

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

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H.B. No. 3097

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation, organization, duties, and functions of  
3 the Texas Department of Motor Vehicles and to the use of certain  
4 specialty license plate fees to fund the Choose Life and Choose  
5 Adoption account; providing penalties.

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

7 ARTICLE 1. TEXAS DEPARTMENT OF MOTOR VEHICLES

8 SECTION 1.01. Title 7, Transportation Code, is amended by  
9 adding Subtitle M to read as follows:

10 SUBTITLE M. DEPARTMENT OF MOTOR VEHICLES

11 CHAPTER 1001. ORGANIZATION OF DEPARTMENT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1001.001. DEFINITIONS. In this subtitle:

14 (1) "Board" means the board of the department.

15 (2) "Department" means the Texas Department of Motor  
16 Vehicles.

17 Sec. 1001.002. CREATION OF DEPARTMENT; DUTIES. (a) The  
18 department is created as an agency of this state.

19 (b) In addition to the other duties required of the Texas  
20 Department of Motor Vehicles, the department shall administer and  
21 enforce:

22 (1) Subtitle A;

23 (2) Chapters 642, 643, 645, 646, and 648;

24 (3) Chapters 2301 and 2302, Occupations Code; and

1           (4) Article 4413(37), Revised Statutes.

2           Sec. 1001.003. COMPOSITION OF DEPARTMENT. The department  
3 is composed of an executive director appointed by the board and  
4 other employees required to efficiently implement:

5           (1) this subtitle;

6           (2) other applicable vehicle laws of this state; and

7           (3) other laws that grant jurisdiction to or are  
8 applicable to the department.

9           Sec. 1001.004. DIVISIONS. The board shall organize the  
10 department into divisions to accomplish the department's functions  
11 and the duties assigned to it, including divisions for:

12           (1) administration;

13           (2) motor carriers;

14           (3) motor vehicles; and

15           (4) vehicle titles and registration.

16           Sec. 1001.005. SUNSET PROVISION. The department is subject  
17 to Chapter 325, Government Code (Texas Sunset Act). Unless  
18 continued in existence as provided by that chapter, the department  
19 is abolished September 1, 2015.

20           [Sections 1001.006-1001.020 reserved for expansion]

21           SUBCHAPTER B. BOARD OF DEPARTMENT OF MOTOR VEHICLES

22           Sec. 1001.021. BOARD. (a) The board consists of nine  
23 members appointed by the governor with the advice and consent of the  
24 senate. Appointments to the board shall be made without regard to  
25 the race, color, disability, sex, religion, age, or national origin  
26 of the appointees.

27           (b) Three members shall be appointed to represent motor

1 vehicle dealers, one of whom must be a recreational vehicle dealer  
2 or a heavy-duty truck dealer; one member shall be appointed to  
3 represent county tax assessor-collectors; one member shall be  
4 appointed to represent the motor carrier industry; one member shall  
5 be appointed to represent law enforcement agencies; and three  
6 members shall be appointed to represent the general public. The  
7 member appointed to represent law enforcement agencies may not be a  
8 state employee.

9 (c) A person may not be a public member of the board if the  
10 person or the person's spouse:

11 (1) is registered, certified, or licensed by the  
12 department;

13 (2) is employed by or participates in the management  
14 of a business entity or other organization regulated by or  
15 receiving money from the department;

16 (3) owns or controls, directly or indirectly, more  
17 than a 10 percent interest in a business entity or other  
18 organization regulated by or receiving money from the department;  
19 or

20 (4) uses or receives a substantial amount of tangible  
21 goods, services, or money from the department other than  
22 compensation or reimbursement authorized by law for board  
23 membership, attendance, or expenses.

24 Sec. 1001.022. TERMS. Members of the board serve staggered  
25 six-year terms, with the terms of either one or two members expiring  
26 February 1 of each odd-numbered year.

27 Sec. 1001.023. PRESIDING OFFICER OF BOARD. (a) The

1 governor shall designate a member of the board as the presiding  
2 officer of the board to serve in that capacity at the pleasure of  
3 the governor.

4 (b) The presiding officer shall:

5 (1) preside over board meetings, make rulings on  
6 motions and points of order, and determine the order of business;

7 (2) create subcommittees, appoint board members to  
8 subcommittees, and receive the reports of subcommittees to the  
9 board as a whole; and

10 (3) appoint a member of the board to act in the  
11 presiding officer's absence.

12 Sec. 1001.024. BOARD MEETINGS. The board shall hold  
13 meetings at least quarterly or at the call of the presiding officer.  
14 Board members shall attend the meetings of the board. The presiding  
15 officer shall oversee the preparation of an agenda for each meeting  
16 and ensure that a copy is provided to each board member at least  
17 seven days before the meeting.

18 Sec. 1001.025. COMPENSATION. A member of the board is not  
19 entitled to compensation, but each member is entitled to  
20 reimbursement for actual and necessary expenses incurred in  
21 performing functions as a member of the board as provided by the  
22 General Appropriations Act.

23 Sec. 1001.026. GROUNDS FOR REMOVAL. (a) It is a ground for  
24 removal from the board that a board member:

25 (1) does not have at the time of taking office the  
26 qualifications required by Section 1001.021;

27 (2) does not maintain during service on the board the

1 qualifications required by Section 1001.021;

2 (3) is ineligible for membership under Section  
3 1001.021(c), 1001.031, or 1001.043;

4 (4) cannot, because of illness or disability,  
5 discharge the member's duties for a substantial part of the member's  
6 term; or

7 (5) is absent from more than half of the regularly  
8 scheduled board meetings that the member is eligible to attend  
9 during a calendar year without an excuse approved by a majority  
10 vote of the board.

11 (b) The validity of an action of the board is not affected by  
12 the fact that it is taken when a ground for removal of a board member  
13 exists.

14 (c) If the executive director of the department has  
15 knowledge that a potential ground for removal exists, the executive  
16 director shall notify the presiding officer of the board of the  
17 potential ground. The presiding officer shall then notify the  
18 governor and the attorney general that a potential ground for  
19 removal exists. If the potential ground for removal involves the  
20 presiding officer, the executive director shall notify the next  
21 highest ranking officer of the board, who shall then notify the  
22 governor and the attorney general that a potential ground for  
23 removal exists.

24 Sec. 1001.027. TRAINING ON DEPARTMENT AND CERTAIN LAWS  
25 RELATING TO DEPARTMENT. (a) A person who is appointed to and  
26 qualifies for office as a member of the board may not vote,  
27 deliberate, or be counted as a member in attendance at a meeting of

1 the board until the person completes a training program that  
2 complies with this section.

3 (b) The training program must provide the person with  
4 information regarding:

5 (1) the legislation that created the department;

6 (2) the programs, functions, rules, and budget of the  
7 department;

8 (3) the results of the most recent formal audit of the  
9 department;

10 (4) the requirements of laws relating to open  
11 meetings, public information, administrative procedure, and  
12 conflicts-of-interest; and

13 (5) any applicable ethics policies adopted by the  
14 department or the Texas Ethics Commission.

15 (c) A person appointed to the board is entitled to  
16 reimbursement, as provided by the General Appropriations Act, for  
17 the travel expenses incurred in attending the training program  
18 regardless of whether the attendance at the program occurs before  
19 or after the person qualifies for office.

20 Sec. 1001.028. TECHNOLOGICAL SOLUTIONS. The board shall  
21 implement a policy requiring the department to use appropriate  
22 technological solutions to improve the department's ability to  
23 perform its functions. The policy must ensure that the public is  
24 able to interact with the department on the Internet.

25 Sec. 1001.029. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE  
26 RESOLUTION PROCEDURES. (a) The board shall develop and implement a  
27 policy to encourage the use of:

1           (1) negotiated rulemaking procedures under Chapter  
2 2008, Government Code, for the adoption of department rules; and

3           (2) appropriate alternative dispute resolution  
4 procedures under Chapter 2009, Government Code, to assist in the  
5 resolution of internal and external disputes under the department's  
6 jurisdiction.

7           (b) The department's procedures relating to alternative  
8 dispute resolution must conform, to the extent possible, to any  
9 model guidelines issued by the State Office of Administrative  
10 Hearings for the use of alternative dispute resolution by state  
11 agencies.

12           (c) The board shall designate a trained person to:

13           (1) coordinate the implementation of the policy  
14 adopted under Subsection (a);

15           (2) serve as a resource for any training needed to  
16 implement the procedures for negotiated rulemaking or alternative  
17 dispute resolution; and

18           (3) collect data concerning the effectiveness of those  
19 procedures, as implemented by the department.

20           Sec. 1001.030. ADVISORY COMMITTEES. (a) The board shall  
21 establish separate advisory committees for the motor carrier, motor  
22 vehicles, and vehicle titles and registration divisions to make  
23 recommendations to the board or the executive director on the  
24 operation of the applicable division. A committee has the  
25 purposes, powers, and duties, including the manner of reporting its  
26 work, prescribed by the board. A committee and each committee  
27 member serves at the will of the board.

1       (b) The board shall appoint persons to each advisory  
2 committee who:

3           (1) are selected from a list provided by the executive  
4 director; and

5           (2) have knowledge about and interests in, and  
6 represent a broad range of viewpoints about, the work of the  
7 committee or applicable division.

8       (c) The advisory committee for the motor vehicles division  
9 must include a member to represent motor vehicle manufacturers and  
10 a member to represent the recreational vehicle industry.

11       (d) The advisory committee for the motor carrier division  
12 must include a member to represent the motor transportation  
13 industry.

14       (e) A member of an advisory committee may not be compensated  
15 by the board or the department for committee service.

16       Sec. 1001.031. CONFLICTS OF INTEREST. (a) In this section,  
17 "Texas trade association" means a cooperative and voluntarily  
18 joined statewide association of business or professional  
19 competitors in this state designed to assist its members and its  
20 industry or profession in dealing with mutual business or  
21 professional problems and in promoting their common interest.

22       (b) A person may not be a member of the board and may not be a  
23 department employee employed in a "bona fide executive,  
24 administrative, or professional capacity," as that phrase is used  
25 for purposes of establishing an exemption to the overtime  
26 provisions of the federal Fair Labor Standards Act of 1938 (29  
27 U.S.C. Section 201 et seq.) if:



1           (1) the person is an officer, employee, or paid  
2 consultant of a Texas trade association in the field of motor  
3 dealers or motor carriers; or

4           (2) the person's spouse is an officer, manager, or paid  
5 consultant of a Texas trade association in the motor vehicle or  
6 motor carrier industry or of a tax assessor-collector or law  
7 enforcement trade association.

8           (c) A person may not be a member of the board or act as the  
9 general counsel to the board or the department if the person is  
10 required to register as a lobbyist under Chapter 305, Government  
11 Code, because of the person's activities for compensation on behalf  
12 of a profession related to the operation of the department.

13           Sec. 1001.032. COOPERATION WITH TEXAS DEPARTMENT OF  
14 TRANSPORTATION. The board and the Texas Transportation Commission  
15 shall establish mutually agreeable procedures to ensure that the  
16 Texas Department of Transportation has access to information  
17 contained in the electronic database of vehicle titles and  
18 registrations as needed for toll operations and other functions of  
19 the Texas Department of Transportation.

20           [Sections 1001.033-1001.040 reserved for expansion]

21                           SUBCHAPTER C. PERSONNEL

22           Sec. 1001.041. DIVISION OF RESPONSIBILITIES. The board  
23 shall develop and implement policies that clearly separate the  
24 policymaking responsibilities of the board and the management  
25 responsibilities of the executive director and the staff of the  
26 department.

27           Sec. 1001.042. APPLICATION OF LAW RELATING TO ETHICAL

1 CONDUCT. The board, the executive director, and each employee or  
2 agent of the department is subject to the code of ethics and the  
3 standard of conduct imposed by Chapter 572, Government Code, and  
4 any other law regulating the ethical conduct of state officers and  
5 employees.

6 Sec. 1001.043. LOBBYING ACTIVITIES. A person may not serve  
7 as the executive director or act as the general counsel to the  
8 department if the person is required to register as a lobbyist under  
9 Chapter 305, Government Code, because of the person's activities  
10 for compensation on behalf of an occupation related to the  
11 operation of the department.

12 CHAPTER 1002. RULES

13 Sec. 1002.001. GENERAL RULEMAKING AUTHORITY. The board may  
14 adopt any rules necessary and appropriate to implement the powers  
15 and duties of the department under this code and other laws of this  
16 state.

17 CHAPTER 1003. PUBLIC ACCESS

18 Sec. 1003.001. PUBLIC COMMENT. The board shall develop and  
19 implement policies that provide the public with a reasonable  
20 opportunity to appear before the board and to speak on any issue  
21 under the jurisdiction of the department.

22 Sec. 1003.002. COMPLAINT PROCEDURES. (a) The department  
23 shall maintain a system to promptly and efficiently act on  
24 complaints filed with the department. The department shall  
25 maintain information about parties to the complaint, the subject  
26 matter of the complaint, a summary of the results of the review or  
27 investigation of the complaint, and its disposition.

1        (b) The department shall make information available  
2 describing its procedures for complaint investigation and  
3 resolution.

4        (c) The department shall periodically notify the complaint  
5 parties of the status of the complaint until final disposition.

6 ARTICLE 2. TRANSFER OF DUTIES AND FUNCTIONS OF THE TEXAS DEPARTMENT  
7 OF TRANSPORTATION

8 PART A. GENERAL PROVISIONS AND ADMINISTRATION

9 SECTION 2A.01. Section 201.202(a), Transportation Code, is  
10 amended to read as follows:

11 (a) The commission shall organize the department into  
12 divisions to accomplish the department's functions and the duties  
13 assigned to it, including divisions for:

- 14 (1) aviation;
- 15 (2) highways and roads; and
- 16 (3) public transportation[~~, and~~
- 17 [~~(4) motor vehicle titles and registration~~].

18 SECTION 2A.02. Section 201.931(2), Transportation Code, is  
19 amended to read as follows:

20 (2) "License" includes:

21 (A) a permit issued by the department that  
22 authorizes the operation of a vehicle and its load or a combination  
23 of vehicles and load exceeding size or weight limitations; and

24 (B) [~~a motor carrier registration issued under~~  
25 ~~Chapter 643,~~

26 [~~(C) a vehicle storage facility license issued~~  
27 ~~under Chapter 2303, Occupations Code,~~

1                    [~~(D)~~] a license or permit for outdoor advertising  
2 issued under Chapter 391 or 394[+  
3                    [~~(E)~~] a salvage vehicle dealer or agent license  
4 ~~issued under Chapter 2302, Occupations Code,~~  
5                    [~~(F)~~] specially designated or specialized license  
6 ~~plates issued under Subchapters E and F, Chapter 502, and~~  
7                    [~~(G)~~] an ~~apportioned~~ registration ~~issued~~  
8 ~~according to the International Registration Plan under Section~~  
9 ~~502.054].~~

10            SECTION 2A.03. Section 222.001, Transportation Code, is  
11 amended to read as follows:

12            Sec. 222.001. USE OF STATE HIGHWAY FUND. (a) Money that is  
13 required to be used for public roadways by the Texas Constitution or  
14 federal law and that is deposited in the state treasury to the  
15 credit of the state highway fund, including money deposited to the  
16 credit of the state highway fund under Title 23, United States Code,  
17 may be used only:

- 18                    (1) to improve the state highway system;  
19                    (2) to mitigate adverse environmental effects that  
20 result directly from construction or maintenance of a state highway  
21 by the department; or  
22                    (3) by the Department of Public Safety to police the  
23 state highway system and to administer state laws relating to  
24 traffic and safety on public roads.

25            (b) For any state fiscal year, the Texas Department of Motor  
26 Vehicles may not be appropriated more than \$100 million from money  
27 in the state highway fund.

1                   PART B. STATE HIGHWAY TOLL PROJECTS

2           SECTION 2B.01. Sections 228.055(b) and (h), Transportation  
3 Code, are amended to read as follows:

4           (b) The department may impose and collect the  
5 administrative fee, so as to recover the cost of collecting the  
6 unpaid toll, not to exceed \$100. The department shall send a  
7 written notice of nonpayment to the registered owner of the vehicle  
8 at that owner's address as shown in the vehicle registration  
9 records of the Texas Department of Motor Vehicles [~~department~~] by  
10 first class mail and may require payment not sooner than the 30th  
11 day after the date the notice was mailed. The registered owner  
12 shall pay a separate toll and administrative fee for each event of  
13 nonpayment under Section 228.054.

14           (h) In this section, "registered owner" means the owner of a  
15 vehicle as shown on the vehicle registration records of the Texas  
16 Department of Motor Vehicles [~~department~~] or the analogous  
17 department or agency of another state or country.

18           SECTION 2B.02. Section 228.056(b), Transportation Code, is  
19 amended to read as follows:

20           (b) In the prosecution of an offense under Section  
21 228.055(c), (d), or (e):

22                   (1) it is presumed that the notice of nonpayment was  
23 received on the fifth day after the date of mailing;

24                   (2) a computer record of the Texas Department of Motor  
25 Vehicles [~~department~~] of the registered owner of the vehicle is  
26 prima facie evidence of its contents and that the defendant was the  
27 registered owner of the vehicle when the underlying event of

1 nonpayment under Section 228.054 occurred; and

2 (3) a copy of the rental, lease, or other contract  
3 document covering the vehicle on the date of the underlying event of  
4 nonpayment under Section 228.054 is prima facie evidence of its  
5 contents and that the defendant was the lessee of the vehicle when  
6 the underlying event of nonpayment under Section 228.054 occurred.

7 PART C. CAUSEWAYS, BRIDGES, TUNNELS, TURNPIKES, FERRIES, AND  
8 HIGHWAYS IN CERTAIN COUNTIES

9 SECTION 2C.01. Sections 284.0701(b), (e), and (h),  
10 Transportation Code, are amended to read as follows:

11 (b) The county may impose and collect the administrative  
12 cost so as to recover the expense of collecting the unpaid toll, not  
13 to exceed \$100. The county shall send a written notice of  
14 nonpayment to the registered owner of the vehicle at that owner's  
15 address as shown in the vehicle registration records of the Texas  
16 Department of Motor Vehicles [~~department~~] by first-class mail not  
17 later than the 30th day after the date of the alleged failure to pay  
18 and may require payment not sooner than the 30th day after the date  
19 the notice was mailed. The registered owner shall pay a separate  
20 toll and administrative cost for each event of nonpayment under  
21 Section 284.070.

22 (e) It is an exception to the application of Subsection (a)  
23 or (c) if the registered owner of the vehicle transferred ownership  
24 of the vehicle to another person before the event of nonpayment  
25 under Section 284.070 occurred, submitted written notice of the  
26 transfer to the Texas Department of Motor Vehicles [~~department~~] in  
27 accordance with Section 520.023, and before the 30th day after the

1 date the notice of nonpayment is mailed, provides to the county the  
2 name and address of the person to whom the vehicle was transferred.  
3 If the former owner of the vehicle provides the required  
4 information within the period prescribed, the county may send a  
5 notice of nonpayment to the person to whom ownership of the vehicle  
6 was transferred at the address provided by the former owner by  
7 first-class mail before the 30th day after the date of receipt of  
8 the required information from the former owner. The subsequent  
9 owner of the vehicle for which the proper toll was not paid who is  
10 mailed a written notice of nonpayment under this subsection and  
11 fails to pay the proper toll and administrative cost within the time  
12 specified by the notice of nonpayment commits an offense. The  
13 subsequent owner shall pay a separate toll and administrative cost  
14 for each event of nonpayment under Section 284.070. Each failure to  
15 pay a toll or administrative cost under this subsection is a  
16 separate offense.

17 (h) In this section, "registered owner" means the owner of a  
18 vehicle as shown on the vehicle registration records of the Texas  
19 Department of Motor Vehicles [~~department~~] or the analogous  
20 department or agency of another state or country.

21 PART D. CERTIFICATE OF TITLE ACT

22 SECTION 2D.01. Section 501.002(3), Transportation Code, is  
23 amended to read as follows:

24 (3) "Department" means the Texas Department of Motor  
25 Vehicles [~~Transportation~~].

26 SECTION 2D.02. Section 501.091, Transportation Code, is  
27 amended by amending Subdivision (17) and adding Subdivision (20) to

1 read as follows:

2 (17) "Salvage vehicle dealer" means a person engaged  
3 in this state in the business of acquiring, selling, [~~dismantling,~~  
4 repairing, rebuilding, reconstructing, or otherwise dealing in  
5 nonrepairable motor vehicles or [~~7~~] salvage motor vehicles [~~, or~~  
6 ~~used parts~~]. The term does not include a person who casually  
7 repairs, rebuilds, or reconstructs fewer than five [~~three~~] salvage  
8 motor vehicles in the same calendar year or a person who deals in  
9 used automotive parts. The term includes a person engaged in the  
10 business of:

11 (A) a salvage vehicle dealer, regardless of  
12 whether the person holds a license issued by the department to  
13 engage in that business; or

14 (B) dealing in nonrepairable motor vehicles or  
15 salvage motor vehicles [~~, regardless of whether the person deals in~~  
16 ~~used parts, or~~

17 [~~(C) dealing in used parts regardless of whether~~  
18 ~~the person deals in nonrepairable motor vehicles or salvage motor~~  
19 ~~vehicles~~].

20 (20) "Used parts dealer" and "used automotive parts  
21 recycler" have the meaning assigned to "used automotive parts  
22 recycler" by Section 2309.002, Occupations Code.

23 SECTION 2D.03. Section 501.092(d), Transportation Code, is  
24 amended to read as follows:

25 (d) An insurance company may sell a motor vehicle to which  
26 this section applies, or assign a salvage vehicle title or a  
27 nonrepairable vehicle title for the motor vehicle, only to a



1 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual  
2 sale at auction, [~~or~~] a metal recycler, or a used automotive parts  
3 recycler. If the motor vehicle is not a salvage motor vehicle or a  
4 nonrepairable motor vehicle, the insurance company is not required  
5 to surrender the regular certificate of title for the vehicle or to  
6 be issued a salvage vehicle title or a nonrepairable vehicle title  
7 for the motor vehicle.

