

BILL ANALYSIS

S.B. 1235
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Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Automobile dealers are currently required to use cardboard products for temporary vehicle tags. Allowing new products to be introduced into the industry will relieve the Texas Department of Transportation from having to write rules around the definition of cardboard. Extending the temporary buyer's vehicle tag and eliminating the blue supplemental tag will make it easier for law enforcement to identify counterfeit vehicle tags.

S.B. 1235 eliminates the requirement that temporary tags be made of cardboard and provides that a temporary tag is valid until the 60th day, rather than 21st day, following the date of purchase. The bill requires a motor vehicle dealer to remit sales tax collected from a purchaser not later than 45 days after the vehicle is delivered to the purchaser and requires the seller of a motor vehicle in a seller-financed sale to apply for the registration of and title for the vehicle not later than the 45th day after the vehicle is delivered to the purchaser.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1235 amends the Transportation Code to remove references to cardboard in provisions relating to the issuance and use of temporary tags on vehicles in the Certificate of Title Act, dealer's and manufacturer's vehicle license plates law, and the Motor Vehicle Safety Responsibility Act. The bill establishes that a dealer's authority to issue a temporary tag for use on an unregistered vehicle only for certain purposes does not prohibit a dealer from permitting a customer to operate a vehicle temporarily while the customer's vehicle is being repaired. The bill makes a buyer's temporary tag expire on the earlier of the date on which the vehicle is registered or the 60th, rather than 21st, day after the date of purchase. The bill removes provisions authorizing a dealer to issue an additional tag under certain circumstances. The bill makes a conforming change relating to previous law that dissolved the Motor Vehicle Board and transferred its rulemaking responsibilities to the Texas Transportation Commission. The bill repeals provisions relating to a dealer's notice to a buyer about a buyer's temporary cardboard tag.

S.B. 1235 amends the Tax Code to require a motor vehicle dealer to collect the retail sales tax from the purchaser of a motor vehicle and remit it to the tax assessor-collector not later than the 45th day after the date the vehicle is delivered to the purchaser. The bill requires the seller of a motor vehicle sold in a seller-financed sale to apply for the registration of, and a Texas certificate of title for, the motor vehicle in the name of the purchaser to the appropriate county tax assessor-collector not later than the 45th day after the date the motor vehicle is delivered to the purchaser.

S.B. 1235 repeals Section 503.0632, Transportation Code.

EFFECTIVE DATE

September 1, 2009.