

BILL ANALYSIS

C.S.S.B. 1759
By: Watson
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, registrations for every vehicle must be completed on an annual basis on the anniversary date of the last sticker purchase. A company with a fleet of 12,000 vehicles in Texas must complete registration renewals on a monthly basis throughout the calendar year in volumes of approximately 500 to 1,600 vehicles per month.

C.S.S.B. 1759 requires the Texas Department of Transportation to develop and implement a system of registration to allow an owner of a commercial vehicle fleet to register the vehicles in the commercial fleet for an extended registration period of not less than one year or more than eight years.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Transportation in SECTIONS 2 and 5 of this bill.

ANALYSIS

C.S.S.B. 1759 amends the Transportation Code to require the Texas Department of Transportation (TxDOT), not later than January 1, 2010, to develop and implement a system of registration to allow an owner of a commercial fleet to register the motor vehicles in the commercial fleet for an extended registration period of not less than one year or more than eight years. The bill defines "commercial 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. The bill authorizes the fleet owner to select the number of years for registration within the one to eight year range and to register the commercial fleet for that period. The bill establishes that payment for all registration fees for the entire registration period selected is due at the time of registration. The bill requires a system of extended registration to allow the owner of a commercial fleet to register an entire commercial fleet in the county of the owner's residence or principal place of business or to register the motor vehicles in a commercial fleet that are operated most regularly in the same county. The bill requires an owner registering a commercial fleet, in addition to the registration fees, to pay an annual commercial fleet registration fee of \$10 per motor vehicle in the fleet and a one-time license plate manufacturing fee of \$1.50 for each fleet motor vehicle license plate. The bill provides that such a license plate may, on request of the owner, include the name or logo of the business entity that owns the vehicle, must include the expiration date of the registration period, and does not require an annual registration insignia to be valid. The bill requires an owner registering a commercial fleet, in addition to all other applicable registration fees, to pay a one-time license plate manufacturing fee of \$8 for each set of plates issued that includes on the legend the name or logo of the business entity that owns the vehicle instead of paying the one-time manufacturing fee of \$1.50 for each license plate. The bill requires TxDOT, if a registered motor vehicle has a gross weight in excess of 10,000 pounds, to also issue a registration card for the vehicle that is valid for the selected registration period. The bill requires TxDOT to adopt rules to implement the bill's provisions including rules on suspension from the commercial fleet

program for failure to comply with such provisions or rules, not later than January 1, 2010. The bill requires TxDOT and the counties in their budgeting processes to consider any temporary increases and resulting decreases in revenue that will result from the use of the process.

C.S.S.B. 1759 adds a motor vehicle purchased by a commercial fleet buyer who is a full-service deputy assessor-collector and who utilizes the dealer title application process developed to provide a method to submit title transactions to the county in which the fleet buyer is a full-service deputy to the motor vehicles to which the law relating to the duty of a vehicle dealer on the sale of certain vehicles does not apply.

C.S.S.B. 1759 repeals Section 502.0022, Transportation Code, relating to a system of consolidated registration for fleet vehicles.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 1759 adds a provision not included in the original to require a system of extended registration to allow the owner of a commercial fleet to register an entire commercial fleet in the county of the owner's residence or principal place of business or to register the motor vehicles in a commercial fleet that are operated most regularly in the same county. The substitute adds a provision not in the original requiring an owner registering a commercial fleet to pay a one-time license plate manufacturing fee of \$8 for each set of plates issued that includes on the legend the name or logo of the business entity that owns the vehicle instead of paying a one-time manufacturing fee of \$1.50 for each license plate. The substitute differs from the original by specifying that the fleet buyer who is a full-service deputy for purposes of the bill is a commercial fleet buyer. The substitute differs from the original by requiring the Texas Department of Transportation to adopt rules and establish the system of extended registration not later than January 1, 2010, rather than September 1, 2010, as in the original. The substitute adds a provision not in the original to repeal Section 502.0022, Transportation Code.