8 SECTION 2D.04. Sections 501.095(a) and (b), Transportation  
9 Code, are amended to read as follows:

10 (a) If the department has not issued a nonrepairable vehicle  
11 title or salvage vehicle title for the motor vehicle and an  
12 out-of-state ownership document for the motor vehicle has not been  
13 issued by another state or jurisdiction, a business or governmental  
14 entity described by Subdivisions (1)-(3) may sell, transfer, or  
15 release a nonrepairable motor vehicle or salvage motor vehicle only  
16 to a person who is:

17 (1) a licensed salvage vehicle dealer, a used  
18 automotive parts recycler under Chapter 2309, Occupations Code, or  
19 a metal recycler under Chapter 2302, Occupations Code;

20 (2) an insurance company that has paid a claim on the  
21 nonrepairable or salvage motor vehicle;

22 (3) a governmental entity; or

23 (4) an out-of-state buyer.

24 (b) A person, other than a salvage vehicle dealer, a used  
25 automotive parts recycler, or an insurance company licensed to do  
26 business in this state, who acquired ownership of a nonrepairable  
27 or salvage motor vehicle that has not been issued a nonrepairable

1 vehicle title, salvage vehicle title, or a comparable ownership  
2 document issued by another state or jurisdiction shall, before  
3 selling the motor vehicle, surrender the properly assigned  
4 certificate of title for the motor vehicle to the department and  
5 apply to the department for:

6 (1) a nonrepairable vehicle title if the vehicle is a  
7 nonrepairable motor vehicle; or

8 (2) a salvage vehicle title if the vehicle is a salvage  
9 motor vehicle.

10 SECTION 2D.05. Section 501.105, Transportation Code, is  
11 amended to read as follows:

12 Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN  
13 CASUAL SALES. Each licensed salvage vehicle dealer, used  
14 automotive parts recycler, or insurance company that sells a  
15 nonrepairable motor vehicle or a salvage motor vehicle at a casual  
16 sale shall keep on the business premises of the dealer or the  
17 insurance company a list of all casual sales made during the  
18 preceding 36-month period that contains:

19 (1) the date of the sale;

20 (2) the name of the purchaser;

21 (3) the name of the jurisdiction that issued the  
22 identification document provided by the purchaser, as shown on the  
23 document; and

24 (4) the vehicle identification number.

25 PART E. REGISTRATION OF VEHICLES

26 SECTION 2E.01. Section 502.001(3), Transportation Code, is  
27 amended to read as follows:

1           (3) "Department" means the Texas Department of Motor  
2 Vehicles [~~Transportation~~].

3           SECTION 2E.02. Sections 502.053(a) and (b), Transportation  
4 Code, are amended to read as follows:

5           (a) The department [~~Texas Department of Transportation~~]  
6 shall reimburse the Texas Department of Criminal Justice for the  
7 cost of manufacturing license plates or registration insignia as  
8 the license plates or insignia and the invoice for the license  
9 plates or insignia are delivered to the department [~~Texas~~  
10 ~~Department of Transportation~~].

11           (b) When manufacturing is started, the Texas Department of  
12 Criminal Justice, the department [~~Texas Department of~~  
13 ~~Transportation~~], and the comptroller, after negotiation, shall set  
14 the price to be paid for each license plate or insignia. The price  
15 must be determined from:

16           (1) the cost of metal, paint, and other materials  
17 purchased;

18           (2) the inmate maintenance cost per day;

19           (3) overhead expenses;

20           (4) miscellaneous charges; and

21           (5) a previously approved amount of profit for the  
22 work.

23           SECTION 2E.03. Section 504.401(c), Transportation Code, is  
24 amended to read as follows:

25           (c) The license plates remain valid until December 31 of the  
26 [each] year in which the person to whom the plates were issued  
27 ceases to be a state official.

1 SECTION 2E.04. The heading to Section 504.401,  
2 Transportation Code, is amended to read as follows:

3 Sec. 504.401. STATE OFFICIALS: EXECUTIVE AND LEGISLATIVE  
4 BRANCHES.

5 SECTION 2E.05. Sections 504.401(b) and (d), Transportation  
6 Code, are amended to read as follows:

7 (b) A state official may be issued four [~~three~~] sets of  
8 license plates under this section.

9 (d) In this section, "state official" means:

- 10 (1) a member of the legislature;
- 11 (2) the governor;
- 12 (3) the lieutenant governor;
- 13 (4) [~~a justice of the supreme court,~~
- 14 [~~(5) a judge of the court of criminal appeals,~~
- 15 [~~(6)~~] the attorney general;
- 16 (5) [~~(7)~~] the commissioner of the General Land Office;
- 17 (6) [~~(8)~~] the comptroller;
- 18 (7) [~~(9)~~] a member of the Railroad Commission of
- 19 Texas;
- 20 (8) [~~(10)~~] the commissioner of agriculture;
- 21 (9) [~~(11)~~] the secretary of state; or
- 22 (10) [~~(12)~~] a member of the State Board of Education.

23 SECTION 2E.06. The heading to Section 504.402,  
24 Transportation Code, is amended to read as follows:

25 Sec. 504.402. FEDERAL OFFICIALS: LEGISLATIVE BRANCH  
26 [~~MEMBERS OF CONGRESS~~].

27 SECTION 2E.07. Section 504.402(b), Transportation Code, is

1 amended to read as follows:

2 (b) A person may be issued four [~~three~~] sets of license  
3 plates under this section.

4 SECTION 2E.08. The heading to Section 504.403,  
5 Transportation Code, is amended to read as follows:

6 Sec. 504.403. STATE OFFICIALS: JUDICIAL BRANCH [~~AND FEDERAL~~  
7 ~~JUDGES~~].

8 SECTION 2E.09. Sections 504.403(a) and (d), Transportation  
9 Code, are amended to read as follows:

10 (a) The department shall issue without charge specialty  
11 license plates for a current [~~or visiting~~] state [~~or federal~~]  
12 judge. The license plates must include the words "State Judge" [~~or~~  
13 ~~"U.S. Judge," as appropriate~~].

14 (d) In this section, +

15 [~~(1) "Federal judge" means:~~

16 [~~(A) a judge of the Fifth Circuit Court of~~  
17 ~~Appeals,~~

18 [~~(B) a judge or magistrate of a United States~~  
19 ~~district court, or~~

20 [~~(C) a judge of a United States bankruptcy court.~~

21 [~~(2)~~] "state [~~State~~] judge" means:

22 (1) [~~(A)~~] a justice of the supreme court;

23 (2) [~~(B)~~] a judge of the court of criminal appeals;

24 (3) [~~(C)~~] a judge of a court of appeals;

25 (4) [~~(D)~~] a district court judge;

26 (5) [~~(E)~~] a presiding judge of an administrative

27 judicial district; or

1           (6) [~~F~~] a statutory county court judge.

2           SECTION 2E.10. Subchapter E, Chapter 504, Transportation  
3 Code, is amended by adding Section 504.4031 to read as follows:

4           Sec. 504.4031. FEDERAL OFFICIALS: JUDICIAL BRANCH. (a)  
5 The department shall issue without charge specialty license plates  
6 for a current federal judge. The license plates must include the  
7 words "U.S. Judge."

8           (b) A person may be issued three sets of plates under this  
9 section.

10           (c) The license plates remain valid until December 31 of  
11 each year.

12           (d) In this section, "federal judge" means:

13           (1) a justice of the United States Supreme Court whose  
14 primary residence is in Texas;

15           (2) a judge of the Fifth Circuit Court of Appeals; or

16           (3) a judge of a United States District Court.

17           SECTION 2E.11. (a) Subchapter G, Chapter 504,  
18 Transportation Code, is amended by adding Section 504.659 to read  
19 as follows:

20           Sec. 504.659. CHOOSE LIFE LICENSE PLATES AND CHOOSE  
21 ADOPTION LICENSE PLATES. (a) The department shall issue specially  
22 designed license plates that include the words "Choose Life" and  
23 "Choose Adoption." The department shall design the license plates  
24 in consultation with the attorney general.

25           (b) After deduction of the department's administrative  
26 costs, the department shall deposit the remainder of the fee for  
27 issuance of license plates under this section in the state treasury

1 to the credit of the Choose Life and Choose Adoption account  
2 established by Section 402.035, Government Code.

3 (b) Subchapter B, Chapter 402, Government Code, is amended  
4 by adding Sections 402.035 and 402.036 to read as follows:

5 Sec. 402.035. CHOOSE LIFE AND CHOOSE ADOPTION ACCOUNT.

6 (a) The Choose Life and Choose Adoption account is a separate  
7 account in the general revenue fund. The account is composed of:

8 (1) money deposited to the credit of the account under  
9 Section 504.659, Transportation Code; and

10 (2) gifts, grants, donations, and legislative  
11 appropriations.

12 (b) The attorney general administers the Choose Life and  
13 Choose Adoption account. The attorney general may spend money  
14 credited to the account only to:

15 (1) make grants to an eligible organization; and

16 (2) defray the cost of administering the account.

17 (c) The attorney general may not discriminate against an  
18 eligible organization because it is a religious or nonreligious  
19 organization.

20 (d) The attorney general may accept gifts, donations, and  
21 grants from any source for the benefit of the account.

22 (e) The attorney general by rule shall establish:

23 (1) guidelines for the expenditure of money credited  
24 to the Choose Life and Choose Adoption account; and

25 (2) reporting and other mechanisms necessary to ensure  
26 that the money is spent in accordance with this section.

27 (f) Money received by an eligible organization under this

1 section may be spent only to provide for the material needs of  
2 pregnant women who are considering placing their children for  
3 adoption, including the provision of clothing, housing, prenatal  
4 care, food, utilities, and transportation, to provide for the needs  
5 of infants who are awaiting placement with adoptive parents, to  
6 provide training and advertising relating to adoption, and to  
7 provide pregnancy testing or preadoption or postadoption  
8 counseling, but may not be used to pay an administrative, legal, or  
9 capital expense.

10 (g) In this section, "eligible organization" means an  
11 organization in this state that:

12 (1) qualifies as a charitable organization under  
13 Section 501(c)(3), Internal Revenue Code of 1986;

14 (2) provides counseling and material assistance to  
15 pregnant women who are considering placing their children for  
16 adoption;

17 (3) does not charge for services provided;

18 (4) does not provide abortions or abortion-related  
19 services or make referrals to abortion providers;

20 (5) is not affiliated with an organization that  
21 provides abortions or abortion-related services or makes referrals  
22 to abortion providers; and

23 (6) does not contract with an organization that  
24 provides abortions or abortion-related services or makes referrals  
25 to abortion providers.

26 Sec. 402.036. CHOOSE LIFE AND CHOOSE ADOPTION ADVISORY  
27 COMMITTEE. (a) The attorney general shall appoint a seven-member



1 Choose Life and Choose Adoption advisory committee.

2 (b) The committee shall:

3 (1) meet at least twice a year or as called by the  
4 attorney general;

5 (2) assist the attorney general in developing rules  
6 under Section 402.035(e); and

7 (3) review and make recommendations to the attorney  
8 general on applications submitted to the attorney general for  
9 grants funded with money credited to the Choose Life and Choose  
10 Adoption account.

11 (c) Members of the committee serve without compensation and  
12 are not entitled to reimbursement for expenses. Each member serves  
13 a term of four years, with the terms of three or four members  
14 expiring on January 31 of each odd-numbered year.

15 PART F. DEALER'S AND MANUFACTURER'S VEHICLE LICENSE PLATES

16 SECTION 2F.01. Sections 503.001(2) and (5), Transportation  
17 Code, are amended to read as follows:

18 (2) "Commission" means the board of the Texas  
19 Department of Motor Vehicles [~~Texas Transportation Commission~~].

20 (5) "Department" means the Texas Department of Motor  
21 Vehicles [~~Transportation~~].

22 PART G. MISCELLANEOUS PROVISIONS

23 SECTION 2G.01. Section 520.001, Transportation Code, is  
24 amended to read as follows:

25 Sec. 520.001. DEFINITION. In this chapter, "department"  
26 means the Texas Department of Motor Vehicles [~~Transportation~~].

1 PART H. OPERATION OF BICYCLES, MOPEDS, AND PLAY VEHICLES

2 SECTION 2H.01. Section 551.302, Transportation Code, is  
3 amended to read as follows:

4 Sec. 551.302. REGISTRATION. The Texas Department of Motor  
5 Vehicles [~~Transportation~~] may adopt rules relating to the  
6 registration and issuance of license plates to neighborhood  
7 electric vehicles.

8 PART I. MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

9 SECTION 2I.01. Section 601.023, Transportation Code, is  
10 amended to read as follows:

11 Sec. 601.023. PAYMENT OF STATUTORY FEES. The department  
12 may pay:

13 (1) a statutory fee required by the Texas Department  
14 of Motor Vehicles [~~Transportation~~] for a certified abstract or in  
15 connection with suspension of a vehicle registration; or

16 (2) a statutory fee payable to the comptroller for  
17 issuance of a certificate of deposit required by Section 601.122.

18 SECTION 2I.02. Section 601.451, Transportation Code, as  
19 added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature,  
20 Regular Session, 2005, is amended to read as follows:

21 Sec. 601.451. DEFINITION. In this subchapter,  
22 "implementing agencies" means:

23 (1) the department;

24 (2) the Texas Department of Motor Vehicles  
25 [~~Transportation~~];

26 (3) the Texas Department of Insurance; and

27 (4) the Department of Information Resources.

1 SECTION 2I.03. Subchapter N, Chapter 601, Transportation  
2 Code, as added by Chapter 1325 (H.B. 3588), Acts of the 78th  
3 Legislature, Regular Session, 2003, is repealed.

4 PART J. IDENTIFYING MARKINGS ON CERTAIN COMMERCIAL MOTOR VEHICLES

5 SECTION 2J.01. Section 642.002(d), Transportation Code, is  
6 amended to read as follows:

7 (d) The Texas Department of Motor Vehicles [~~Transportation~~]  
8 by rule may prescribe additional requirements regarding the form of  
9 the markings required by Subsection (a)(2) that are not  
10 inconsistent with that subsection.

11 PART K. MOTOR CARRIER REGISTRATION

12 SECTION 2K.01. Section 643.001(1), Transportation Code, is  
13 amended to read as follows:

14 (1) "Department" means the Texas Department of Motor  
15 Vehicles [~~Transportation~~].

16 PART L. SINGLE STATE REGISTRATION

17 SECTION 2L.01. Section 645.001, Transportation Code, is  
18 amended to read as follows:

19 Sec. 645.001. FEDERAL MOTOR CARRIER REGISTRATION. The  
20 Texas Department of Motor Vehicles [~~Transportation~~] may, to the  
21 fullest extent practicable, participate in a federal motor carrier  
22 registration program under the unified carrier registration system  
23 as defined by Section 643.001 or a [~~the~~] single state registration  
24 system established under federal law [~~49 U.S.C. Section 14504~~].

25 PART M. MOTOR TRANSPORTATION BROKERS

26 SECTION 2M.01. Section 646.003(a), Transportation Code, is  
27 amended to read as follows:

1 (a) A person may not act as a motor transportation broker  
2 unless the person provides a bond to the Texas Department of Motor  
3 Vehicles [~~Transportation~~].

4 PART N. FOREIGN COMMERCIAL MOTOR TRANSPORTATION

5 SECTION 2N.01. Section 648.002, Transportation Code, is  
6 amended to read as follows:

7 Sec. 648.002. RULES. In addition to rules required by this  
8 chapter, the Texas Department of Motor Vehicles [~~Transportation~~],  
9 the Department of Public Safety, and the Texas Department of  
10 Insurance may adopt other rules to carry out this chapter.

11 PART O. ABANDONED MOTOR VEHICLES

12 SECTION 2O.01. Section 683.001(1), Transportation Code, is  
13 amended to read as follows:

14 (1) "Department" means the Texas Department of Motor  
15 Vehicles [~~Transportation~~].

16 PART P. CONTRACTS FOR ENFORCEMENT OF CERTAIN ARREST WARRANTS

17 SECTION 2P.01. Section 702.001(1), Transportation Code, is  
18 amended to read as follows:

19 (1) "Department" means the Texas Department of Motor  
20 Vehicles [~~Transportation~~].

21 PART Q. PHOTOGRAPHIC TRAFFIC SIGNAL ENFORCEMENT SYSTEM

22 SECTION 2Q.01. Section 707.001(2), Transportation Code, is  
23 amended to read as follows:

24 (2) "Owner of a motor vehicle" means the owner of a  
25 motor vehicle as shown on the motor vehicle registration records of  
26 the Texas Department of Motor Vehicles [~~Transportation~~] or the  
27 analogous department or agency of another state or country.

1 SECTION 2Q.02. Section 707.011(b), Transportation Code, is  
2 amended to read as follows:

3 (b) Not later than the 30th day after the date the violation  
4 is alleged to have occurred, the designated department, agency, or  
5 office of the local authority or the entity with which the local  
6 authority contracts under Section 707.003(a)(1) shall mail the  
7 notice of violation to the owner at:

8 (1) the owner's address as shown on the registration  
9 records of the Texas Department of Motor Vehicles [~~Transportation~~];  
10 or

11 (2) if the vehicle is registered in another state or  
12 country, the owner's address as shown on the motor vehicle  
13 registration records of the department or agency of the other state  
14 or country analogous to the Texas Department of Motor Vehicles  
15 [~~Transportation~~].

16 SECTION 2Q.03. Section 707.017, Transportation Code, is  
17 amended to read as follows:

18 Sec. 707.017. ENFORCEMENT. If the owner of a motor vehicle  
19 is delinquent in the payment of a civil penalty imposed under this  
20 chapter, the county assessor-collector or the Texas Department of  
21 Motor Vehicles [~~Transportation~~] may refuse to register a motor  
22 vehicle alleged to have been involved in the violation.

23 PART R. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY

24 SECTION 2R.01. Section 1(3), Article 4413(37), Revised  
25 Statutes, is amended to read as follows:

26 (3) "Department" means the Texas Department of Motor  
27 Vehicles [~~Transportation~~].

1 SECTION 2R.02. Section 2, Article 4413(37), Revised  
2 Statutes, is amended to read as follows:

3 Sec. 2. The Automobile Burglary and Theft Prevention  
4 Authority is a division [~~established~~] in the Texas Department of  
5 Motor Vehicles [~~Transportation~~]. [~~The authority is not an advisory~~  
6 ~~body to the Texas Department of Transportation.~~]

7 SECTION 2R.03. Section 6, Article 4413(37), Revised  
8 Statutes, is amended by adding Subsections (j) and (k) to read as  
9 follows:

10 (j) In addition to any report required under Subsection (i),  
11 each year the authority shall prepare and submit an annual  
12 financial report in the form and manner required of a state agency  
13 by Section 2101.011, Government Code.

14 (k) The authority may not make a grant of appropriated funds  
15 unless the grant application is submitted to and approved by the  
16 governor, or a person in the office of the governor designated by  
17 the governor.

18 SECTION 2R.04. Section 8, Article 4413(37), Revised  
19 Statutes, is amended by adding Subsections (d) and (e) to read as  
20 follows:

21 (d) Money received by the authority under this article shall  
22 be sent to the comptroller for deposit in a separate account in the  
23 treasury.

24 (e) As part of the appropriation process the legislature  
25 shall determine and in the General Appropriations Act the  
26 legislature shall specify the amount of money the authority may use  
27 to make grants or provide financial assistance under this article

1 during each of the state fiscal years covered by the General  
2 Appropriations Act.

3 ARTICLE 3. CONFORMING AMENDMENTS PERTAINING TO TEXAS DEPARTMENT OF  
4 TRANSPORTATION IN OTHER CODES

5 PART A. BUSINESS & COMMERCE CODE

6 SECTION 3A.01. Section 51.003(b), Business & Commerce Code,  
7 as effective April 1, 2009, is amended to read as follows:

8 (b) In this chapter, "business opportunity" does not  
9 include:

10 (1) the sale or lease of an established and ongoing  
11 business or enterprise that has actively conducted business before  
12 the sale or lease, whether composed of one or more than one  
13 component business or enterprise, if the sale or lease represents  
14 an isolated transaction or series of transactions involving a bona  
15 fide change of ownership or control of the business or enterprise or  
16 liquidation of the business or enterprise;

17 (2) a sale by a retailer of goods or services under a  
18 contract or other agreement to sell the inventory of one or more  
19 ongoing leased departments to a purchaser who is granted the right  
20 to sell the goods or services within or adjoining a retail business  
21 establishment as a department or division of the retail business  
22 establishment;

23 (3) a transaction that is:

24 (A) regulated by the Texas Department of  
25 Licensing and Regulation, the Texas Department of Insurance, the  
26 Texas Real Estate Commission, or the director of the Motor Vehicle  
27 Division of the Texas Department of Motor Vehicles

1 [~~Transportation~~]; and

2 (B) engaged in by a person licensed by one of  
3 those agencies;

4 (4) a real estate syndication;

5 (5) a sale or lease to a business enterprise that also  
6 sells or leases products, equipment, or supplies or performs  
7 services:

8 (A) that are not supplied by the seller; and

9 (B) that the purchaser does not use with the  
10 seller's products, equipment, supplies, or services;

11 (6) the offer or sale of a franchise as described by  
12 the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et  
13 seq.) and its subsequent amendments;

14 (7) the offer or sale of a business opportunity if the  
15 seller:

16 (A) has a net worth of \$25 million or more  
17 according to the seller's audited balance sheet as of a date not  
18 earlier than the 13th month before the date of the transaction; or

19 (B) is at least 80 percent owned by another  
20 person who:

21 (i) in writing unconditionally guarantees  
22 performance by the person offering the business opportunity plan;  
23 and

24 (ii) has a net worth of more than \$25  
25 million according to the person's most recent audited balance sheet  
26 as of a date not earlier than the 13th month before the date of the  
27 transaction; or



1           (8) an arrangement defined as a franchise by 16 C.F.R.  
2 Section 436.2(a) and its subsequent amendments if:

3           (A) the franchisor complies in all material  
4 respects in this state with 16 C.F.R. Part 436 and each order or  
5 other action of the Federal Trade Commission; and

6           (B) before offering for sale or selling a  
7 franchise in this state, a person files with the secretary of state  
8 a notice containing:

9                   (i) the name of the franchisor;

10                   (ii) the name under which the franchisor  
11 intends to transact business; and

12                   (iii) the franchisor's principal business  
13 address.

