greater operational efficiencies and avoid potential service disruptions.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Transportation in SECTIONS 2 and 4 of this bill.

ANALYSIS

C.S.H.B. 3433 amends the Transportation Code, for purposes of the law relating to registration of vehicles, to define "fleet" as a group of at least 25 nonapportioned motor vehicles owned by a corporation, limited or general partnership, limited liability company, or other business entity and used for the business purposes of that entity or its affiliates. The bill repeals a provision requiring the Texas Department of Transportation (TxDOT) to define "fleet." The bill requires TxDOT to develop and implement a system of registration to allow an owner of a fleet to register the motor vehicles in the fleet for an extended registration period of not less than one year or more than eight years, as determined by the fleet owner. The bill provides that payment for the entire registration period selected is due at the time of registration. The bill requires the system of extended registration to allow the owner of a fleet to register an entire fleet in the county of the owner's residence or principal place of business or the motor vehicles in a fleet that are operated most regularly in the same county. The bill requires an owner to pay, in addition to registration fees prescribed by the law relating to sales of motor vehicles and transfers of title, an annual fleet registration fee of \$10 per motor vehicle. The bill authorizes a license plate issued under the bill's provisions to include the name or logo of the business entity that owns the vehicle and requires an owner registering a commercial fleet to pay, in addition to all other applicable registration fees, a one-time license plate manufacturing fee of \$8 for each plate issued that includes on the legend the name or logo of the business entity that owns the vehicle. The bill requires the department to issue a registration insignia for validation of such a license plate that is valid for the registration period. The bill requires the department to adopt rules to implement the bill's provisions, including rules on suspension from the fleet program for failure to comply with the provisions or rules adopted under the provisions. The bill requires the department to adopt the rules and establish the required system of extended registration not later than September 1, 2010.

C.S.H.B. 3433 repeals Section 502.0022(c), Transportation Code.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3433 adds a provision not in the original to include motor vehicles used for the business purposes of a business entity's affiliates in the definition of "fleet."

C.S.H.B. 3433 requires the Texas Department of Transportation to develop and implement a system of registration to allow a fleet owner to register motor vehicles for an extended registration period of not less than one year or more than eight years, rather than a period of not less than five years or more than 10 years as in the original.

C.S.H.B. 3433 adds a provision not in the original to provide that payment for the entire registration period selected by the fleet owner is due at the time of registration.

C.S.H.B. 3433 differs from the original by requiring an owner registering a commercial fleet for an extended period to pay a one-time license plate manufacturing fee of \$8 for each plate issued that includes the name or logo of the business entity, whereas the original requires an owner registering a fleet for an extended period to pay a license plate manufacturing fee of \$1.50 for each new plate and requires such a license plate to be distinctive in color and include the words "Fleet" and "Texas."