14           SECTION 3A.02. Section 105.004(b), Business & Commerce  
15 Code, as effective April 1, 2009, is amended to read as follows:

16           (b) The Texas Department of Motor Vehicles [~~Transportation~~]  
17 shall provide a notice that states the provisions of this chapter to  
18 each person with a disability who is issued:

19                   (1) license plates under Section 504.201,  
20 Transportation Code; or

21                   (2) a disabled parking placard under Section 681.004,  
22 Transportation Code.

23                   PART B. CODE OF CRIMINAL PROCEDURE

24           SECTION 3B.01. Section 1(1), Article 42.22, Code of  
25 Criminal Procedure, is amended to read as follows:

26                   (1) "Department" means the Texas Department of Motor  
27 Vehicles [~~Transportation~~].

1 SECTION 3B.02. Article 59.04(c), Code of Criminal  
2 Procedure, is amended to read as follows:

3 (c) If the property is a motor vehicle, and if there is  
4 reasonable cause to believe that the vehicle has been registered  
5 under the laws of this state, the attorney representing the state  
6 shall ask the Texas Department of Motor Vehicles [~~Transportation~~]  
7 to identify from its records the record owner of the vehicle and any  
8 interest holder. If the addresses of the owner and interest holder  
9 are not otherwise known, the attorney representing the state shall  
10 request citation be served on such persons at the address listed  
11 with the Texas Department of Motor Vehicles [~~Transportation~~]. If  
12 the citation issued to such address is returned unserved, the  
13 attorney representing the state shall cause a copy of the notice of  
14 the seizure and intended forfeiture to be posted at the courthouse  
15 door, to remain there for a period of not less than 30 days. If the  
16 owner or interest holder does not answer or appear after the notice  
17 has been so posted, the court shall enter a judgment by default as  
18 to the owner or interest holder, provided that the attorney  
19 representing the state files a written motion supported by  
20 affidavit setting forth the attempted service. An owner or  
21 interest holder whose interest is forfeited in this manner shall  
22 not be liable for court costs. If the person in possession of the  
23 vehicle at the time of the seizure is not the owner or the interest  
24 holder of the vehicle, notification shall be provided to the  
25 possessor in the same manner specified for notification to an owner  
26 or interest holder.

PART C. FAMILY CODE

SECTION 3C.01. Section 157.316(b), Family Code, is amended to read as follows:

(b) If a lien established under this subchapter attaches to a motor vehicle, the lien must be perfected in the manner provided by Chapter 501, Transportation Code, and the court or Title IV-D agency that rendered the order of child support shall include in the order a requirement that the obligor surrender to the court or Title IV-D agency evidence of the legal ownership of the motor vehicle against which the lien may attach. A lien against a motor vehicle under this subchapter is not perfected until the obligor's title to the vehicle has been surrendered to the court or Title IV-D agency and the Texas Department of Motor Vehicles [~~Transportation~~] has issued a subsequent title that discloses on its face the fact that the vehicle is subject to a child support lien under this subchapter.

SECTION 3C.02. Section 232.0022(a), Family Code, is amended to read as follows:

(a) The Texas Department of Motor Vehicles [~~Transportation~~] is the appropriate licensing authority for suspension or nonrenewal of a motor vehicle registration under this chapter.

SECTION 3C.03. Section 232.014(b), Family Code, is amended to read as follows:

(b) A fee collected by the Texas Department of Motor Vehicles [~~Transportation~~] or the Department of Public Safety shall be deposited to the credit of the state highway fund.

SECTION 3C.04. Section 264.502(b), Family Code, is amended

1 to read as follows:

2 (b) The members of the committee who serve under Subsections  
3 (a)(1) through (3) shall select the following additional committee  
4 members:

5 (1) a criminal prosecutor involved in prosecuting  
6 crimes against children;

7 (2) a sheriff;

8 (3) a justice of the peace;

9 (4) a medical examiner;

10 (5) a police chief;

11 (6) a pediatrician experienced in diagnosing and  
12 treating child abuse and neglect;

13 (7) a child educator;

14 (8) a child mental health provider;

15 (9) a public health professional;

16 (10) a child protective services specialist;

17 (11) a sudden infant death syndrome family service  
18 provider;

19 (12) a neonatologist;

20 (13) a child advocate;

21 (14) a chief juvenile probation officer;

22 (15) a child abuse prevention specialist;

23 (16) a representative of the Department of Public  
24 Safety; and

25 (17) a representative of the Texas Department of Motor  
26 Vehicles [~~Transportation~~].

PART D. FINANCE CODE

SECTION 3D.01. Section 306.001(9), Finance Code, is amended to read as follows:

(9) "Qualified commercial loan":

(A) means:

(i) a commercial loan in which one or more persons as part of the same transaction lends, advances, borrows, or receives, or is obligated to lend or advance or entitled to borrow or receive, money or credit with an aggregate value of:

(a) \$3 million or more if the commercial loan is secured by real property; or

(b) \$250,000 or more if the commercial loan is not secured by real property and, if the aggregate value of the commercial loan is less than \$500,000, the loan documents contain a written certification from the borrower that:

(1) the borrower has been advised by the lender to seek the advice of an attorney and an accountant in connection with the commercial loan; and

(2) the borrower has had the opportunity to seek the advice of an attorney and accountant of the borrower's choice in connection with the commercial loan; and

(ii) a renewal or extension of a commercial loan described by Subparagraph (i) [~~Paragraph (A)~~], regardless of the principal amount of the loan at the time of the renewal or extension; and

(B) does not include a commercial loan made for the purpose of financing a business licensed by the Motor Vehicle

1 Board of the Texas Department of Motor Vehicles [~~Transportation~~]  
2 under Section 2301.251(a), Occupations Code.

3 SECTION 3D.02. Section 348.001(10-a), Finance Code, is  
4 amended to read as follows:

5 (10-a) "Towable recreation vehicle" means a  
6 nonmotorized vehicle that:

7 (A) was originally designed and manufactured  
8 primarily to provide temporary human habitation in conjunction with  
9 recreational, camping, or seasonal use;

10 (B) is titled and registered with the Texas  
11 Department of Motor Vehicles [~~Transportation~~] as a travel trailer  
12 through a county tax assessor-collector;

13 (C) is permanently built on a single chassis;

14 (D) contains at least one life support system;

15 and

16 (E) is designed to be towable by a motor vehicle.

17 SECTION 3D.03. Section 348.518, Finance Code, is amended to  
18 read as follows:

19 Sec. 348.518. SHARING OF INFORMATION. To ensure consistent  
20 enforcement of law and minimization of regulatory burdens, the  
21 commissioner and the Texas Department of Motor Vehicles  
22 [~~Transportation~~] may share information, including criminal history  
23 information, relating to a person licensed under this chapter.  
24 Information otherwise confidential remains confidential after it  
25 is shared under this section.

26 PART E. GOVERNMENT CODE

27 SECTION 3E.01. Section 411.122(d), Government Code, is

1 amended to read as follows:

2 (d) The following state agencies are subject to this  
3 section:

4 (1) Texas Appraiser Licensing and Certification  
5 Board;

6 (2) Texas Board of Architectural Examiners;

7 (3) Texas Board of Chiropractic Examiners;

8 (4) State Board of Dental Examiners;

9 (5) Texas Board of Professional Engineers;

10 (6) Texas Funeral Service Commission;

11 (7) Texas Board of Professional Geoscientists;

12 (8) Department of State Health Services, except as  
13 provided by Section 411.110, and agencies attached to the  
14 department, including:

15 (A) Texas State Board of Examiners of Dietitians;

16 (B) Texas State Board of Examiners of Marriage  
17 and Family Therapists;

18 (C) Midwifery Board;

19 (D) Texas State Perfusionist Advisory Committee  
20 [~~Board of Examiners of Perfusionists~~];

21 (E) Texas State Board of Examiners of  
22 Professional Counselors;

23 (F) Texas State Board of Social Worker Examiners;

24 (G) State Board of Examiners for Speech-Language  
25 Pathology and Audiology;

26 (H) Advisory Board of Athletic Trainers;

27 (I) State Committee of Examiners in the Fitting

1 and Dispensing of Hearing Instruments;

2 (J) Texas Board of Licensure for Professional  
3 Medical Physicists; and

4 (K) Texas Board of Orthotics and Prosthetics;

5 (9) Texas Board of Professional Land Surveying;

6 (10) Texas Department of Licensing and Regulation,  
7 except as provided by Section 411.093;

8 (11) Texas Commission on Environmental Quality;

9 (12) Texas Board of Occupational Therapy Examiners;

10 (13) Texas Optometry Board;

11 (14) Texas State Board of Pharmacy;

12 (15) Texas Board of Physical Therapy Examiners;

13 (16) Texas State Board of Plumbing Examiners;

14 (17) Texas State Board of Podiatric Medical Examiners;

15 (18) Polygraph Examiners Board;

16 (19) Texas State Board of Examiners of Psychologists;

17 (20) Texas Real Estate Commission;

18 (21) Board of Tax Professional Examiners;

19 (22) Texas Department of Transportation;

20 (23) State Board of Veterinary Medical Examiners;

21 (24) Texas Department of Housing and Community  
22 Affairs;

23 (25) secretary of state;

24 (26) state fire marshal;

25 (27) Texas Education Agency; ~~and~~

26 (28) Department of Agriculture; and

27 (29) Texas Department of Motor Vehicles.



PART F. HEALTH AND SAFETY CODE

SECTION 3F.01. Section 382.209(e), Health and Safety Code, is amended to read as follows:

(e) A vehicle is not eligible to participate in a low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program established under this section unless:

(1) the vehicle is capable of being operated;

(2) the registration of the vehicle:

(A) is current; and

(B) reflects that the vehicle has been registered in the county implementing the program for the 12 months preceding the application for participation in the program;

(3) the commissioners court of the county administering the program determines that the vehicle meets the eligibility criteria adopted by the commission, the Texas Department of Motor Vehicles [~~Transportation~~], and the Public Safety Commission;

(4) if the vehicle is to be repaired, the repair is done by a repair facility recognized by the Department of Public Safety, which may be an independent or private entity licensed by the state; and

(5) if the vehicle is to be retired under this subsection and Section 382.213, the replacement vehicle is a qualifying motor vehicle.

SECTION 3F.02. Section 382.210(f), Health and Safety Code, is amended to read as follows:

(f) In this section, "total cost" means the total amount of

1 money paid or to be paid for the purchase of a motor vehicle as set  
2 forth as "sales price" in the form entitled "Application for Texas  
3 Certificate of Title" promulgated by the Texas Department of Motor  
4 Vehicles [~~Transportation~~]. In a transaction that does not involve  
5 the use of that form, the term means an amount of money that is  
6 equivalent, or substantially equivalent, to the amount that would  
7 appear as "sales price" on the Application for Texas Certificate of  
8 Title if that form were involved.

9 SECTION 3F.03. Section 461.017(a), Health and Safety Code,  
10 is amended to read as follows:

11 (a) The Drug Demand Reduction Advisory Committee is  
12 composed of the following members:

13 (1) five representatives of the public from different  
14 geographic regions of the state who have knowledge and expertise in  
15 issues relating to reducing drug demand and who are appointed by the  
16 commissioner [~~executive director~~] of the Department of State Health  
17 Services [~~Texas Commission on Alcohol and Drug Abuse~~]; and

18 (2) one representative of each of the following  
19 agencies or offices who is appointed by the executive director or  
20 commissioner of the agency or office and who is directly involved in  
21 the agency's or office's policies, programs, or funding activities  
22 relating to reducing drug demand:

23 (A) the criminal justice division of the  
24 governor's office;

25 (B) the Criminal Justice Policy Council;

26 (C) the Department of Family and Protective [~~and~~  
27 ~~Regulatory~~] Services;

1 (D) the Department of Public Safety of the State  
2 of Texas;

3 (E) the Health and Human Services Commission;

4 (F) the Texas Alcoholic Beverage Commission;

5 (G) the Department of State Health Services  
6 [~~Texas Commission on Alcohol and Drug Abuse~~];

7 (H) the Advisory Committee to the Texas Board of  
8 Criminal Justice [~~Texas Council~~] on Offenders with Medical or  
9 Mental Impairments;

10 (I) the Texas Department of Criminal Justice;

11 (J) the [~~Texas Department of~~] Health and +

12 [~~(K) the Texas Department of~~] Human Services  
13 Commission;

14 (K) [~~(L)~~] the [~~Texas~~] Department of Aging and  
15 Disability Services [~~Mental Health and Mental Retardation~~];

16 (L) [~~(M)~~] the Texas Education Agency;

17 (M) [~~(N)~~] the Texas Juvenile Probation  
18 Commission;

19 (N) [~~(O)~~] the Texas Youth Commission;

20 (O) [~~(P)~~] the Department of Assistive and  
21 Rehabilitative Services [~~Texas Rehabilitation Commission~~];

22 (P) [~~(Q)~~] the Texas Workforce Commission;

23 (Q) [~~(R)~~] the Texas Department of Motor Vehicles  
24 [~~Transportation~~];

25 (R) [~~(S)~~] the comptroller of public accounts;

26 and

27 (S) [~~(T)~~] the adjutant general's department.

PART G. HUMAN RESOURCES CODE

SECTION 3G.01. Section 22.041, Human Resources Code, is amended to read as follows:

Sec. 22.041. THIRD-PARTY INFORMATION. Notwithstanding any other provision of this code, the department may use information obtained from a third party to verify the assets and resources of a person for purposes of determining the person's eligibility and need for medical assistance, financial assistance, or nutritional assistance. Third-party information includes information obtained from:

(1) a consumer reporting agency, as defined by Section 20.01, Business & Commerce Code;

(2) an appraisal district; or

(3) the Texas Department of Motor Vehicles [~~Transportation's~~] vehicle registration record database.

SECTION 3G.02. Section 32.026(g), Human Resources Code, is amended to read as follows:

(g) Notwithstanding any other provision of this code, the department may use information obtained from a third party to verify the assets and resources of a person for purposes of determining the person's eligibility and need for medical assistance. Third-party information includes information obtained from:

(1) a consumer reporting agency, as defined by Section 20.01, Business & Commerce Code;

(2) an appraisal district; or

(3) the Texas Department of Motor Vehicles

1 [~~Transportation's~~] vehicle registration record database.

2 PART H. LOCAL GOVERNMENT CODE

3 SECTION 3H.01. Section 130.006, Local Government Code, is  
4 amended to read as follows:

5 Sec. 130.006. PROCEDURES FOR COLLECTION OF DISHONORED  
6 CHECKS AND INVOICES. A county tax assessor-collector may establish  
7 procedures for the collection of dishonored checks and credit card  
8 invoices. The procedures may include:

9 (1) official notification to the maker that the check  
10 or invoice has not been honored and that the receipt, registration,  
11 certificate, or other instrument issued on the receipt of the check  
12 or invoice is not valid until payment of the fee or tax is made;

13 (2) notification of the sheriff or other law  
14 enforcement officers that a check or credit card invoice has not  
15 been honored and that the receipt, registration, certificate, or  
16 other instrument held by the maker is not valid; and

17 (3) notification to the Texas Department of Motor  
18 Vehicles [~~Transportation~~], the comptroller of public accounts, or  
19 the Department of Public Safety that the receipt, registration,  
20 certificate, or other instrument held by the maker is not valid.

21 SECTION 3H.02. Section 130.007, Local Government Code, is  
22 amended to read as follows:

23 Sec. 130.007. REMISSION TO STATE NOT REQUIRED; STATE  
24 ASSISTANCE IN COLLECTION. (a) If a fee or tax is required to be  
25 remitted to the comptroller or the Texas Department of Motor  
26 Vehicles [~~Transportation~~] and if payment was made to the county tax  
27 assessor-collector by a check that was not honored by the drawee

1 bank or by a credit card invoice that was not honored by the credit  
2 card issuer, the amount of the fee or tax is not required to be  
3 remitted, but the assessor-collector shall notify the appropriate  
4 department of:

- 5 (1) the amount of the fee or tax;
- 6 (2) the type of fee or tax involved; and
- 7 (3) the name and address of the maker.

8 (b) The Texas Department of Motor Vehicles [~~Transportation~~]  
9 and the comptroller shall assist the county tax assessor-collector  
10 in collecting the fee or tax and may cancel or revoke any receipt,  
11 registration, certificate, or other instrument issued in the name  
12 of the state conditioned on the payment of the fee or tax.

13 SECTION 3H.03. Section 130.008, Local Government Code, is  
14 amended to read as follows:

15 Sec. 130.008. LIABILITY OF TAX COLLECTOR FOR VIOLATIONS OF  
16 SUBCHAPTER. If the comptroller or the Texas Department of Motor  
17 Vehicles [~~Transportation~~] determines that the county tax  
18 assessor-collector has accepted payment for fees and taxes to be  
19 remitted to that department in violation of Section 130.004 or that  
20 more than two percent of the fees and taxes to be received from the  
21 assessor-collector are not remitted because of the acceptance of  
22 checks that are not honored by the drawee bank or of credit card  
23 invoices that are not honored by the credit card issuer, the  
24 department may notify the assessor-collector that the  
25 assessor-collector may not accept a check or credit card invoice  
26 for the payment of any fee or tax to be remitted to that department.  
27 A county tax assessor-collector who accepts a check or credit card

1 invoice for the payment of a fee or tax, after notice that the  
2 assessor-collector may not receive a check or credit card invoice  
3 for the payment of fees or taxes to be remitted to a department, is  
4 liable to the state for the amount of the check or credit card  
5 invoice accepted.

6 SECTION 3H.04. Section 130.009, Local Government Code, is  
7 amended to read as follows:

8 Sec. 130.009. STATE RULES. The comptroller and the Texas  
9 Department of Motor Vehicles [~~Transportation~~] may make rules  
10 concerning the acceptance of checks or credit card invoices by a  
11 county tax assessor-collector and for the collection of dishonored  
12 checks or credit card invoices.

13 PART I. OCCUPATIONS CODE

14 SECTION 3I.01. Section 554.009(c), Occupations Code, is  
15 amended to read as follows:

16 (c) The board may register a vehicle with the Texas  
17 Department of Motor Vehicles [~~Transportation~~] in an alias name only  
18 for investigative personnel.

19 SECTION 3I.02. Section 2301.002(9), Occupations Code, is  
20 amended to read as follows:

21 (9) "Department" means the Texas Department of Motor  
22 Vehicles [~~Transportation~~].

23 SECTION 3I.03. Sections 2301.005(a) and (b), Occupations  
24 Code, are amended to read as follows:

25 (a) A reference in law, including a rule, to the Texas Motor  
26 Vehicle Commission or to the board means [~~the director, except that~~  
27 ~~a reference to~~] the board of the Texas Department of Motor Vehicles

1 ~~[means the commission if it is related to the adoption of rules].~~

2 (b) A reference in law, including a rule, to the executive  
3 director of the Texas Motor Vehicle Commission means the executive  
4 director of the Texas Department of Motor Vehicles.

5 SECTION 3I.04. Sections 2302.001(2), (3), and (6),  
6 Occupations Code, are amended to read as follows:

7 (2) "Board" [~~"Commission"~~] means the board of the  
8 Texas Department of Motor Vehicles [~~Transportation Commission~~].

9 (3) "Department" means the Texas Department of Motor  
10 Vehicles [~~Transportation~~].

11 (6) "Salvage vehicle agent" means a person who  
12 acquires, sells, or otherwise deals in nonrepairable or salvage  
13 motor vehicles or used parts in this state as directed by the  
14 salvage vehicle dealer under whose license the person operates.  
15 The term does not include a person who:

16 (A) is a licensed salvage vehicle dealer or a  
17 licensed used automotive parts recycler;

18 (B) is a partner, owner, or officer of a business  
19 entity that holds a salvage vehicle dealer license or a used  
20 automotive parts recycler license;

21 (C) is an employee of a licensed salvage vehicle  
22 dealer or a licensed used automotive parts recycler; or

23 (D) only transports salvage motor vehicles for a  
24 licensed salvage vehicle dealer or a licensed used automotive parts  
25 recycler.

26 SECTION 3I.05. Section 2302.0015(b), Occupations Code, is  
27 amended to read as follows:



1 (b) For the purpose of enforcing or administering this  
2 chapter or Chapter 501 or 502, Transportation Code, a member of the  
3 board [~~commission~~], an employee or agent of the board [~~commission~~]  
4 or department, a member of the Public Safety Commission, an officer  
5 of the Department of Public Safety, or a peace officer may at a  
6 reasonable time:

7 (1) enter the premises of a business regulated under  
8 one of those chapters; and

9 (2) inspect or copy any document, record, vehicle,  
10 part, or other item regulated under one of those chapters.

11 SECTION 3I.06. Subchapter A, Chapter 2302, Occupations  
12 Code, is amended by adding Section 2302.008 to read as follows:

13 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE  
14 PARTS RECYCLERS. This chapter does not apply to a used automotive  
15 parts recycler licensed under Chapter 2309.

16 SECTION 3I.07. Subchapter B, Chapter 2302, Occupations  
17 Code, is amended to read as follows:

18 SUBCHAPTER B. BOARD [~~COMMISSION~~] POWERS AND DUTIES

19 Sec. 2302.051. RULES AND ENFORCEMENT POWERS. The board  
20 [~~commission~~] shall adopt rules as necessary to administer this  
21 chapter and may take other action as necessary to enforce this  
22 chapter.

23 Sec. 2302.052. DUTY TO SET FEES. The board [~~commission~~]  
24 shall set application fees, license fees, renewal fees, and other  
25 fees as required to implement this chapter. The board [~~commission~~]  
26 shall set the fees in amounts reasonable and necessary to implement  
27 and enforce this chapter.

1           Sec. 2302.053. RULES       RESTRICTING       ADVERTISING       OR  
2 COMPETITIVE BIDDING. (a) The board [~~commission~~] may not adopt a  
3 rule under Section 2302.051 restricting advertising or competitive  
4 bidding by a person who holds a license issued under this chapter  
5 except to prohibit false, misleading, or deceptive practices by the  
6 person.

7           (b) The board [~~commission~~] may not include in its rules to  
8 prohibit false, misleading, or deceptive practices a rule that:

9                   (1) restricts the use of any advertising medium;

10                   (2) restricts the person's personal appearance or use  
11 of the person's voice in an advertisement;

12                   (3) relates to the size or duration of an  
13 advertisement by the person; or

14                   (4) restricts the use of a trade name in advertising by  
15 the person.

16           SECTION 3I.08. Section 2302.103(b), Occupations Code, is  
17 amended to read as follows:

18           (b) An applicant may apply for a salvage vehicle dealer  
19 license with an endorsement in one or more of the following  
20 classifications:

21                   (1) new automobile dealer;

22                   (2) used automobile dealer;

23                   (3) [~~used vehicle parts dealer,~~

24                   [~~4~~] salvage pool operator;

25                   (4) [~~5~~] salvage vehicle broker; or

26                   (5) [~~6~~] salvage vehicle rebuilder.

27           SECTION 3I.09. Section 2302.108(b), Occupations Code, is

1 amended to read as follows:

2 (b) The board [~~commission~~] by rule shall establish the  
3 grounds for denial, suspension, revocation, or reinstatement of a  
4 license issued under this chapter and the procedures for  
5 disciplinary action. A rule adopted under this subsection may not  
6 conflict with a rule adopted by the State Office of Administrative  
7 Hearings.

8 SECTION 3I.10. Section 2302.204, Occupations Code, is  
9 amended to read as follows:

10 Sec. 2302.204. CASUAL SALES. This chapter does not apply to  
11 a person who purchases fewer than three nonrepairable motor  
12 vehicles or salvage motor vehicles from a salvage vehicle dealer,  
13 an insurance company or salvage pool operator in a casual sale at  
14 auction, except that:

15 (1) the board [~~commission~~] shall adopt rules as  
16 necessary to regulate casual sales by salvage vehicle dealers,  
17 insurance companies, or salvage pool operators and to enforce this  
18 section; and

19 (2) a salvage vehicle dealer, insurance company, or  
20 salvage pool operator who sells a motor vehicle in a casual sale  
21 shall comply with those rules and Subchapter E, Chapter 501,  
22 Transportation Code.

23 SECTION 3I.11. (a) Subtitle A, Title 14, Occupations Code,  
24 is amended by adding Chapter 2309 to read as follows:

25 CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 2309.001. SHORT TITLE. This chapter may be cited as

1 the Texas Used Automotive Parts Recycling Act.

2 Sec. 2309.002. DEFINITIONS. In this chapter:

3 (1) "Insurance company," "metal recycler," "motor  
4 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle  
5 title," "salvage motor vehicle," "salvage vehicle title," and  
6 "salvage vehicle dealer" have the meanings assigned by Section  
7 501.091, Transportation Code.

8 (2) "Commission" means the Texas Commission of  
9 Licensing and Regulation.

10 (3) "Department" means the Texas Department of  
11 Licensing and Regulation.

12 (4) "Executive director" means the executive director  
13 of the department.

14 (5) "Used automotive part" has the meaning assigned to  
15 "used part" by Section 501.091, Transportation Code.

16 (6) "Used automotive parts recycler" means a person  
17 licensed under this chapter to operate a used automotive parts  
18 recycling business.

19 (7) "Used automotive parts recycling" means the  
20 dismantling and reuse or resale of used automotive parts and the  
21 safe disposal of salvage motor vehicles or nonrepairable motor  
22 vehicles, including the resale of those vehicles.

23 Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.

24 (a) Except as provided by Subsection (b), this chapter does not  
25 apply to a transaction to which a metal recycler is a party.

26 (b) This chapter applies to a transaction in which a motor  
27 vehicle:

1           (1) is sold, transferred, released, or delivered to a  
2 metal recycler as a source of used automotive parts; and

3           (2) is used as a source of used automotive parts.

4           Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE  
5 DEALERS. (a) Except as provided by Subsection (b), this chapter  
6 does not apply to a transaction in which a salvage vehicle dealer is  
7 a party.

8           (b) This chapter applies to a transaction in which a motor  
9 vehicle:

10           (1) is sold, transferred, released, or delivered to a  
11 salvage vehicle dealer as a source of used automotive parts; and

12           (2) is used as a source of used automotive parts.

13           Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE  
14 COMPANIES. This chapter does not apply to an insurance company.

15           [Sections 2309.006-2309.050 reserved for expansion]

16                           SUBCHAPTER B. ADVISORY BOARD

17           Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY  
18 BOARD. (a) The advisory board consists of six members representing  
19 the used automotive parts industry in this state appointed by the  
20 presiding officer of the commission with the approval of the  
21 commission.

22           (b) The advisory board shall include members who represent  
23 used automotive parts businesses owned by domestic entities, as  
24 defined by Section 1.002, Business Organizations Code.

25           (c) The advisory board shall include one member who  
26 represents a used automotive parts business owned by a foreign  
27 entity, as defined by Section 1.002, Business Organizations Code.

1        (d) Appointments to the advisory board shall be made without  
2 regard to the race, color, disability, sex, religion, age, or  
3 national origin of the appointee.

4        Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board  
5 members serve terms of six years, with the terms of two members  
6 expiring on February 1 of each odd-numbered year.

7        (b) A member may not serve more than two full consecutive  
8 terms.

9        (c) If a vacancy occurs during a term, the presiding officer  
10 of the commission shall appoint a replacement who meets the  
11 qualifications of the vacated position to serve for the remainder  
12 of the term.

13        Sec. 2309.053. PRESIDING OFFICER. The presiding officer of  
14 the commission shall appoint one of the advisory board members to  
15 serve as presiding officer of the advisory board for a term of one  
16 year. The presiding officer of the advisory board may vote on any  
17 matter before the advisory board.

18        Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The  
19 advisory board shall provide advice and recommendations to the  
20 department on technical matters relevant to the administration and  
21 enforcement of this chapter, including licensing standards,  
22 continuing education requirements, and examination content, if  
23 applicable.

24        Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.  
25 Advisory board members may not receive compensation but are  
26 entitled to reimbursement for actual and necessary expenses  
27 incurred in performing the functions of the advisory board, subject

1 to the General Appropriations Act.

2 Sec. 2309.056. MEETINGS. The advisory board shall meet  
3 twice annually and may meet at other times at the call of the  
4 presiding officer of the commission or the executive director.

5 [Sections 2309.057-2309.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

7 Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive  
8 director or commission, as appropriate, may take action as  
9 necessary to administer and enforce this chapter.

10 Sec. 2309.102. RULES. (a) The commission shall adopt  
11 rules for licensing used automotive parts recyclers.

12 (b) The commission by rule shall adopt standards of conduct  
13 for license holders under this chapter.

14 Sec. 2309.103. EXAMINATION OF CRIMINAL CONVICTION. The  
15 department may conduct an examination of any criminal conviction of  
16 an applicant, including by obtaining any criminal history record  
17 information permitted by law.

18 Sec. 2309.104. FEES. The commission shall establish and  
19 collect reasonable and necessary fees in amounts sufficient to  
20 cover the costs of administering this chapter.

21 Sec. 2309.105. RULES RESTRICTING ADVERTISING OR  
22 COMPETITIVE BIDDING. (a) The commission may not adopt a rule  
23 restricting advertising or competitive bidding by a person who  
24 holds a license issued under this chapter except to prohibit false,  
25 misleading, or deceptive practices by the person.

26 (b) The commission may not include in its rules to prohibit  
27 false, misleading, or deceptive practices a rule that:

1           (1) restricts the use of any advertising medium;

2           (2) restricts the person's personal appearance or use  
3 of the person's voice in an advertisement;

4           (3) relates to the size or duration of an  
5 advertisement by the person; or

6           (4) restricts the use of a trade name in advertising by  
7 the person.

8           Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS. (a)

9 The department may enter and inspect at any time during business  
10 hours:

11           (1) the place of business of any person regulated  
12 under this chapter; or

13           (2) any place in which the department has reasonable  
14 cause to believe that a license holder is in violation of this  
15 chapter or in violation of a rule or order of the commission or  
16 executive director.

17           (b) The department shall conduct additional inspections  
18 based on a schedule of risk-based inspections using the following  
19 criteria:

20           (1) the type and nature of the used automotive parts  
21 recycler;

22           (2) the inspection history;

23           (3) any history of complaints involving a used  
24 automotive parts recycler; and

25           (4) any other factor determined by the commission by  
26 rule.

27           (c) A used automotive parts recycler shall pay a fee for



1 each risk-based inspection performed under this section. The  
2 commission by rule shall set the amount of the fee.

3 (d) In conducting an inspection under this section, the  
4 department may inspect a facility, a used automotive part, a  
5 business record, or any other place or thing reasonably required to  
6 enforce this chapter or a rule or order adopted under this chapter.

7 Sec. 2309.107. PERSONNEL. The department may employ  
8 personnel necessary to administer and enforce this chapter.

9 [Sections 2309.108-2309.150 reserved for expansion]

10 SUBCHAPTER D. LICENSE REQUIREMENTS

11 Sec. 2309.151. LICENSE REQUIRED. Unless the person holds  
12 an appropriate license issued under this chapter, a person may not  
13 own or operate a used automotive parts recycling business or sell  
14 used automotive parts.

15 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.  
16 An applicant for a license under this chapter must submit to the  
17 department:

18 (1) a completed application on a form prescribed by  
19 the executive director;

20 (2) the required fees; and

21 (3) any other information required by commission rule.

22 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a  
23 license under this chapter must:

24 (1) establish proof of financial responsibility in the  
25 manner prescribed by the executive director;

26 (2) provide proof of ownership or lease of the  
27 property where the applicant will operate a used automotive parts

1 recycling facility; and

2 (3) provide a storm water permit if the applicant is  
3 required by the Texas Commission on Environmental Quality to obtain  
4 a permit.

5 Sec. 2309.154. NONTRANSFERABILITY OF LICENSE. A license  
6 issued by the executive director is valid throughout this state and  
7 is not transferable.

8 Sec. 2309.155. CONTINUING EDUCATION. (a) The commission by  
9 rule shall recognize or prepare and administer continuing education  
10 programs for license holders. Each license holder must complete a  
11 continuing education program before the license holder may renew  
12 the license holder's license.

13 (b) A person recognized by the commission to offer a  
14 continuing education program must:

15 (1) register with the department; and

16 (2) comply with rules adopted by the commission  
17 relating to continuing education.

18 Sec. 2309.156. LICENSE RENEWAL. (a) A license issued under  
19 this chapter is valid for one year. The department may adopt a  
20 system under which licenses expire at different times during the  
21 year.

22 (b) The department shall notify the license holder at least  
23 30 days before the date a license expires. The notice must be in  
24 writing and sent to the license holder's last known address  
25 according to the records of the department.

26 (c) A license holder may renew a license issued under this  
27 chapter by:

1           (1) paying a renewal fee;

2           (2) providing to the department evidence of financial  
3 responsibility;

4           (3) providing proof of ownership or lease of the  
5 property where the license holder operates a used automotive parts  
6 recycling facility;

7           (4) providing a storm water permit if the license  
8 holder is required by the Texas Commission on Environmental Quality  
9 to obtain a permit; and

10           (5) completing continuing education as required by  
11 Section 2309.155.

12           [Sections 2309.157-2309.200 reserved for expansion]

13                           SUBCHAPTER E. LOCAL REGULATION

14           Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL  
15 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this  
16 chapter apply in addition to the requirements of any applicable  
17 municipal ordinance relating to the regulation of a person who  
18 deals in nonrepairable or salvage motor vehicles or used automotive  
19 parts.

20           (b) This chapter does not prohibit the enforcement of an  
21 applicable municipal license or permit requirement that is related  
22 to an activity regulated under this chapter.

23           [Sections 2309.202-2309.250 reserved for expansion]

24                           SUBCHAPTER F. ENFORCEMENT

25           Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The commission  
26 may impose an administrative penalty on a person under Subchapter  
27 F, Chapter 51, regardless of whether the person holds a license

1 under this chapter, if the person violates:

2 (1) this chapter or a rule adopted under this chapter;

3 or

4 (2) a rule or order of the executive director or  
5 commission.

6 (b) An administrative penalty may not be imposed unless the  
7 person charged with a violation is provided the opportunity for a  
8 hearing.

9 Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL  
10 PENALTY. (a) The executive director may issue a cease and desist  
11 order as necessary to enforce this chapter if the executive  
12 director determines that the action is necessary to prevent a  
13 violation of this chapter and to protect public health and safety.

14 (b) The attorney general or executive director may  
15 institute an action for an injunction or a civil penalty under this  
16 chapter as provided by Section 51.352.

17 Sec. 2309.253. SANCTIONS. The department may impose  
18 sanctions as provided by Section 51.353.

19 Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person  
20 commits an offense if the person:

21 (1) violates the licensing requirements of this  
22 chapter;

23 (2) deals in used parts without a license; or

24 (3) employs an individual who does not hold the  
25 appropriate license required by this chapter.

26 (b) An offense under this section is a Class C misdemeanor.

27 [Sections 2309.255-2309.300 reserved for expansion]

1                   SUBCHAPTER G. CONDUCTING BUSINESS

2           Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR  
3 VEHICLE. (a) A used automotive parts recycler who acquires  
4 ownership of a salvage motor vehicle shall obtain a properly  
5 assigned title from the previous owner of the vehicle.

6           (b) A used automotive parts recycler who acquires ownership  
7 of a motor vehicle, nonrepairable motor vehicle, or salvage motor  
8 vehicle for the purpose of dismantling, scrapping, or destroying  
9 the motor vehicle shall, before the 61st day after the date of  
10 acquiring the motor vehicle, submit to the Texas Department of  
11 Transportation a report stating that the motor vehicle will be  
12 dismantled, scrapped, or destroyed. The recycler shall:

13           (1) submit the report on a form prescribed by the Texas  
14 Department of Transportation; and

15           (2) submit with the report a properly assigned  
16 manufacturer's certificate of origin, regular certificate of  
17 title, nonrepairable vehicle title, salvage vehicle title, or  
18 comparable out-of-state ownership document for the motor vehicle.

19           (c) After receiving the report and title or document, the  
20 Texas Department of Transportation shall issue the used automotive  
21 parts recycler a receipt for the manufacturer's certificate of  
22 origin, regular certificate of title, nonrepairable vehicle title,  
23 salvage vehicle title, or comparable out-of-state ownership  
24 document.

25           (d) The recycler shall comply with Subchapter E, Chapter  
26 501, Transportation Code.

27           Sec. 2309.302. RECORDS OF PURCHASES. A used automotive

1 parts recycler shall maintain a record of each motor vehicle,  
2 salvage motor vehicle, nonrepairable motor vehicle, and used  
3 automotive part purchased.

4 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.  
5 Before moving a place of business or opening an additional place of  
6 business, a used automotive parts recycler must notify the  
7 department of the new location. The used automotive parts recycler  
8 shall provide a storm water permit for the location if a permit is  
9 required by the Texas Commission on Environmental Quality.

10 [Sections 2309.304-2309.350 reserved for expansion]

11 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER  
12 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

13 Sec. 2309.351. DEFINITIONS. In this subchapter:

14 (1) "Component part" means a major component part as  
15 defined by Section 501.091, Transportation Code, or a minor  
16 component part.

17 (2) "Interior component part" means a motor vehicle's  
18 seat or radio.

19 (3) "Minor component part" means an interior component  
20 part, a special accessory part, or a motor vehicle part that  
21 displays or should display at least one of the following:

22 (A) a federal safety certificate;

23 (B) a motor number;

24 (C) a serial number or a derivative; or

25 (D) a manufacturer's permanent vehicle  
26 identification number or a derivative.

27 (4) "Special accessory part" means a motor vehicle's

1 tire, wheel, tailgate, or removable glass top.

2 Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on  
3 receipt of a motor vehicle, a used automotive parts recycler shall:

4 (1) remove any unexpired license plates from the  
5 vehicle; and

6 (2) place the license plates in a secure place until  
7 destroyed by the used automotive parts recycler.

8 Sec. 2309.353. RECEIPT OF MOTOR VEHICLE. A used automotive  
9 parts recycler may not take delivery of a motor vehicle unless the  
10 recycler first obtains:

11 (1) a certificate of authority to dispose of the  
12 vehicle, a sales receipt, or a transfer document for the vehicle  
13 issued under Chapter 683, Transportation Code; or

14 (2) a certificate of title showing that there are no  
15 liens on the vehicle or that all recorded liens have been released.

16 Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS. (a)  
17 A used automotive parts recycler shall keep an accurate and legible  
18 inventory of each used component part purchased by or delivered to  
19 the recycler. The inventory must contain a record of each part  
20 that includes:

21 (1) the date of purchase or delivery;

22 (2) the driver's license number of the seller and a  
23 legible photocopy of the seller's driver's license;

24 (3) the license plate number of the motor vehicle in  
25 which the part was delivered;

26 (4) a complete description of the part and, if  
27 applicable, the make, model, color, and size of the part; and

1           (5) the vehicle identification number of the motor  
2 vehicle from which the part was removed.

3           (b) As an alternative to the information required by  
4 Subsection (a), a used automotive parts recycler may record:

5                 (1) the name of the person who sold the part or the  
6 motor vehicle from which the part was obtained; and

7                 (2) the Texas certificate of inventory number or the  
8 federal taxpayer identification number of the person.

9           (c) The department shall prescribe the form of the record  
10 required by Subsection (a) and shall make the form available to used  
11 automotive parts recyclers.

12           (d) This section does not apply to:

13                 (1) an interior component part or special accessory  
14 part from a motor vehicle more than 10 years old; or

15                 (2) a part delivered to a used automotive parts  
16 recycler by a commercial freight line, commercial carrier, or  
17 licensed used automotive parts recycler.

18           Sec. 2309.355. ASSIGNMENT OF INVENTORY NUMBER. (a) A used  
19 automotive parts recycler shall:

20                 (1) assign a unique inventory number to each  
21 transaction in which the recycler purchases or takes delivery of a  
22 component part;

23                 (2) attach that inventory number to each component  
24 part the recycler obtains in the transaction; and

25                 (3) retain each component part in its original  
26 condition on the business premises of the recycler for at least  
27 three calendar days, excluding Sundays, after the date the



1 recycler obtains the part.

2 (b) An inventory number attached to a component part under  
3 Subsection (a) may not be removed while the part remains in the  
4 inventory of the used automotive parts recycler.

5 (c) This section does not apply to the purchase by a used  
6 automotive parts recycler of a nonoperational engine,  
7 transmission, or rear axle assembly from another used automotive  
8 parts recycler or an automotive-related business.

9 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive  
10 parts recycler shall keep a record required under this subchapter  
11 on a form prescribed by the department or the Texas Department of  
12 Transportation. The recycler shall maintain copies of each record  
13 required under this subchapter until the first anniversary of the  
14 purchase date of the item for which the record is maintained.

15 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE  
16 PLATES. (a) On demand, a used automotive parts recycler shall  
17 surrender to the Texas Department of Transportation for  
18 cancellation a certificate of title or authority, sales receipt or  
19 transfer document, license plate, or inventory list that the  
20 recycler is required to possess or maintain.

21 (b) The Texas Department of Transportation shall provide a  
22 signed receipt for a surrendered certificate of title.

23 Sec. 2309.358. RESALE OF SALVAGE MOTOR VEHICLES OR  
24 NONREPAIRABLE MOTOR VEHICLES. (a) A used automotive parts  
25 recycler may sell salvage or nonrepairable vehicles only at the  
26 recycler's business location.

27 (b) Before reselling a salvage motor vehicle or

1 nonrepairable motor vehicle, a used automotive parts recycler must  
2 post notice on the vehicle of the type of title appropriate to the  
3 vehicle.

4 Sec. 2309.359. INSPECTION OF RECORDS. (a) A peace officer  
5 at any reasonable time may inspect a record required to be  
6 maintained under this subchapter, including an inventory record.

7 (b) On demand by a peace officer, a used automotive parts  
8 recycler shall provide to the officer a copy of a record required to  
9 be maintained under this subchapter.

10 (c) A peace officer may inspect the inventory on the  
11 premises of a used automotive parts recycler at any reasonable time  
12 to verify, check, or audit the records required to be maintained  
13 under this subchapter.

14 (d) A used automotive parts recycler or an employee of the  
15 recycler shall allow and may not interfere with a peace officer's  
16 inspection of the recycler's inventory, premises, or required  
17 inventory records.

18 [Sections 2309.360-2309.400 reserved for expansion]

19 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

20 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This  
21 subchapter applies only to a used automotive parts facility located  
22 in a county with a population of 2.8 million or more.

23 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY. (a)  
24 A used automotive parts recycler may not operate heavy machinery in  
25 a used automotive parts recycling facility between the hours of 7  
26 p.m. of one day and 7 a.m. of the following day.

27 (b) This section does not apply to conduct necessary to a

1 sale or purchase by the recycler.

2 (b) Section 2302.253, Occupations Code, is repealed.

3 (c) Not later than January 1, 2010, the Texas Commission of  
4 Licensing and Regulation shall adopt rules under Section 2309.102,  
5 Occupations Code, as added by Subsection (a) of this section.

6 (d) Section 2309.151, Occupations Code, as added by  
7 Subsection (a) of this section, and Subchapter F, Chapter 2309,  
8 Occupations Code, as added by Subsection (a) of this section, take  
9 effect September 1, 2010.

10 SECTION 3I.12. Section 2301.002(33), Occupations Code, is  
11 repealed.

12 PART J. PENAL CODE

13 SECTION 3J.01. Section 31.03(c), Penal Code, is amended to  
14 read as follows:

15 (c) For purposes of Subsection (b):

16 (1) evidence that the actor has previously  
17 participated in recent transactions other than, but similar to,  
18 that which the prosecution is based is admissible for the purpose of  
19 showing knowledge or intent and the issues of knowledge or intent  
20 are raised by the actor's plea of not guilty;

21 (2) the testimony of an accomplice shall be  
22 corroborated by proof that tends to connect the actor to the crime,  
23 but the actor's knowledge or intent may be established by the  
24 uncorroborated testimony of the accomplice;

25 (3) an actor engaged in the business of buying and  
26 selling used or secondhand personal property, or lending money on  
27 the security of personal property deposited with the actor, is

1 presumed to know upon receipt by the actor of stolen property (other  
2 than a motor vehicle subject to Chapter 501, Transportation Code)  
3 that the property has been previously stolen from another if the  
4 actor pays for or loans against the property \$25 or more (or  
5 consideration of equivalent value) and the actor knowingly or  
6 recklessly:

7 (A) fails to record the name, address, and  
8 physical description or identification number of the seller or  
9 pledgor;

10 (B) fails to record a complete description of the  
11 property, including the serial number, if reasonably available, or  
12 other identifying characteristics; or

13 (C) fails to obtain a signed warranty from the  
14 seller or pledgor that the seller or pledgor has the right to  
15 possess the property. It is the express intent of this provision  
16 that the presumption arises unless the actor complies with each of  
17 the numbered requirements;

18 (4) for the purposes of Subdivision (3)(A),  
19 "identification number" means driver's license number, military  
20 identification number, identification certificate, or other  
21 official number capable of identifying an individual;

22 (5) stolen property does not lose its character as  
23 stolen when recovered by any law enforcement agency;

24 (6) an actor engaged in the business of obtaining  
25 abandoned or wrecked motor vehicles or parts of an abandoned or  
26 wrecked motor vehicle for resale, disposal, scrap, repair,  
27 rebuilding, demolition, or other form of salvage is presumed to

1 know on receipt by the actor of stolen property that the property  
2 has been previously stolen from another if the actor knowingly or  
3 recklessly:

4 (A) fails to maintain an accurate and legible  
5 inventory of each motor vehicle component part purchased by or  
6 delivered to the actor, including the date of purchase or delivery,  
7 the name, age, address, sex, and driver's license number of the  
8 seller or person making the delivery, the license plate number of  
9 the motor vehicle in which the part was delivered, a complete  
10 description of the part, and the vehicle identification number of  
11 the motor vehicle from which the part was removed, or in lieu of  
12 maintaining an inventory, fails to record the name and certificate  
13 of inventory number of the person who dismantled the motor vehicle  
14 from which the part was obtained;

15 (B) fails on receipt of a motor vehicle to obtain  
16 a certificate of authority, sales receipt, or transfer document as  
17 required by Chapter 683, Transportation Code, or a certificate of  
18 title showing that the motor vehicle is not subject to a lien or  
19 that all recorded liens on the motor vehicle have been released; or

20 (C) fails on receipt of a motor vehicle to  
21 immediately remove an unexpired license plate from the motor  
22 vehicle, to keep the plate in a secure and locked place, or to  
23 maintain an inventory, on forms provided by the Texas Department of  
24 Motor Vehicles [~~Transportation~~], of license plates kept under this  
25 paragraph, including for each plate or set of plates the license  
26 plate number and the make, motor number, and vehicle identification  
27 number of the motor vehicle from which the plate was removed;

1           (7) an actor who purchases or receives a used or  
2 secondhand motor vehicle is presumed to know on receipt by the actor  
3 of the motor vehicle that the motor vehicle has been previously  
4 stolen from another if the actor knowingly or recklessly:

5           (A) fails to report to the Texas Department of  
6 Motor Vehicles [~~Transportation~~] the failure of the person who sold  
7 or delivered the motor vehicle to the actor to deliver to the actor  
8 a properly executed certificate of title to the motor vehicle at the  
9 time the motor vehicle was delivered; or

10           (B) fails to file with the county tax  
11 assessor-collector of the county in which the actor received the  
12 motor vehicle, not later than the 20th day after the date the actor  
13 received the motor vehicle, the registration license receipt and  
14 certificate of title or evidence of title delivered to the actor in  
15 accordance with Subchapter D, Chapter 520, Transportation Code, at  
16 the time the motor vehicle was delivered;

17           (8) an actor who purchases or receives from any source  
18 other than a licensed retailer or distributor of pesticides a  
19 restricted-use pesticide or a state-limited-use pesticide or a  
20 compound, mixture, or preparation containing a restricted-use or  
21 state-limited-use pesticide is presumed to know on receipt by the  
22 actor of the pesticide or compound, mixture, or preparation that  
23 the pesticide or compound, mixture, or preparation has been  
24 previously stolen from another if the actor:

25           (A) fails to record the name, address, and  
26 physical description of the seller or pledgor;

27           (B) fails to record a complete description of the

1 amount and type of pesticide or compound, mixture, or preparation  
2 purchased or received; and

3 (C) fails to obtain a signed warranty from the  
4 seller or pledgor that the seller or pledgor has the right to  
5 possess the property; and

6 (9) an actor who is subject to Section 409, Packers and  
7 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from  
8 a commission merchant by representing that the actor will make  
9 prompt payment is presumed to have induced the commission  
10 merchant's consent by deception if the actor fails to make full  
11 payment in accordance with Section 409, Packers and Stockyards Act  
12 (7 U.S.C. Section 228b).

13 SECTION 3J.02. Section 31.11(b), Penal Code, is amended to  
14 read as follows:

15 (b) It is an affirmative defense to prosecution under this  
16 section that the person was:

17 (1) the owner or acting with the effective consent of  
18 the owner of the property involved;

19 (2) a peace officer acting in the actual discharge of  
20 official duties; or

21 (3) acting with respect to a number assigned to a  
22 vehicle by the Texas Department of Transportation or the Texas  
23 Department of Motor Vehicles, as applicable, and the person was:

24 (A) in the actual discharge of official duties as  
25 an employee or agent of the department; or

26 (B) in full compliance with the rules of the  
27 department as an applicant for an assigned number approved by the

1 department.

2 PART K. TAX CODE

3 SECTION 3K.01. Section 21.02(d), Tax Code, is amended to  
4 read as follows:

5 (d) A motor vehicle does not have taxable situs in a taxing  
6 unit under Subsection (a)(1) if, on January 1, the vehicle:

7 (1) has been located for less than 60 days at a place  
8 of business of a person who holds a wholesale motor vehicle auction  
9 general distinguishing number issued by the Texas Department of  
10 Motor Vehicles [~~Transportation~~] under Chapter 503, Transportation  
11 Code, for that place of business; and

12 (2) is offered for resale.

13 SECTION 3K.02. Section 22.04(d), Tax Code, is amended to  
14 read as follows:

15 (d) This section does not apply to a motor vehicle that on  
16 January 1 is located at a place of business of a person who holds a  
17 wholesale motor vehicle auction general distinguishing number  
18 issued by the Texas Department of Motor Vehicles [~~Transportation~~]  
19 under Chapter 503, Transportation Code, for that place of business,  
20 and that:

21 (1) has not acquired taxable situs under Section  
22 21.02(a)(1) in a taxing unit that participates in the appraisal  
23 district because the vehicle is described by Section 21.02(d);

24 (2) is offered for sale by a dealer who holds a  
25 dealer's general distinguishing number issued by the Texas  
26 Department of Motor Vehicles [~~Transportation~~] under Chapter 503,  
27 Transportation Code, and whose inventory of motor vehicles is



1 subject to taxation in the manner provided by Sections 23.121 and  
2 23.122; or

3 (3) is collateral possessed by a lienholder and  
4 offered for sale in foreclosure of a security interest.

5 SECTION 3K.03. Sections 23.121(a)(3), (11), and (14), Tax  
6 Code, are amended to read as follows:

7 (3) "Dealer" means a person who holds a dealer's  
8 general distinguishing number issued by the Texas Department of  
9 Motor Vehicles [~~Transportation~~] under the authority of Chapter 503,  
10 Transportation Code, or who is legally recognized as a motor  
11 vehicle dealer pursuant to the law of another state and who complies  
12 with the terms of Section 152.063(f). The term does not include:

13 (A) a person who holds a manufacturer's license  
14 issued under Chapter 2301, Occupations Code [~~by the Motor Vehicle~~  
15 ~~Board of the Texas Department of Transportation~~];

16 (B) an entity that is owned or controlled by a  
17 person who holds a manufacturer's license issued under Chapter  
18 2301, Occupations Code [~~by the Motor Vehicle Board of the Texas~~  
19 ~~Department of Transportation~~]; or

20 (C) a dealer whose general distinguishing number  
21 issued by the Texas Department of Motor Vehicles [~~Transportation~~]  
22 under the authority of Chapter 503, Transportation Code, prohibits  
23 the dealer from selling a vehicle to any person except a dealer.

24 (11) "Sales price" means the total amount of money  
25 paid or to be paid for the purchase of a motor vehicle as set forth  
26 as "sales price" in the form entitled "Application for Texas  
27 Certificate of Title" promulgated by the Texas Department of Motor

1 Vehicles [~~Transportation~~]. In a transaction that does not involve  
2 the use of that form, the term means an amount of money that is  
3 equivalent, or substantially equivalent, to the amount that would  
4 appear as "sales price" on the Application for Texas Certificate of  
5 Title if that form were involved.

6 (14) "Towable recreational vehicle" means a  
7 nonmotorized vehicle that is designed for temporary human  
8 habitation for recreational, camping, or seasonal use and:

9 (A) is titled and registered with the Texas  
10 Department of Motor Vehicles [~~Transportation~~] through the office of  
11 the collector;

12 (B) is permanently built on a single chassis;

13 (C) contains one or more life support systems;

14 and

15 (D) is designed to be towable by a motor vehicle.

16 SECTION 3K.04. Sections 23.121(f), (g), and (h), Tax Code,  
17 are amended to read as follows:

18 (f) The comptroller shall promulgate a form entitled  
19 Dealer's Motor Vehicle Inventory Declaration. Except as provided  
20 by Section 23.122(1) [~~of this code~~], not later than February 1 of  
21 each year, or, in the case of a dealer who was not in business on  
22 January 1, not later than 30 days after commencement of business,  
23 each dealer shall file a declaration with the chief appraiser and  
24 file a copy with the collector. For purposes of this subsection, a  
25 dealer is presumed to have commenced business on the date of  
26 issuance to the dealer of a dealer's general distinguishing number  
27 as provided by Chapter 503, Transportation Code. Notwithstanding

1 the presumption created by this subsection, a chief appraiser may,  
2 at his or her sole discretion, designate as the date on which a  
3 dealer commenced business a date other than the date of issuance to  
4 the dealer of a dealer's general distinguishing number. The  
5 declaration is sufficient to comply with this subsection if it sets  
6 forth the following information:

7 (1) the name and business address of each location at  
8 which the dealer owner conducts business;

9 (2) each of the dealer's general distinguishing  
10 numbers issued by the Texas Department of Motor Vehicles  
11 [~~Transportation~~];

12 (3) a statement that the dealer owner is the owner of a  
13 dealer's motor vehicle inventory; and

14 (4) the market value of the dealer's motor vehicle  
15 inventory for the current tax year as computed under Section  
16 23.121(b) [~~of this code~~].

17 (g) Under the terms provided by this subsection, the chief  
18 appraiser may examine the books and records of the holder of a  
19 general distinguishing number issued by the Texas Department of  
20 Motor Vehicles [~~Transportation~~]. A request made under this  
21 subsection must be made in writing, delivered personally to the  
22 custodian of the records, at the location for which the general  
23 distinguishing number has been issued, must provide a period not  
24 less than 15 days for the person to respond to the request, and must  
25 state that the person to whom it is addressed has the right to seek  
26 judicial relief from compliance with the request. In a request made  
27 under this section the chief appraiser may examine:

1           (1) the document issued by the Texas Department of  
2 Motor Vehicles [~~Transportation~~] showing the person's general  
3 distinguishing number;

4           (2) documentation appropriate to allow the chief  
5 appraiser to ascertain the applicability of this section and  
6 Section 23.122 [~~of this code~~] to the person;

7           (3) sales records to substantiate information set  
8 forth in the dealer's declaration filed by the person.

9           (h) If a dealer fails to file a declaration as required by  
10 this section, or if, on the declaration required by this section, a  
11 dealer reports the sale of fewer than five motor vehicles in the  
12 prior year, the chief appraiser shall report that fact to the Texas  
13 Department of Motor Vehicles [~~Transportation~~] and the department  
14 shall initiate termination proceedings. The chief appraiser shall  
15 include with the report a copy of a declaration, if any, indicating  
16 the sale by a dealer of fewer than five motor vehicles in the prior  
17 year. A report by a chief appraiser to the Texas Department of  
18 Motor Vehicles [~~Transportation~~] as provided by this subsection is  
19 prima facie grounds for the cancellation of the dealer's general  
20 distinguishing number under Section 503.038(a)(9), Transportation  
21 Code, or for refusal by the Texas Department of Motor Vehicles  
22 [~~Transportation~~] to renew the dealer's general distinguishing  
23 number.

24           SECTION 3K.05. Section 23.123(c), Tax Code, is amended to  
25 read as follows:

26           (c) Information made confidential by this section may be  
27 disclosed:

1           (1) in a judicial or administrative proceeding  
2 pursuant to a lawful subpoena;

3           (2) to the person who filed the declaration or  
4 statement or to that person's representative authorized by the  
5 person in writing to receive the information;

6           (3) to the comptroller or an employee of the  
7 comptroller authorized by the comptroller to receive the  
8 information;

9           (4) to a collector or chief appraiser;

10           (5) to a district attorney, criminal district attorney  
11 or county attorney involved in the enforcement of a penalty imposed  
12 pursuant to Section 23.121 or Section 23.122 [~~of this code~~];

13           (6) for statistical purposes if in a form that does not  
14 identify specific property or a specific property owner;

15           (7) if and to the extent that the information is  
16 required for inclusion in a public document or record that the  
17 appraisal or collection office is required by law to prepare or  
18 maintain; or

19           (8) to the Texas Department of Motor Vehicles  
20 [~~Transportation~~] for use by that department in auditing compliance  
21 of its licensees with appropriate provisions of applicable law.

22           SECTION 3K.06. Section 23.124(a)(11), Tax Code, is amended  
23 to read as follows:

24           (11) "Sales price" means the total amount of money  
25 paid or to be paid for the purchase of:

26           (A) a vessel, other than a trailer that is  
27 treated as a vessel, as set forth as "sales price" in the form

1 entitled "Application for Texas Certificate of Number/Title for  
2 Boat/Seller, Donor or Trader's Affidavit" promulgated by the Parks  
3 and Wildlife Department;

4 (B) an outboard motor as set forth as "sales  
5 price" in the form entitled "Application for Texas Certificate of  
6 Title for an Outboard Motor/Seller, Donor or Trader's Affidavit"  
7 promulgated by the Parks and Wildlife Department; or

8 (C) a trailer that is treated as a vessel as set  
9 forth as "sales price" in the form entitled "Application for Texas  
10 Certificate of Title" promulgated by the Texas Department of Motor  
11 Vehicles [~~Transportation~~].

12 In a transaction involving a vessel, an outboard motor,  
13 or a trailer that is treated as a vessel that does not involve the  
14 use of one of these forms, the term means an amount of money that is  
15 equivalent, or substantially equivalent, to the amount that would  
16 appear as "sales price" on the Application for Texas Certificate of  
17 Number/Title for Boat/Seller, Donor or Trader's Affidavit, the  
18 Application for Texas Certificate of Title for an Outboard  
19 Motor/Seller, Donor or Trader's Affidavit, or the Application for  
20 Texas Certificate of Title if one of these forms were involved.

21 SECTION 3K.07. Section 113.011, Tax Code, is amended to  
22 read as follows:

23 Sec. 113.011. LIENS FILED WITH TEXAS DEPARTMENT OF MOTOR  
24 VEHICLES [~~TRANSPORTATION~~]. The comptroller shall furnish to the  
25 Texas Department of Motor Vehicles [~~Transportation~~] each release of  
26 a tax lien filed by the comptroller with that department.

27 SECTION 3K.08. Sections 152.0412(a) and (f), Tax Code, are

1 amended to read as follows:

2 (a) In this section, "standard presumptive value" means the  
3 private-party transaction value of a motor vehicle, as determined  
4 by the Texas Department of Motor Vehicles [~~Transportation~~] based on  
5 an appropriate regional guidebook of a nationally recognized motor  
6 vehicle value guide service, or based on another motor vehicle  
7 guide publication that the department determines is appropriate if  
8 a private-party transaction value for the motor vehicle is not  
9 available from a regional guidebook described by this subsection.

10 (f) The Texas Department of Motor Vehicles [~~Transportation~~]  
11 shall maintain information on the standard presumptive values of  
12 motor vehicles as part of the department's registration and title  
13 system. The department shall update the information at least  
14 quarterly each calendar year and publish, electronically or  
15 otherwise, the updated information.

16 SECTION 3K.09. Section 152.042, Tax Code, is amended to  
17 read as follows:

18 Sec. 152.042. COLLECTION OF TAX ON METAL DEALER PLATES. A  
19 person required to pay the tax imposed by Section 152.027 shall pay  
20 the tax to the Texas Department of Motor Vehicles [~~Transportation~~],  
21 and the department may not issue the metal dealer's plates until the  
22 tax is paid.

23 SECTION 3K.10. Section 152.121(b), Tax Code, is amended to  
24 read as follows:

25 (b) Taxes on metal dealer plates collected by the Texas  
26 Department of Motor Vehicles [~~Transportation~~] shall be deposited by  
27 the department in the state treasury in the same manner as are other

1 taxes collected under this chapter.

2 SECTION 3K.11. Section 162.001(52), Tax Code, is amended to  
3 read as follows:

4 (52) "Registered gross weight" means the total weight  
5 of the vehicle and carrying capacity shown on the registration  
6 certificate issued by the Texas Department of Motor Vehicles  
7 [~~Transportation~~].

8 ARTICLE 4. TRANSFERS OF CERTAIN POWERS, DUTIES, OBLIGATIONS, AND  
9 RIGHTS OF ACTION

10 SECTION 4.01. (a) All powers, duties, obligations, and  
11 rights of action of the Motor Vehicle Division and the Vehicle  
12 Titles and Registration Division of the Texas Department of  
13 Transportation are transferred to the Texas Department of Motor  
14 Vehicles, and all powers, duties, obligations, and rights of action  
15 of the Texas Transportation Commission in connection or associated  
16 with those divisions of the Texas Department of Transportation are  
17 transferred to the board of the Texas Department of Motor Vehicles  
18 on November 1, 2009.

19 (b) The powers, duties, obligations, and rights of action of  
20 the portion of the Motor Carrier Division of the Texas Department of  
21 Transportation that is responsible for motor carrier registration  
22 and the enforcement of Subtitle F, Title 7, Transportation Code,  
23 are transferred to the Texas Department of Motor Vehicles, and the  
24 associated powers, duties, obligations, and rights of action of the  
25 Texas Transportation Commission are transferred to the board of the  
26 Texas Department of Motor Vehicles on November 1, 2009.

27 (c) In connection with the transfers required by



1 Subsections (a) and (b) of this section, the personnel, furniture,  
2 computers, other property and equipment, files, and related  
3 materials used by the Motor Vehicle Division, the Vehicle Titles  
4 and Registration Division, or the portion of the Motor Carrier  
5 Division of the Texas Department of Transportation described in  
6 Subsection (b) of this section are transferred to the Texas  
7 Department of Motor Vehicles.

8 (d) The Texas Department of Motor Vehicles shall continue  
9 any proceeding involving the Motor Vehicle Division, the Vehicle  
10 Titles and Registration Division, or the portion of the Motor  
11 Carrier Division of the Texas Department of Transportation  
12 described in Subsection (b) of this section that was brought before  
13 the effective date of this Act in accordance with the law in effect  
14 on the date the proceeding was brought, and the former law is  
15 continued in effect for that purpose.

16 (e) A certificate, license, document, permit, registration,  
17 or other authorization issued by the Motor Vehicle Division or the  
18 Vehicle Titles and Registration Division of the Texas Department of  
19 Transportation or a registration issued by the Motor Carrier  
20 Division of the Texas Department of Transportation that is in  
21 effect on the effective date of this Act remains valid for the  
22 period for which it was issued unless suspended or revoked by the  
23 Texas Department of Motor Vehicles.

24 (f) A rule adopted by the Texas Transportation Commission or  
25 the director of the Texas Department of Transportation in  
26 connection with or relating to the Motor Vehicle Division, the  
27 Vehicle Titles and Registration Division, or the portion of the

1 Motor Carrier Division of the Texas Department of Transportation  
2 described in Subsection (b) of this section continues in effect  
3 until it is amended or repealed by the board of the Texas Department  
4 of Motor Vehicles or the Texas Department of Motor Vehicles, as  
5 applicable.

6 (g) The unobligated and unexpended balance of any  
7 appropriations made to the Texas Department of Transportation in  
8 connection with or relating to the Motor Vehicle Division, the  
9 Vehicle Titles and Registration Division, or the portion of the  
10 Motor Carrier Division of the Texas Department of Transportation  
11 described in Subsection (b) of this section for the state fiscal  
12 biennium ending August 31, 2009, is transferred and reappropriated  
13 to the Texas Department of Motor Vehicles for the purpose of  
14 implementing the powers, duties, obligations, and rights of action  
15 transferred to that department under Subsection (a) of this  
16 section.

17 SECTION 4.02. (a) All powers, duties, obligations, and  
18 rights of action of the Automobile Burglary and Theft Prevention  
19 Authority Office of the Texas Department of Transportation under  
20 Article 4413(37), Revised Statutes, are transferred to the  
21 Automobile Burglary and Theft Prevention Authority Division of the  
22 Texas Department of Motor Vehicles, and all powers, duties,  
23 obligations, and rights of action of the Texas Transportation  
24 Commission in connection or associated with the Automobile Burglary  
25 and Theft Prevention Authority Office of the Texas Department of  
26 Transportation are transferred to the board of the Texas Department  
27 of Motor Vehicles on November 1, 2009.

1           (b) In connection with the transfers required by Subsection  
2 (a) of this section, the personnel, furniture, computers, other  
3 property and equipment, files, and related materials used by the  
4 Automobile Burglary and Theft Prevention Authority Office of the  
5 Texas Department of Transportation are transferred to the  
6 Automobile Burglary and Theft Prevention Authority Division of the  
7 Texas Department of Motor Vehicles.

8           (c) The Automobile Burglary and Theft Prevention Authority  
9 Division of the Texas Department of Motor Vehicles shall continue  
10 any proceeding involving the Automobile Burglary and Theft  
11 Prevention Authority Office of the Texas Department of  
12 Transportation that was brought before the effective date of this  
13 Act in accordance with the law in effect on the date the proceeding  
14 was brought, and the former law is continued in effect for that  
15 purpose.

16           (d) A certificate, license, document, permit, registration,  
17 or other authorization issued by the Automobile Burglary and Theft  
18 Prevention Authority Office of the Texas Department of  
19 Transportation that is in effect on the effective date of this Act  
20 remains valid for the period for which it was issued unless  
21 suspended or revoked by the Automobile Burglary and Theft  
22 Prevention Authority Division of the Texas Department of Motor  
23 Vehicles.

24           (e) A rule adopted by the Automobile Burglary and Theft  
25 Prevention Authority Office of the Texas Department of  
26 Transportation, the Texas Transportation Commission, or the  
27 director of the Texas Department of Transportation in connection

1 with or relating to the Automobile Burglary and Theft Prevention  
2 Authority Office of that department continues in effect until it is  
3 amended or repealed by the board of the Texas Department of Motor  
4 Vehicles or the Automobile Burglary and Theft Prevention Authority  
5 Division of the Texas Department of Motor Vehicles, as applicable.

6 (f) The unobligated and unexpended balance of any  
7 appropriations made to the Texas Department of Transportation in  
8 connection with or relating to the Automobile Burglary and Theft  
9 Prevention Authority Office of that department for the state fiscal  
10 biennium ending August 31, 2009, is transferred and reappropriated  
11 to the Texas Department of Motor Vehicles for the purpose of  
12 implementing the powers, duties, obligations, and rights of action  
13 transferred to that department under Subsection (a) of this  
14 section.

15 SECTION 4.03. The Transportation Legislative Oversight  
16 Committee shall oversee the coordination and collaboration between  
17 the Texas Department of Transportation and the Texas Department of  
18 Motor Vehicles during the transitions required by Sections 4.01 and  
19 4.02 of this article.

20 ARTICLE 5. APPOINTMENT OF BOARD

21 SECTION 5.01. Not later than October 1, 2009, the governor  
22 shall appoint the members of the board of the Texas Department of  
23 Motor Vehicles in accordance with Subchapter B, Chapter 1001,  
24 Transportation Code, as added by this Act.

25 ARTICLE 6. FINANCIAL AUDIT

26 SECTION 6.01. (a) As soon as practicable after the  
27 effective date of this Act, the office of the state auditor shall

1 conduct an initial financial audit to establish financial  
2 benchmarks for the Texas Department of Motor Vehicles on its  
3 overall status and condition in relation to funds on hand,  
4 equipment and other assets, pending matters, and other issues  
5 considered appropriate by the office of the state auditor.

6 (b) As soon as practicable after the completion of the audit  
7 required by Subsection (a) of this section, the results of the audit  
8 shall be reported by the office of the state auditor to the board of  
9 the Texas Department of Motor Vehicles and to the Texas  
10 Transportation Commission. The office of the state auditor shall  
11 also provide a copy of the audit to the board and the commission.

12 ARTICLE 7. EFFECTIVE DATE

13 SECTION 7.01. This Act takes effect September 1, 2009.

**ADOPTED**

MAY 19 2009

*Atay Spaw*  
Secretary of the Senate

By: CARONA

H.B. No. 3097

Substitute the following for H.B. No. 3097:

By: Chrom

C.S.H.B. No. 3097

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation, organization, governance, duties, and  
3 functions of the Texas Department of Motor Vehicles, including the  
4 transfer of certain duties to the Texas Department of Motor  
5 Vehicles and the Texas Department of Licensing and Regulation;  
6 providing a penalty.

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

8 ARTICLE 1. TEXAS DEPARTMENT OF MOTOR VEHICLES

9 SECTION 1.01. Title 7, Transportation Code, is amended by  
10 adding Subtitle M to read as follows:

11 SUBTITLE M. DEPARTMENT OF MOTOR VEHICLES

12 CHAPTER 1001. ORGANIZATION OF DEPARTMENT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 1001.001. DEFINITIONS. In this subtitle:

15 (1) "Board" means the board of the department.

16 (2) "Department" means the Texas Department of Motor  
17 Vehicles.

18 Sec. 1001.002. CREATION OF DEPARTMENT; DUTIES. (a) The  
19 department is created as an agency of this state.

20 (b) In addition to the other duties required of the Texas  
21 Department of Motor Vehicles, the department shall administer and  
22 enforce:

23 (1) Subtitle A;

24 (2) Chapters 623, 642, 643, 645, 646, and 648; and

1           (3) Chapters 2301 and 2302, Occupations Code.

2           Sec. 1001.003. COMPOSITION OF DEPARTMENT. The department  
3 is composed of an executive director appointed by the board and  
4 other employees required to efficiently implement:

5           (1) this subtitle;

6           (2) other applicable vehicle laws of this state; and

7           (3) other laws that grant jurisdiction to or are  
8 applicable to the department.

9           Sec. 1001.004. DIVISIONS. The board shall organize the  
10 department into divisions to accomplish the department's functions  
11 and the duties assigned to it, including divisions for:

12           (1) administration;

13           (2) motor carriers;

14           (3) motor vehicle board; and

15           (4) vehicle titles and registration.

16           Sec. 1001.005. SUNSET PROVISION. The department is subject  
17 to Chapter 325, Government Code (Texas Sunset Act). Unless  
18 continued in existence as provided by that chapter, the department  
19 is abolished September 1, 2021.

20           Sec. 1001.006. DEFENSE BY ATTORNEY GENERAL. The attorney  
21 general shall defend an action brought against the board or the  
22 department or an action brought against an employee of the  
23 department as a result of the employee's official act or omission,  
24 regardless of whether at the time of the institution of the action  
25 that person has terminated service with the department.

26           [Sections 1001.007-1001.020 reserved for expansion]

1           SUBCHAPTER B. BOARD OF DEPARTMENT OF MOTOR VEHICLES

2           Sec. 1001.021. BOARD. (a) The board consists of nine  
3 members appointed by the governor with the advice and consent of the  
4 senate.

5           (b) Three members must be persons who hold a dealer's  
6 license issued under Chapter 2301, Occupations Code, of whom two  
7 must be franchised dealers of different classes and one must be an  
8 independent dealer; one member must be a representative of a  
9 manufacturer or distributor that holds a license issued under  
10 Chapter 2301, Occupations Code; one member must be a tax  
11 assessor-collector; one member must be a representative of a law  
12 enforcement agency of a county or municipality; and one member must  
13 be a representative of the motor carrier industry. The remaining  
14 members must be public members.

15           (c) Except as necessary to comply with Subsection (b), a  
16 person is not eligible for appointment as a member of the board if  
17 the person or the person's spouse:

18                   (1) is employed by or participates in the management  
19 of a business entity or other organization that is regulated by or  
20 receives funds from the department;

21                   (2) directly or indirectly owns or controls more than  
22 10 percent interest in a business entity or other organization that  
23 is regulated by or receives funds from the department;

24                   (3) uses or receives a substantial amount of tangible  
25 goods, services, or funds from the department, other than  
26 compensation or reimbursement authorized by law for board  
27 membership, attendance, or expenses; or



1           (4) is registered, certified, or licensed by the  
2 department.

3           (d) A person required to register as a lobbyist under  
4 Chapter 305, Government Code, because of the person's activities  
5 for compensation on behalf of a profession related to the operation  
6 of the department may not serve as a member of the board.

7           (e) Appointments to the board shall be made without regard  
8 to race, color, disability, sex, religion, age, or national origin  
9 of the appointees and shall reflect the diversity of the population  
10 of the state as a whole.

11           Sec. 1001.022. TERMS. Members of the board serve staggered  
12 six-year terms, with the terms of either one or two members expiring  
13 February 1 of each odd-numbered year.

14           Sec. 1001.023. CHAIR AND VICE CHAIR; DUTIES. (a) The  
15 governor shall appoint one of the board's members chair of the  
16 board. The board shall elect one of its members vice chair of the  
17 board. A chair or vice chair serves at the pleasure of the board.

18           (b) The chair shall:

19           (1) preside over board meetings, make rulings on  
20 motions and points of order, and determine the order of business;

21           (2) represent the department in dealing with the  
22 governor;

23           (3) report to the governor on the state of affairs of  
24 the department at least quarterly;

25           (4) report to the board the governor's suggestions for  
26 department operations;

27           (5) report to the governor on efforts, including

1 legislative requirements, to maximize the efficiency of department  
2 operations through the use of private enterprise;

3 (6) periodically review the department's  
4 organizational structure and submit recommendations for structural  
5 changes to the governor, the board, and the Legislative Budget  
6 Board;

7 (7) designate one or more employees of the department  
8 as a civil rights division of the department and receive regular  
9 reports from the division on the department's efforts to comply  
10 with civil rights legislation and administrative rules;

11 (8) create subcommittees, appoint board members to  
12 subcommittees, and receive the reports of subcommittees to the  
13 board as a whole;

14 (9) appoint a member of the board to act in the chair's  
15 absence; and

16 (10) serve as the departmental liaison with the  
17 governor and the Office of State-Federal Relations to maximize  
18 federal funding for transportation.

19 Sec. 1001.024. BOARD MEETINGS. The board shall hold  
20 regular meetings at least once a month and special meetings at the  
21 call of the chair. Board members shall attend the meetings of the  
22 board. The chair shall oversee the preparation of an agenda for  
23 each meeting and ensure that a copy is provided to each board member  
24 at least seven days before the meeting.

25 Sec. 1001.025. RECOMMENDATIONS TO LEGISLATURE. (a) The  
26 board shall consider ways in which the department's operations may  
27 be improved and may periodically report to the legislature

1 concerning potential statutory changes that would improve the  
2 operation of the department.

3 (b) On behalf of the board, the chair shall report to the  
4 governor, the lieutenant governor, the speaker of the house of  
5 representatives, and the presiding officers of relevant  
6 legislative committees on legislative recommendations adopted by  
7 the board and relating to the operation of the department.

8 Sec. 1001.026. COMPENSATION. A member of the board is  
9 entitled to compensation as provided by the General Appropriations  
10 Act. If compensation for board members is not provided by that Act,  
11 each member is entitled to reimbursement for actual and necessary  
12 expenses incurred in performing functions as a member of the board.

13 Sec. 1001.027. GROUNDS FOR REMOVAL. (a) It is a ground for  
14 removal from the board if a board member:

15 (1) does not have at the time of appointment or  
16 maintain during service on the board the qualifications required by  
17 Section 1001.021;

18 (2) violates a prohibition provided by Section  
19 1001.021;

20 (3) cannot discharge the member's duties for a  
21 substantial part of the term for which the member is appointed  
22 because of illness or disability; or

23 (4) is absent from more than half of the regularly  
24 scheduled board meetings that the board member is eligible to  
25 attend during a calendar year, unless the absence is excused by  
26 majority vote of the board.

27 (b) The validity of an action of the board is not affected by

1 the fact that it is taken when a ground for removal of a board member  
2 exists.

3 (c) If the executive director of the department knows that a  
4 potential ground for removal exists, the director shall notify the  
5 chair of the board of the ground, and the chair shall notify the  
6 governor and the attorney general that a potential ground for  
7 removal exists. If the potential ground for removal relates to the  
8 chair, the director shall notify another board member, who shall  
9 notify the governor and the attorney general that a potential  
10 ground for removal exists.

11 Sec. 1001.028. CONFLICT OF INTEREST. (a) A member of the  
12 board shall disclose in writing to the executive director if the  
13 member has an interest in a matter before the board or has a  
14 substantial financial interest in an entity that has a direct  
15 interest in the matter.

16 (b) The member shall recuse himself or herself from the  
17 board's deliberations and actions on the matter in Subsection (a)  
18 and may not participate in the board's decision on the matter.

19 (c) A person has a substantial financial interest in an  
20 entity if the person:

21 (1) is an employee, member, director, or officer of  
22 the entity; or

23 (2) owns or controls, directly or indirectly, more  
24 than a five percent interest in the entity.

25 Sec. 1001.029. INFORMATION ON QUALIFICATIONS AND CONDUCT.  
26 The department shall provide to the members of the board, as often  
27 as necessary, information concerning the members' qualifications

1 for office and their responsibilities under applicable laws  
2 relating to standards of conduct for state officers.

3 Sec. 1001.030. TRAINING ON DEPARTMENT AND CERTAIN LAWS  
4 RELATING TO DEPARTMENT. (a) To be eligible to take office as a  
5 member of the board, a person appointed to the board must complete  
6 at least one course of a training program that complies with this  
7 section.

8 (b) The training program must provide information to the  
9 person regarding:

- 10 (1) this subchapter;
- 11 (2) the programs operated by the department;
- 12 (3) the role and functions of the department;
- 13 (4) the rules of the department with an emphasis on the  
14 rules that relate to disciplinary and investigatory authority;
- 15 (5) the current budget for the department;
- 16 (6) the results of the most recent formal audit of the  
17 department;
- 18 (7) the requirements of the:
  - 19 (A) open meetings law, Chapter 551, Government  
20 Code;
  - 21 (B) open records law, Chapter 552, Government  
22 Code; and
  - 23 (C) administrative procedure law, Chapter 2001,  
24 Government Code;
- 25 (8) the requirements of the conflict of interest laws  
26 and other laws relating to public officials; and
- 27 (9) any applicable ethics policies adopted by the

1 board or the Texas Ethics Commission.

2 (c) A person appointed to the board is entitled to  
3 reimbursement for travel expenses incurred in attending the  
4 training program, as provided by the General Appropriations Act and  
5 as if the person were a member of the board.

6 Sec. 1001.031. ADVISORY COMMITTEES. (a) The board shall  
7 establish separate advisory committees for the motor carrier, motor  
8 vehicles, and vehicle titles and registration divisions to make  
9 recommendations to the board or the executive director on the  
10 operation of the applicable division. A committee has the  
11 purposes, powers, and duties, including the manner of reporting its  
12 work, prescribed by the board. A committee and each committee  
13 member serves at the will of the board.

14 (b) The board shall appoint persons to each advisory  
15 committee who:

16 (1) are selected from a list provided by the executive  
17 director; and

18 (2) have knowledge about and interests in, and  
19 represent a broad range of viewpoints about, the work of the  
20 committee or applicable division.

21 (c) The advisory committee for the motor vehicles division  
22 must include a member to represent motor vehicle manufacturers and  
23 a member to represent the recreational vehicle industry.

24 (d) The advisory committee for the motor carrier division  
25 must include a member to represent the motor transportation  
26 industry.

27 (e) A member of an advisory committee may not be compensated

1 by the board or the department for committee service.

2 [Sections 1001.032-1001.040 reserved for expansion]

3 SUBCHAPTER C. PERSONNEL

4 Sec. 1001.041. DEPARTMENT PERSONNEL. (a) Subject to the  
5 General Appropriations Act or other law, the executive director  
6 shall appoint deputies, assistants, and other personnel as  
7 necessary to carry out the powers and duties of the department under  
8 this code, other applicable vehicle laws of this state, and other  
9 laws granting jurisdiction or applicable to the department.

10 (b) A person appointed under this section must have the  
11 professional and administrative experience necessary to qualify  
12 the person for the position to which the person is appointed.

13 Sec. 1001.042. DIVISION OF RESPONSIBILITIES. The board  
14 shall develop and implement policies that clearly define the  
15 respective responsibilities of the director and the staff of the  
16 department.

17 Sec. 1001.043. EQUAL EMPLOYMENT OPPORTUNITY POLICY;  
18 REPORT. (a) The executive director or the director's designee  
19 shall prepare and maintain a written policy statement to ensure  
20 implementation of a program of equal employment opportunity under  
21 which all personnel transactions are made without regard to race,  
22 color, disability, sex, religion, age, or national origin. The  
23 policy statement must include:

24 (1) personnel policies, including policies relating  
25 to recruitment, evaluation, selection, appointment, training, and  
26 promotion of personnel that are in compliance with Chapter 21,  
27 Labor Code;

1           (2) a comprehensive analysis of the department  
2 workforce that meets federal and state guidelines;

3           (3) procedures by which a determination can be made of  
4 significant underuse in the department workforce of all persons for  
5 whom federal or state guidelines encourage a more equitable  
6 balance; and

7           (4) reasonable methods to appropriately address those  
8 areas of significant underuse.

9           (b) A policy statement prepared under this section must:

10           (1) cover an annual period;

11           (2) be updated annually;

12           (3) be reviewed by the civil rights division of the  
13 Texas Workforce Commission for compliance with Subsection (a); and

14           (4) be filed with the governor.

15           (c) The governor shall deliver a biennial report to the  
16 legislature based on the information received under Subsection (b).  
17 The report may be made separately or as a part of other biennial  
18 reports made to the legislature.

19           Sec. 1001.044. QUALIFICATIONS AND STANDARDS OF CONDUCT.

20 The executive director shall provide to department employees, as  
21 often as necessary, information regarding their:

22           (1) qualification for office or employment under this  
23 subtitle; and

24           (2) responsibilities under applicable laws relating  
25 to standards of conduct for state employees.

26           Sec. 1001.045. CAREER LADDER PROGRAM; PERFORMANCE  
27 EVALUATIONS. (a) The executive director or the director's



1 designee shall develop an intra-agency career ladder program. The  
2 program must require intra-agency posting of all nonentry level  
3 positions concurrently with any public posting.

4 (b) The executive director or the director's designee shall  
5 develop a system of annual performance evaluations. All merit pay  
6 for department employees must be based on the system established  
7 under this subsection.

8 CHAPTER 1002. RULES

9 Sec. 1002.001. GENERAL RULEMAKING AUTHORITY. The board may  
10 adopt any rules necessary and appropriate to implement the powers  
11 and duties of the department under this code and other laws of this  
12 state.

13 Sec. 1002.002. RULES RESTRICTING ADVERTISING OR  
14 COMPETITIVE BIDDING. The board may not adopt rules restricting  
15 advertising or competitive bidding by a person regulated by the  
16 department except to prohibit false, misleading, or deceptive  
17 practices by the person.

18 CHAPTER 1003. DEPARTMENT PROCEDURES

19 Sec. 1003.001. APPLICABILITY OF CERTAIN LAWS. Except as  
20 specifically provided by law, the department is subject to Chapters  
21 2001 and 2002, Government Code.

22 Sec. 1003.002. SUMMARY PROCEDURES FOR ROUTINE MATTERS.

23 (a) The board or the department by rule may:

24 (1) create a summary procedure for routine matters;  
25 and

26 (2) designate department activities that otherwise  
27 would be subject to Chapter 2001, Government Code, as routine

1 matters to be handled under the summary procedure.

2 (b) An activity may be designated as a routine matter only  
3 if the activity is:

4 (1) voluminous;

5 (2) repetitive;

6 (3) believed to be noncontroversial; and

7 (4) of limited interest to anyone other than persons  
8 immediately involved in or affected by the proposed department  
9 action.

10 (c) The rules may establish procedures different from those  
11 contained in Chapter 2001, Government Code. The procedures must  
12 require, for each party directly involved, notice of a proposed  
13 negative action not later than the fifth day before the date the  
14 action is proposed to be taken.

15 (d) A rule adopted by the board under this section may  
16 provide for the delegation of authority to take action on a routine  
17 matter to a salaried employee of the department designated by the  
18 board.

19 Sec. 1003.003. REVIEW OF ACTION ON ROUTINE MATTER. (a) A  
20 person directly or indirectly affected by an action of the board or  
21 the department on a routine matter taken under the summary  
22 procedure adopted under Section 1003.002 is entitled to a review of  
23 the action under Chapter 2001, Government Code.

24 (b) The person must apply to the board not later than the  
25 60th day after the date of the action to be entitled to the review.

26 (c) The timely filing of the application for review  
27 immediately stays the action pending a hearing on the merits.

1           (d) The board may adopt rules relating to an application for  
2 review under this section and consideration of the application.

3           Sec. 1003.004. INFORMAL DISPOSITION OF CERTAIN CONTESTED  
4 CASES. The board or the department, as applicable, may, on written  
5 agreement or stipulation of each party and any intervenor,  
6 informally dispose of a contested case in accordance with Section  
7 2001.056, Government Code, notwithstanding any provision of this  
8 code or other law that requires a hearing before the board or the  
9 department, as applicable.

10                           CHAPTER 1004. PUBLIC ACCESS

11           Sec. 1004.001. ACCESS TO PROGRAMS AND FACILITIES. (a) The  
12 department shall prepare and maintain a written plan that describes  
13 how a person who does not speak English may be provided reasonable  
14 access to the department's programs.

15           (b) The department shall comply with federal and state laws  
16 for program and facility accessibility.

17           Sec. 1004.002. PUBLIC COMMENT. The board and the  
18 department shall develop and implement policies that provide the  
19 public with a reasonable opportunity to appear before the board or  
20 the department and to speak on any issue under the jurisdiction of  
21 the board or the department.

22           Sec. 1004.003. PUBLIC REPRESENTATION ON ADVISORY BODY.  
23 (a) At least one-half of the membership of each advisory body  
24 appointed by the board, other than an advisory body whose  
25 membership is determined by this code or by other law, must  
26 represent the general public.

27           (b) A public representative may not be:

1           (1) an officer, director, or employee of a business  
2 entity regulated by the department;

3           (2) a person required to register with the Texas  
4 Ethics Commission under Chapter 305, Government Code; or

5           (3) a person related within the second degree by  
6 affinity or consanguinity to a person described by Subdivision (1)  
7 or (2).

8                           CHAPTER 1005. STANDARDS OF CONDUCT

9           Sec. 1005.001. APPLICATION OF LAW RELATING TO ETHICAL  
10 CONDUCT. The board, the executive director, and each employee or  
11 agent of the department is subject to the code of ethics and the  
12 standard of conduct imposed by Chapter 572, Government Code, and  
13 any other law regulating the ethical conduct of state officers and  
14 employees.

15 ARTICLE 2. TRANSFER OF DUTIES AND FUNCTIONS OF THE TEXAS DEPARTMENT  
16 OF TRANSPORTATION

17                           PART A. GENERAL PROVISIONS AND ADMINISTRATION

18           SECTION 2A.01. Subsection (a), Section 201.202,  
19 Transportation Code, is amended to read as follows:

20           (a) The commission shall organize the department into  
21 divisions to accomplish the department's functions and the duties  
22 assigned to it, including divisions for:

23                           (1) aviation;

24                           (2) highways and roads; and

25                           (3) public transportation[ ~~and~~

26                           [~~(4) motor vehicle titles and registration~~].

27           SECTION 2A.02. Subdivision (2), Section 201.931,

1 Transportation Code, is amended to read as follows:

2 (2) "License" includes:

3 (A) a permit issued by the department that  
4 authorizes the operation of a vehicle and its load or a combination  
5 of vehicles and load exceeding size or weight limitations;

6 (B) a motor carrier registration issued under  
7 Chapter 643;

8 (C) a vehicle storage facility license issued  
9 under Chapter 2303, Occupations Code; and

10 (D) a license or permit for outdoor advertising  
11 issued under Chapter 391 or 394[+]

12 [~~(E) a salvage vehicle dealer or agent license~~  
13 ~~issued under Chapter 2302, Occupations Code,~~

14 [~~(F) specially designated or specialized license~~  
15 ~~plates issued under Subchapters E and F, Chapter 502, and~~

16 [~~(G) an apportioned registration issued~~  
17 ~~according to the International Registration Plan under Section~~  
18 ~~502.054].~~

19 SECTION 2A.03. Subsection (c), Section 201.202,  
20 Transportation Code, is repealed.

21 PART B. STATE HIGHWAY TOLL PROJECTS

22 SECTION 2B.01. Subsections (b) and (h), Section 228.055,  
23 Transportation Code, are amended to read as follows:

24 (b) The department may impose and collect the  
25 administrative fee, so as to recover the cost of collecting the  
26 unpaid toll, not to exceed \$100. The department shall send a  
27 written notice of nonpayment to the registered owner of the vehicle

1 at that owner's address as shown in the vehicle registration  
2 records of the Texas Department of Motor Vehicles [~~department~~] by  
3 first class mail and may require payment not sooner than the 30th  
4 day after the date the notice was mailed. The registered owner  
5 shall pay a separate toll and administrative fee for each event of  
6 nonpayment under Section 228.054.

7 (h) In this section, "registered owner" means the owner of a  
8 vehicle as shown on the vehicle registration records of the Texas  
9 Department of Motor Vehicles [~~department~~] or the analogous  
10 department or agency of another state or country.

11 SECTION 2B.02. Subsection (b), Section 228.056,  
12 Transportation Code, is amended to read as follows:

13 (b) In the prosecution of an offense under Section  
14 228.055(c), (d), or (e):

15 (1) it is presumed that the notice of nonpayment was  
16 received on the fifth day after the date of mailing;

17 (2) a computer record of the Texas Department of Motor  
18 Vehicles [~~department~~] of the registered owner of the vehicle is  
19 prima facie evidence of its contents and that the defendant was the  
20 registered owner of the vehicle when the underlying event of  
21 nonpayment under Section 228.054 occurred; and

22 (3) a copy of the rental, lease, or other contract  
23 document covering the vehicle on the date of the underlying event of  
24 nonpayment under Section 228.054 is prima facie evidence of its  
25 contents and that the defendant was the lessee of the vehicle when  
26 the underlying event of nonpayment under Section 228.054 occurred.

1 PART C. CAUSEWAYS, BRIDGES, TUNNELS, TURNPIKES, FERRIES, AND  
2 HIGHWAYS IN CERTAIN COUNTIES

3 SECTION 2C.01. Subsections (b), (e), and (h), Section  
4 284.0701, Transportation Code, are amended to read as follows:

5 (b) The county may impose and collect the administrative  
6 cost so as to recover the expense of collecting the unpaid toll, not  
7 to exceed \$100. The county shall send a written notice of  
8 nonpayment to the registered owner of the vehicle at that owner's  
9 address as shown in the vehicle registration records of the Texas  
10 Department of Motor Vehicles [~~department~~] by first-class mail not  
11 later than the 30th day after the date of the alleged failure to pay  
12 and may require payment not sooner than the 30th day after the date  
13 the notice was mailed. The registered owner shall pay a separate  
14 toll and administrative cost for each event of nonpayment under  
15 Section 284.070.

16 (e) It is an exception to the application of Subsection (a)  
17 or (c) if the registered owner of the vehicle transferred ownership  
18 of the vehicle to another person before the event of nonpayment  
19 under Section 284.070 occurred, submitted written notice of the  
20 transfer to the Texas Department of Motor Vehicles [~~department~~] in  
21 accordance with Section 520.023, and before the 30th day after the  
22 date the notice of nonpayment is mailed, provides to the county the  
23 name and address of the person to whom the vehicle was transferred.  
24 If the former owner of the vehicle provides the required  
25 information within the period prescribed, the county may send a  
26 notice of nonpayment to the person to whom ownership of the vehicle  
27 was transferred at the address provided by the former owner by

1 first-class mail before the 30th day after the date of receipt of  
2 the required information from the former owner. The subsequent  
3 owner of the vehicle for which the proper toll was not paid who is  
4 mailed a written notice of nonpayment under this subsection and  
5 fails to pay the proper toll and administrative cost within the time  
6 specified by the notice of nonpayment commits an offense. The  
7 subsequent owner shall pay a separate toll and administrative cost  
8 for each event of nonpayment under Section 284.070. Each failure to  
9 pay a toll or administrative cost under this subsection is a  
10 separate offense.

11 (h) In this section, "registered owner" means the owner of a  
12 vehicle as shown on the vehicle registration records of the Texas  
13 Department of Motor Vehicles [~~department~~] or the analogous  
14 department or agency of another state or country.

15 PART D. CERTIFICATE OF TITLE ACT

16 SECTION 2D.01. Subdivision (3), Section 501.002,  
17 Transportation Code, is amended to read as follows:

18 (3) "Department" means the Texas Department of Motor  
19 Vehicles [~~Transportation~~].

20 PART E. REGISTRATION OF VEHICLES

21 SECTION 2E.01. Subdivision (3), Section 502.001,  
22 Transportation Code, is amended to read as follows:

23 (3) "Department" means the Texas Department of Motor  
24 Vehicles [~~Transportation~~].

25 SECTION 2E.02. Subsections (a) and (b), Section 502.053,  
26 Transportation Code, are amended to read as follows:

27 (a) The department [~~Texas Department of Transportation~~]



1 shall reimburse the Texas Department of Criminal Justice for the  
2 cost of manufacturing license plates or registration insignia as  
3 the license plates or insignia and the invoice for the license  
4 plates or insignia are delivered to the department [~~Texas~~  
5 ~~Department of Transportation~~].

6 (b) When manufacturing is started, the Texas Department of  
7 Criminal Justice, the department [~~Texas Department of~~  
8 ~~Transportation~~], and the comptroller, after negotiation, shall set  
9 the price to be paid for each license plate or insignia. The price  
10 must be determined from:

- 11 (1) the cost of metal, paint, and other materials  
12 purchased;
- 13 (2) the inmate maintenance cost per day;
- 14 (3) overhead expenses;
- 15 (4) miscellaneous charges; and
- 16 (5) a previously approved amount of profit for the  
17 work.

18 PART F. DEALER'S AND MANUFACTURER'S VEHICLE LICENSE PLATES

19 SECTION 2F.01. Subdivisions (2) and (5), Section 503.001,  
20 Transportation Code, are amended to read as follows:

21 (2) "Commission" means the board of the Texas  
22 Department of Motor Vehicles [~~Texas Transportation Commission~~].

23 (5) "Department" means the Texas Department of Motor  
24 Vehicles [~~Transportation~~].

25 PART G. MISCELLANEOUS PROVISIONS

26 SECTION 2G.01. Section 520.001, Transportation Code, is  
27 amended to read as follows:

1           Sec. 520.001. DEFINITION. In this chapter, "department"  
2 means the Texas Department of Motor Vehicles [~~Transportation~~].

3           PART H. OPERATION OF BICYCLES, MOPEDS, AND PLAY VEHICLES

4           SECTION 2H.01. Section 551.302, Transportation Code, is  
5 amended to read as follows:

6           Sec. 551.302. REGISTRATION. The Texas Department of Motor  
7 Vehicles [~~Transportation~~] may adopt rules relating to the  
8 registration and issuance of license plates to neighborhood  
9 electric vehicles.

10           PART I. MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

11           SECTION 2I.01. Section 601.023, Transportation Code, is  
12 amended to read as follows:

13           Sec. 601.023. PAYMENT OF STATUTORY FEES. The department  
14 may pay:

15                   (1) a statutory fee required by the Texas Department  
16 of Motor Vehicles [~~Transportation~~] for a certified abstract or in  
17 connection with suspension of a vehicle registration; or

18                   (2) a statutory fee payable to the comptroller for  
19 issuance of a certificate of deposit required by Section 601.122.

20           SECTION 2I.02. Section 601.451, Transportation Code, as  
21 added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature,  
22 Regular Session, 2005, is amended to read as follows:

23           Sec. 601.451. DEFINITION. In this subchapter,  
24 "implementing agencies" means:

25                   (1) the department;

26                   (2) the Texas Department of Motor Vehicles  
27 [~~Transportation~~];

1 (3) the Texas Department of Insurance; and

2 (4) the Department of Information Resources.

3 SECTION 2I.03. Subchapter N, Chapter 601, Transportation  
4 Code, as added by Chapter 1325 (H.B. 3588), Acts of the 78th  
5 Legislature, Regular Session, 2003, is repealed.

6 PART J. IDENTIFYING MARKINGS ON CERTAIN COMMERCIAL MOTOR VEHICLES

7 SECTION 2J.01. Subsection (d), Section 642.002,  
8 Transportation Code, is amended to read as follows:

9 (d) The Texas Department of Motor Vehicles [~~Transportation~~]  
10 by rule may prescribe additional requirements regarding the form of  
11 the markings required by Subsection (a)(2) that are not  
12 inconsistent with that subsection.

13 PART K. MOTOR CARRIER REGISTRATION

14 SECTION 2K.01. Subdivision (1), Section 643.001,  
15 Transportation Code, is amended to read as follows:

16 (1) "Department" means the Texas Department of Motor  
17 Vehicles [~~Transportation~~].

18 PART L. SINGLE STATE REGISTRATION

19 SECTION 2L.01. Section 645.001, Transportation Code, is  
20 amended to read as follows:

21 Sec. 645.001. FEDERAL MOTOR CARRIER REGISTRATION. The  
22 Texas Department of Motor Vehicles [~~Transportation~~] may, to the  
23 fullest extent practicable, participate in a federal motor carrier  
24 registration program under the unified carrier registration system  
25 as defined by Section 643.001 or a single state registration  
26 system established under federal law [~~49 U.S.C. Section 14504~~].

1 PART M. MOTOR TRANSPORTATION BROKERS

2 SECTION 2M.01. Subsection (a), Section 646.003,  
3 Transportation Code, is amended to read as follows:

4 (a) A person may not act as a motor transportation broker  
5 unless the person provides a bond to the Texas Department of Motor  
6 Vehicles [~~Transportation~~].

7 PART N. FOREIGN COMMERCIAL MOTOR TRANSPORTATION

8 SECTION 2N.01. Section 648.002, Transportation Code, is  
9 amended to read as follows:

10 Sec. 648.002. RULES. In addition to rules required by this  
11 chapter, the Texas Department of Motor Vehicles [~~Transportation~~],  
12 the Department of Public Safety, and the Texas Department of  
13 Insurance may adopt other rules to carry out this chapter.

14 PART O. ABANDONED MOTOR VEHICLES

15 SECTION 2O.01. Subdivision (1), Section 683.001,  
16 Transportation Code, is amended to read as follows:

17 (1) "Department" means the Texas Department of Motor  
18 Vehicles [~~Transportation~~].

19 PART P. CONTRACTS FOR ENFORCEMENT OF CERTAIN ARREST WARRANTS

20 SECTION 2P.01. Subdivision (1), Section 702.001,  
21 Transportation Code, is amended to read as follows:

22 (1) "Department" means the Texas Department of Motor  
23 Vehicles [~~Transportation~~].

24 PART Q. PHOTOGRAPHIC TRAFFIC SIGNAL ENFORCEMENT SYSTEM

25 SECTION 2Q.01. Subdivision (2), Section 707.001,  
26 Transportation Code, is amended to read as follows:

27 (2) "Owner of a motor vehicle" means the owner of a

1 motor vehicle as shown on the motor vehicle registration records of  
2 the Texas Department of Motor Vehicles [~~Transportation~~] or the  
3 analogous department or agency of another state or country.

4 SECTION 2Q.02. Subsection (b), Section 707.011,  
5 Transportation Code, is amended to read as follows:

6 (b) Not later than the 30th day after the date the violation  
7 is alleged to have occurred, the designated department, agency, or  
8 office of the local authority or the entity with which the local  
9 authority contracts under Section 707.003(a)(1) shall mail the  
10 notice of violation to the owner at:

11 (1) the owner's address as shown on the registration  
12 records of the Texas Department of Motor Vehicles [~~Transportation~~];  
13 or

14 (2) if the vehicle is registered in another state or  
15 country, the owner's address as shown on the motor vehicle  
16 registration records of the department or agency of the other state  
17 or country analogous to the Texas Department of Motor Vehicles  
18 [~~Transportation~~].

19 SECTION 2Q.03. Section 707.017, Transportation Code, is  
20 amended to read as follows:

21 Sec. 707.017. ENFORCEMENT. If the owner of a motor vehicle  
22 is delinquent in the payment of a civil penalty imposed under this  
23 chapter, the county assessor-collector or the Texas Department of  
24 Motor Vehicles [~~Transportation~~] may refuse to register a motor  
25 vehicle alleged to have been involved in the violation.

26 PART R. SALE OR LEASE OF MOTOR VEHICLES

27 SECTION 2R.01. Subdivision (9), Section 2301.002,

1 Occupations Code, is amended to read as follows:

2 (9) "Department" means the Texas Department of Motor  
3 Vehicles [~~Transportation~~].

4 SECTION 2R.02. Subdivision (33), Section 2301.002,  
5 Occupations Code, is repealed.

6 PART S. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY

7 SECTION 2S.01. Subdivision (3), Section 1, Article  
8 4413(37), Revised Statutes, is amended to read as follows:

9 (3) "Department" means the Texas Department of Motor  
10 Vehicles [~~Transportation~~].

11 SECTION 2S.02. Section 2, Article 4413(37), Revised  
12 Statutes, is amended to read as follows:

13 Sec. 2. The Automobile Burglary and Theft Prevention  
14 Authority is established in the Texas Department of Motor Vehicles  
15 [~~Transportation~~]. The authority is not an advisory body to the  
16 Texas Department of Motor Vehicles [~~Transportation~~].

17 ARTICLE 3. CONFORMING AMENDMENTS PERTAINING TO TEXAS DEPARTMENT OF  
18 TRANSPORTATION IN OTHER CODES

19 PART A. BUSINESS & COMMERCE CODE

20 SECTION 3A.01. Subsection (b), Section 51.003, Business &  
21 Commerce Code, as effective April 1, 2009, is amended to read as  
22 follows:

23 (b) In this chapter, "business opportunity" does not  
24 include:

25 (1) the sale or lease of an established and ongoing  
26 business or enterprise that has actively conducted business before  
27 the sale or lease, whether composed of one or more than one

1 component business or enterprise, if the sale or lease represents  
2 an isolated transaction or series of transactions involving a bona  
3 fide change of ownership or control of the business or enterprise or  
4 liquidation of the business or enterprise;

5 (2) a sale by a retailer of goods or services under a  
6 contract or other agreement to sell the inventory of one or more  
7 ongoing leased departments to a purchaser who is granted the right  
8 to sell the goods or services within or adjoining a retail business  
9 establishment as a department or division of the retail business  
10 establishment;

11 (3) a transaction that is:

12 (A) regulated by the Texas Department of  
13 Licensing and Regulation, the Texas Department of Insurance, the  
14 Texas Real Estate Commission, or the director of the Motor Vehicle  
15 Division of the Texas Department of Motor Vehicles  
16 [~~Transportation~~]; and

17 (B) engaged in by a person licensed by one of  
18 those agencies;

19 (4) a real estate syndication;

20 (5) a sale or lease to a business enterprise that also  
21 sells or leases products, equipment, or supplies or performs  
22 services:

23 (A) that are not supplied by the seller; and

24 (B) that the purchaser does not use with the  
25 seller's products, equipment, supplies, or services;

26 (6) the offer or sale of a franchise as described by  
27 the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et

1 seq.) and its subsequent amendments;

2 (7) the offer or sale of a business opportunity if the  
3 seller:

4 (A) has a net worth of \$25 million or more  
5 according to the seller's audited balance sheet as of a date not  
6 earlier than the 13th month before the date of the transaction; or

7 (B) is at least 80 percent owned by another  
8 person who:

9 (i) in writing unconditionally guarantees  
10 performance by the person offering the business opportunity plan;  
11 and

12 (ii) has a net worth of more than \$25  
13 million according to the person's most recent audited balance sheet  
14 as of a date not earlier than the 13th month before the date of the  
15 transaction; or

16 (8) an arrangement defined as a franchise by 16 C.F.R.  
17 Section 436.2(a) and its subsequent amendments if:

18 (A) the franchisor complies in all material  
19 respects in this state with 16 C.F.R. Part 436 and each order or  
20 other action of the Federal Trade Commission; and

21 (B) before offering for sale or selling a  
22 franchise in this state, a person files with the secretary of state  
23 a notice containing:

24 (i) the name of the franchisor;

25 (ii) the name under which the franchisor  
26 intends to transact business; and

27 (iii) the franchisor's principal business



1 address.

2 SECTION 3A.02. Subsection (b), Section 105.004, Business &  
3 Commerce Code, as effective April 1, 2009, is amended to read as  
4 follows:

5 (b) The Texas Department of Motor Vehicles [~~Transportation~~]  
6 shall provide a notice that states the provisions of this chapter to  
7 each person with a disability who is issued:

8 (1) license plates under Section 504.201,  
9 Transportation Code; or

10 (2) a disabled parking placard under Section 681.004,  
11 Transportation Code.

12 PART B. CODE OF CRIMINAL PROCEDURE

13 SECTION 3B.01. Subdivision (1), Section 1, Article 42.22,  
14 Code of Criminal Procedure, is amended to read as follows:

15 (1) "Department" means the Texas Department of Motor  
16 Vehicles [~~Transportation~~].

17 SECTION 3B.02. Subsection (c), Article 59.04, Code of  
18 Criminal Procedure, is amended to read as follows:

19 (c) If the property is a motor vehicle, and if there is  
20 reasonable cause to believe that the vehicle has been registered  
21 under the laws of this state, the attorney representing the state  
22 shall ask the Texas Department of Motor Vehicles [~~Transportation~~]  
23 to identify from its records the record owner of the vehicle and any  
24 interest holder. If the addresses of the owner and interest holder  
25 are not otherwise known, the attorney representing the state shall  
26 request citation be served on such persons at the address listed  
27 with the Texas Department of Motor Vehicles [~~Transportation~~]. If

1 the citation issued to such address is returned unserved, the  
2 attorney representing the state shall cause a copy of the notice of  
3 the seizure and intended forfeiture to be posted at the courthouse  
4 door, to remain there for a period of not less than 30 days. If the  
5 owner or interest holder does not answer or appear after the notice  
6 has been so posted, the court shall enter a judgment by default as  
7 to the owner or interest holder, provided that the attorney  
8 representing the state files a written motion supported by  
9 affidavit setting forth the attempted service. An owner or  
10 interest holder whose interest is forfeited in this manner shall  
11 not be liable for court costs. If the person in possession of the  
12 vehicle at the time of the seizure is not the owner or the interest  
13 holder of the vehicle, notification shall be provided to the  
14 possessor in the same manner specified for notification to an owner  
15 or interest holder.

16 PART C. FAMILY CODE

17 SECTION 3C.01. Subsection (b), Section 157.316, Family  
18 Code, is amended to read as follows:

19 (b) If a lien established under this subchapter attaches to  
20 a motor vehicle, the lien must be perfected in the manner provided  
21 by Chapter 501, Transportation Code, and the court or Title IV-D  
22 agency that rendered the order of child support shall include in the  
23 order a requirement that the obligor surrender to the court or Title  
24 IV-D agency evidence of the legal ownership of the motor vehicle  
25 against which the lien may attach. A lien against a motor vehicle  
26 under this subchapter is not perfected until the obligor's title to  
27 the vehicle has been surrendered to the court or Title IV-D agency

1 and the Texas Department of Motor Vehicles [~~Transportation~~] has  
2 issued a subsequent title that discloses on its face the fact that  
3 the vehicle is subject to a child support lien under this  
4 subchapter.

5 SECTION 3C.02. Subsection (a), Section 232.0022, Family  
6 Code, is amended to read as follows:

7 (a) The Texas Department of Motor Vehicles [~~Transportation~~]  
8 is the appropriate licensing authority for suspension or nonrenewal  
9 of a motor vehicle registration under this chapter.

10 SECTION 3C.03. Subsection (b), Section 232.014, Family  
11 Code, is amended to read as follows:

12 (b) A fee collected by the Texas Department of Motor  
13 Vehicles [~~Transportation~~] or the Department of Public Safety shall  
14 be deposited to the credit of the state highway fund.

15 SECTION 3C.04. Subsection (b), Section 264.502, Family  
16 Code, is amended to read as follows:

17 (b) The members of the committee who serve under Subsections  
18 (a)(1) through (3) shall select the following additional committee  
19 members:

20 (1) a criminal prosecutor involved in prosecuting  
21 crimes against children;

22 (2) a sheriff;

23 (3) a justice of the peace;

24 (4) a medical examiner;

25 (5) a police chief;

26 (6) a pediatrician experienced in diagnosing and  
27 treating child abuse and neglect;

- 1 (7) a child educator;  
2 (8) a child mental health provider;  
3 (9) a public health professional;  
4 (10) a child protective services specialist;  
5 (11) a sudden infant death syndrome family service  
6 provider;  
7 (12) a neonatologist;  
8 (13) a child advocate;  
9 (14) a chief juvenile probation officer;  
10 (15) a child abuse prevention specialist;  
11 (16) a representative of the Department of Public  
12 Safety; and  
13 (17) a representative of the Texas Department of Motor  
14 Vehicles [~~Transportation~~].

15 PART D. FINANCE CODE

16 SECTION 3D.01. Subdivision (9), Section 306.001, Finance  
17 Code, is amended to read as follows:

18 (9) "Qualified commercial loan":

19 (A) means:

20 (i) a commercial loan in which one or more  
21 persons as part of the same transaction lends, advances, borrows,  
22 or receives, or is obligated to lend or advance or entitled to  
23 borrow or receive, money or credit with an aggregate value of:

24 (a) \$3 million or more if the  
25 commercial loan is secured by real property; or

26 (b) \$250,000 or more if the commercial  
27 loan is not secured by real property and, if the aggregate value of

1 the commercial loan is less than \$500,000, the loan documents  
2 contain a written certification from the borrower that:

3 (1) the borrower has been  
4 advised by the lender to seek the advice of an attorney and an  
5 accountant in connection with the commercial loan; and

6 (2) the borrower has had the  
7 opportunity to seek the advice of an attorney and accountant of the  
8 borrower's choice in connection with the commercial loan; and

9 (ii) a renewal or extension of a commercial  
10 loan described by Paragraph (A), regardless of the principal amount  
11 of the loan at the time of the renewal or extension; and

12 (B) does not include a commercial loan made for  
13 the purpose of financing a business licensed by the Motor Vehicle  
14 Board of the Texas Department of Motor Vehicles [~~Transportation~~]  
15 under Section 2301.251(a), Occupations Code.

16 SECTION 3D.02. Subdivision (10-a), Section 348.001,  
17 Finance Code, is amended to read as follows:

18 (10-a) "Towable recreation vehicle" means a  
19 nonmotorized vehicle that:

20 (A) was originally designed and manufactured  
21 primarily to provide temporary human habitation in conjunction with  
22 recreational, camping, or seasonal use;

23 (B) is titled and registered with the Texas  
24 Department of Motor Vehicles [~~Transportation~~] as a travel trailer  
25 through a county tax assessor-collector;

26 (C) is permanently built on a single chassis;

27 (D) contains at least one life support system;

1 and

2 (E) is designed to be towable by a motor vehicle.

3 SECTION 3D.03. Section 348.518, Finance Code, is amended to  
4 read as follows:

5 Sec. 348.518. SHARING OF INFORMATION. To ensure consistent  
6 enforcement of law and minimization of regulatory burdens, the  
7 commissioner and the Texas Department of Motor Vehicles  
8 [~~Transportation~~] may share information, including criminal history  
9 information, relating to a person licensed under this chapter.  
10 Information otherwise confidential remains confidential after it  
11 is shared under this section.

12 PART E. GOVERNMENT CODE

13 SECTION 3E.01. Subsection (d), Section 411.122, Government  
14 Code, is amended to read as follows:

15 (d) The following state agencies are subject to this  
16 section:

17 (1) Texas Appraiser Licensing and Certification  
18 Board;

19 (2) Texas Board of Architectural Examiners;

20 (3) Texas Board of Chiropractic Examiners;

21 (4) State Board of Dental Examiners;

22 (5) Texas Board of Professional Engineers;

23 (6) Texas Funeral Service Commission;

24 (7) Texas Board of Professional Geoscientists;

25 (8) Department of State Health Services, except as  
26 provided by Section 411.110, and agencies attached to the  
27 department, including:

- 1 (A) Texas State Board of Examiners of Dietitians;  
2 (B) Texas State Board of Examiners of Marriage  
3 and Family Therapists;  
4 (C) Midwifery Board;  
5 (D) Texas State Perfusionist Advisory Committee  
6 [~~Board of Examiners of Perfusionists~~];  
7 (E) Texas State Board of Examiners of  
8 Professional Counselors;  
9 (F) Texas State Board of Social Worker Examiners;  
10 (G) State Board of Examiners for Speech-Language  
11 Pathology and Audiology;  
12 (H) Advisory Board of Athletic Trainers;  
13 (I) State Committee of Examiners in the Fitting  
14 and Dispensing of Hearing Instruments;  
15 (J) Texas Board of Licensure for Professional  
16 Medical Physicists; and  
17 (K) Texas Board of Orthotics and Prosthetics;  
18 (9) Texas Board of Professional Land Surveying;  
19 (10) Texas Department of Licensing and Regulation,  
20 except as provided by Section 411.093;  
21 (11) Texas Commission on Environmental Quality;  
22 (12) Texas Board of Occupational Therapy Examiners;  
23 (13) Texas Optometry Board;  
24 (14) Texas State Board of Pharmacy;  
25 (15) Texas Board of Physical Therapy Examiners;  
26 (16) Texas State Board of Plumbing Examiners;  
27 (17) Texas State Board of Podiatric Medical Examiners;

- 1 (18) Polygraph Examiners Board;  
2 (19) Texas State Board of Examiners of Psychologists;  
3 (20) Texas Real Estate Commission;  
4 (21) Board of Tax Professional Examiners;  
5 (22) Texas Department of Transportation;  
6 (23) State Board of Veterinary Medical Examiners;  
7 (24) Texas Department of Housing and Community  
8 Affairs;  
9 (25) secretary of state;  
10 (26) state fire marshal;  
11 (27) Texas Education Agency; [~~and~~]  
12 (28) Department of Agriculture; and  
13 (29) Texas Department of Motor Vehicles.

14 PART F. HEALTH AND SAFETY CODE

15 SECTION 3F.01. Subsection (e), Section 382.209, Health and  
16 Safety Code, is amended to read as follows:

17 (e) A vehicle is not eligible to participate in a low-income  
18 vehicle repair assistance, retrofit, and accelerated vehicle  
19 retirement program established under this section unless:

- 20 (1) the vehicle is capable of being operated;  
21 (2) the registration of the vehicle:  
22 (A) is current; and  
23 (B) reflects that the vehicle has been registered  
24 in the county implementing the program for the 12 months preceding  
25 the application for participation in the program;  
26 (3) the commissioners court of the county  
27 administering the program determines that the vehicle meets the



1 eligibility criteria adopted by the commission, the Texas  
2 Department of Motor Vehicles [~~Transportation~~], and the Public  
3 Safety Commission;

4 (4) if the vehicle is to be repaired, the repair is  
5 done by a repair facility recognized by the Department of Public  
6 Safety, which may be an independent or private entity licensed by  
7 the state; and

8 (5) if the vehicle is to be retired under this  
9 subsection and Section 382.213, the replacement vehicle is a  
10 qualifying motor vehicle.

11 SECTION 3F.02. Subsection (f), Section 382.210, Health and  
12 Safety Code, is amended to read as follows:

13 (f) In this section, "total cost" means the total amount of  
14 money paid or to be paid for the purchase of a motor vehicle as set  
15 forth as "sales price" in the form entitled "Application for Texas  
16 Certificate of Title" promulgated by the Texas Department of Motor  
17 Vehicles [~~Transportation~~]. In a transaction that does not involve  
18 the use of that form, the term means an amount of money that is  
19 equivalent, or substantially equivalent, to the amount that would  
20 appear as "sales price" on the Application for Texas Certificate of  
21 Title if that form were involved.

22 SECTION 3F.03. Subsection (a), Section 461.017, Health and  
23 Safety Code, is amended to read as follows:

24 (a) The Drug Demand Reduction Advisory Committee is  
25 composed of the following members:

26 (1) five representatives of the public from different  
27 geographic regions of the state who have knowledge and expertise in

1 issues relating to reducing drug demand and who are appointed by the  
2 commissioner [~~executive director~~] of the Department of State Health  
3 Services [~~Texas Commission on Alcohol and Drug Abuse~~]; and

4 (2) one representative of each of the following  
5 agencies or offices who is appointed by the executive director or  
6 commissioner of the agency or office and who is directly involved in  
7 the agency's or office's policies, programs, or funding activities  
8 relating to reducing drug demand:

9 (A) the criminal justice division of the  
10 governor's office;

11 (B) the Criminal Justice Policy Council;

12 (C) the Department of Family and Protective [~~and~~  
13 ~~Regulatory~~] Services;

14 (D) the Department of Public Safety of the State  
15 of Texas;

16 (E) the Health and Human Services Commission;

17 (F) the Texas Alcoholic Beverage Commission;

18 (G) the Department of State Health Services  
19 [~~Texas Commission on Alcohol and Drug Abuse~~];

20 (H) the Texas Council on Offenders with Mental  
21 Impairments;

22 (I) the Texas Department of Criminal Justice;

23 (J) the [~~Texas Department of~~] Health and[~~+~~

24 [~~(K) the Texas Department of~~] Human Services  
25 Commission;

26 (K) [~~(L)~~] the [~~Texas~~] Department of Aging and  
27 Disability Services [~~Mental Health and Mental Retardation~~];

1                    (L) [~~(M)~~] the Texas Education Agency;  
2                    (M) [~~(N)~~] the Texas Juvenile Probation  
3 Commission;  
4                    (N) [~~(O)~~] the Texas Youth Commission;  
5                    (O) [~~(P)~~] the Department of Assistive and  
6 Rehabilitative Services [~~Texas Rehabilitation Commission~~];  
7                    (P) [~~(Q)~~] the Texas Workforce Commission;  
8                    (Q) [~~(R)~~] the Texas Department of Motor Vehicles  
9 [~~Transportation~~];  
10                   (R) [~~(S)~~] the comptroller of public accounts;  
11 and  
12                   (S) [~~(T)~~] the adjutant general's department.

13                   PART G. HUMAN RESOURCES CODE

14                   SECTION 3G.01. Section 22.041, Human Resources Code, is  
15 amended to read as follows:

16                   Sec. 22.041. THIRD-PARTY INFORMATION. Notwithstanding any  
17 other provision of this code, the department may use information  
18 obtained from a third party to verify the assets and resources of a  
19 person for purposes of determining the person's eligibility and  
20 need for medical assistance, financial assistance, or nutritional  
21 assistance. Third-party information includes information obtained  
22 from:

- 23                   (1) a consumer reporting agency, as defined by Section  
24 20.01, Business & Commerce Code;  
25                   (2) an appraisal district; or  
26                   (3) the Texas Department of Motor Vehicles  
27 [~~Transportation's~~] vehicle registration record database.

1 SECTION 3G.02. Subsection (g), Section 32.026, Human  
2 Resources Code, is amended to read as follows:

3 (g) Notwithstanding any other provision of this code, the  
4 department may use information obtained from a third party to  
5 verify the assets and resources of a person for purposes of  
6 determining the person's eligibility and need for medical  
7 assistance. Third-party information includes information obtained  
8 from:

9 (1) a consumer reporting agency, as defined by Section  
10 20.01, Business & Commerce Code;

11 (2) an appraisal district; or

12 (3) the Texas Department of Motor Vehicles  
13 [~~Transportation's~~] vehicle registration record database.

14 PART H. LOCAL GOVERNMENT CODE

15 SECTION 3H.01. Section 130.006, Local Government Code, is  
16 amended to read as follows:

17 Sec. 130.006. PROCEDURES FOR COLLECTION OF DISHONORED  
18 CHECKS AND INVOICES. A county tax assessor-collector may establish  
19 procedures for the collection of dishonored checks and credit card  
20 invoices. The procedures may include:

21 (1) official notification to the maker that the check  
22 or invoice has not been honored and that the receipt, registration,  
23 certificate, or other instrument issued on the receipt of the check  
24 or invoice is not valid until payment of the fee or tax is made;

25 (2) notification of the sheriff or other law  
26 enforcement officers that a check or credit card invoice has not  
27 been honored and that the receipt, registration, certificate, or

1 other instrument held by the maker is not valid; and

2 (3) notification to the Texas Department of Motor  
3 Vehicles [~~Transportation~~], the comptroller of public accounts, or  
4 the Department of Public Safety that the receipt, registration,  
5 certificate, or other instrument held by the maker is not valid.

6 SECTION 3H.02. Section 130.007, Local Government Code, is  
7 amended to read as follows:

8 Sec. 130.007. REMISSION TO STATE NOT REQUIRED; STATE  
9 ASSISTANCE IN COLLECTION. (a) If a fee or tax is required to be  
10 remitted to the comptroller or the Texas Department of Motor  
11 Vehicles [~~Transportation~~] and if payment was made to the county tax  
12 assessor-collector by a check that was not honored by the drawee  
13 bank or by a credit card invoice that was not honored by the credit  
14 card issuer, the amount of the fee or tax is not required to be  
15 remitted, but the assessor-collector shall notify the appropriate  
16 department of:

- 17 (1) the amount of the fee or tax;
- 18 (2) the type of fee or tax involved; and
- 19 (3) the name and address of the maker.

20 (b) The Texas Department of Motor Vehicles [~~Transportation~~]  
21 and the comptroller shall assist the county tax assessor-collector  
22 in collecting the fee or tax and may cancel or revoke any receipt,  
23 registration, certificate, or other instrument issued in the name  
24 of the state conditioned on the payment of the fee or tax.

25 SECTION 3H.03. Section 130.008, Local Government Code, is  
26 amended to read as follows:

27 Sec. 130.008. LIABILITY OF TAX COLLECTOR FOR VIOLATIONS OF

1 SUBCHAPTER. If the comptroller or the Texas Department of Motor  
2 Vehicles [~~Transportation~~] determines that the county tax  
3 assessor-collector has accepted payment for fees and taxes to be  
4 remitted to that department in violation of Section 130.004 or that  
5 more than two percent of the fees and taxes to be received from the  
6 assessor-collector are not remitted because of the acceptance of  
7 checks that are not honored by the drawee bank or of credit card  
8 invoices that are not honored by the credit card issuer, the  
9 department may notify the assessor-collector that the  
10 assessor-collector may not accept a check or credit card invoice  
11 for the payment of any fee or tax to be remitted to that department.  
12 A county tax assessor-collector who accepts a check or credit card  
13 invoice for the payment of a fee or tax, after notice that the  
14 assessor-collector may not receive a check or credit card invoice  
15 for the payment of fees or taxes to be remitted to a department, is  
16 liable to the state for the amount of the check or credit card  
17 invoice accepted.

18 SECTION 3H.04. Section 130.009, Local Government Code, is  
19 amended to read as follows:

20 Sec. 130.009. STATE RULES. The comptroller and the Texas  
21 Department of Motor Vehicles [~~Transportation~~] may make rules  
22 concerning the acceptance of checks or credit card invoices by a  
23 county tax assessor-collector and for the collection of dishonored  
24 checks or credit card invoices.

25 PART I. OCCUPATIONS CODE

26 SECTION 3I.01. Subsection (c), Section 554.009,  
27 Occupations Code, is amended to read as follows:

1 (c) The board may register a vehicle with the Texas  
2 Department of Motor Vehicles [~~Transportation~~] in an alias name only  
3 for investigative personnel.

4 SECTION 3I.02. Subdivision (9), Section 2301.002,  
5 Occupations Code, is amended to read as follows:

6 (9) "Department" means the Texas Department of Motor  
7 Vehicles [~~Transportation~~].

8 SECTION 3I.03. Subsections (a) and (b), Section 2301.005,  
9 Occupations Code, are amended to read as follows:

10 (a) A reference in law, including a rule, to the Texas Motor  
11 Vehicle Commission or to the board means [~~the director, except that~~  
12 ~~a reference to~~] the board of the Texas Department of Motor Vehicles  
13 [~~means the commission if it is related to the adoption of rules~~].

14 (b) A reference in law, including a rule, to the executive  
15 director of the Texas Motor Vehicle Commission means the executive  
16 director of the Texas Department of Motor Vehicles.

17 SECTION 3I.04. Subdivisions (2) and (3), Section 2302.001,  
18 Occupations Code, are amended to read as follows:

19 (2) "Board" [~~"Commission"~~] means the board of the  
20 Texas Department of Motor Vehicles [~~Transportation Commission~~].

21 (3) "Department" means the Texas Department of Motor  
22 Vehicles [~~Transportation~~].

23 SECTION 3I.05. Subsection (b), Section 2302.0015,  
24 Occupations Code, is amended to read as follows:

25 (b) For the purpose of enforcing or administering this  
26 chapter or Chapter 501 or 502, Transportation Code, a member of the  
27 board [~~commission~~], an employee or agent of the board [~~commission~~]

1 or department, a member of the Public Safety Commission, an officer  
2 of the Department of Public Safety, or a peace officer may at a  
3 reasonable time:

4 (1) enter the premises of a business regulated under  
5 one of those chapters; and

6 (2) inspect or copy any document, record, vehicle,  
7 part, or other item regulated under one of those chapters.

8 SECTION 3I.06. The heading to Subchapter B, Chapter 2302,  
9 Occupations Code, is amended to read as follows:

10 SUBCHAPTER B. BOARD [~~COMMISSION~~] POWERS AND DUTIES

11 SECTION 3I.07. Sections 2302.051, 2302.052, and 2302.053,  
12 Occupations Code, are amended to read as follows:

13 Sec. 2302.051. RULES AND ENFORCEMENT POWERS. The board  
14 [~~commission~~] shall adopt rules as necessary to administer this  
15 chapter and may take other action as necessary to enforce this  
16 chapter.

17 Sec. 2302.052. DUTY TO SET FEES. The board [~~commission~~]  
18 shall set application fees, license fees, renewal fees, and other  
19 fees as required to implement this chapter. The board [~~commission~~]  
20 shall set the fees in amounts reasonable and necessary to implement  
21 and enforce this chapter.

22 Sec. 2302.053. RULES RESTRICTING ADVERTISING OR  
23 COMPETITIVE BIDDING. (a) The board [~~commission~~] may not adopt a  
24 rule under Section 2302.051 restricting advertising or competitive  
25 bidding by a person who holds a license issued under this chapter  
26 except to prohibit false, misleading, or deceptive practices by the  
27 person.



1 (b) The board [~~commission~~] may not include in its rules to  
2 prohibit false, misleading, or deceptive practices a rule that:

3 (1) restricts the use of any advertising medium;

4 (2) restricts the person's personal appearance or use  
5 of the person's voice in an advertisement;

6 (3) relates to the size or duration of an  
7 advertisement by the person; or

8 (4) restricts the use of a trade name in advertising by  
9 the person.

10 SECTION 3I.08. Subsection (b), Section 2302.108,  
11 Occupations Code, is amended to read as follows:

12 (b) The board [~~commission~~] by rule shall establish the  
13 grounds for denial, suspension, revocation, or reinstatement of a  
14 license issued under this chapter and the procedures for  
15 disciplinary action. A rule adopted under this subsection may not  
16 conflict with a rule adopted by the State Office of Administrative  
17 Hearings.

18 SECTION 3I.09. Section 2302.204, Occupations Code, is  
19 amended to read as follows:

20 Sec. 2302.204. CASUAL SALES. This chapter does not apply to  
21 a person who purchases fewer than three nonrepairable motor  
22 vehicles or salvage motor vehicles from a salvage vehicle dealer,  
23 an insurance company or salvage pool operator in a casual sale at  
24 auction, except that:

25 (1) the board [~~commission~~] shall adopt rules as  
26 necessary to regulate casual sales by salvage vehicle dealers,  
27 insurance companies, or salvage pool operators and to enforce this

1 section; and

2 (2) a salvage vehicle dealer, insurance company, or  
3 salvage pool operator who sells a motor vehicle in a casual sale  
4 shall comply with those rules and Subchapter E, Chapter 501,  
5 Transportation Code.

6 SECTION 3I.10. Subdivision (33), Section 2301.002,  
7 Occupations Code, is repealed.

8 PART J. PENAL CODE

9 SECTION 3J.01. Subsection (c), Section 31.03, Penal Code,  
10 is amended to read as follows:

11 (c) For purposes of Subsection (b):

12 (1) evidence that the actor has previously  
13 participated in recent transactions other than, but similar to,  
14 that which the prosecution is based is admissible for the purpose of  
15 showing knowledge or intent and the issues of knowledge or intent  
16 are raised by the actor's plea of not guilty;

17 (2) the testimony of an accomplice shall be  
18 corroborated by proof that tends to connect the actor to the crime,  
19 but the actor's knowledge or intent may be established by the  
20 uncorroborated testimony of the accomplice;

21 (3) an actor engaged in the business of buying and  
22 selling used or secondhand personal property, or lending money on  
23 the security of personal property deposited with the actor, is  
24 presumed to know upon receipt by the actor of stolen property (other  
25 than a motor vehicle subject to Chapter 501, Transportation Code)  
26 that the property has been previously stolen from another if the  
27 actor pays for or loans against the property \$25 or more (or

1 consideration of equivalent value) and the actor knowingly or  
2 recklessly:

3 (A) fails to record the name, address, and  
4 physical description or identification number of the seller or  
5 pledgor;

6 (B) fails to record a complete description of the  
7 property, including the serial number, if reasonably available, or  
8 other identifying characteristics; or

9 (C) fails to obtain a signed warranty from the  
10 seller or pledgor that the seller or pledgor has the right to  
11 possess the property. It is the express intent of this provision  
12 that the presumption arises unless the actor complies with each of  
13 the numbered requirements;

14 (4) for the purposes of Subdivision (3)(A),  
15 "identification number" means driver's license number, military  
16 identification number, identification certificate, or other  
17 official number capable of identifying an individual;

18 (5) stolen property does not lose its character as  
19 stolen when recovered by any law enforcement agency;

20 (6) an actor engaged in the business of obtaining  
21 abandoned or wrecked motor vehicles or parts of an abandoned or  
22 wrecked motor vehicle for resale, disposal, scrap, repair,  
23 rebuilding, demolition, or other form of salvage is presumed to  
24 know on receipt by the actor of stolen property that the property  
25 has been previously stolen from another if the actor knowingly or  
26 recklessly:

27 (A) fails to maintain an accurate and legible

1 inventory of each motor vehicle component part purchased by or  
2 delivered to the actor, including the date of purchase or delivery,  
3 the name, age, address, sex, and driver's license number of the  
4 seller or person making the delivery, the license plate number of  
5 the motor vehicle in which the part was delivered, a complete  
6 description of the part, and the vehicle identification number of  
7 the motor vehicle from which the part was removed, or in lieu of  
8 maintaining an inventory, fails to record the name and certificate  
9 of inventory number of the person who dismantled the motor vehicle  
10 from which the part was obtained;

11 (B) fails on receipt of a motor vehicle to obtain  
12 a certificate of authority, sales receipt, or transfer document as  
13 required by Chapter 683, Transportation Code, or a certificate of  
14 title showing that the motor vehicle is not subject to a lien or  
15 that all recorded liens on the motor vehicle have been released; or

16 (C) fails on receipt of a motor vehicle to  
17 immediately remove an unexpired license plate from the motor  
18 vehicle, to keep the plate in a secure and locked place, or to  
19 maintain an inventory, on forms provided by the Texas Department of  
20 Motor Vehicles [~~Transportation~~], of license plates kept under this  
21 paragraph, including for each plate or set of plates the license  
22 plate number and the make, motor number, and vehicle identification  
23 number of the motor vehicle from which the plate was removed;

24 (7) an actor who purchases or receives a used or  
25 secondhand motor vehicle is presumed to know on receipt by the actor  
26 of the motor vehicle that the motor vehicle has been previously  
27 stolen from another if the actor knowingly or recklessly:

1 (A) fails to report to the Texas Department of  
2 Motor Vehicles [~~Transportation~~] the failure of the person who sold  
3 or delivered the motor vehicle to the actor to deliver to the actor  
4 a properly executed certificate of title to the motor vehicle at the  
5 time the motor vehicle was delivered; or

6 (B) fails to file with the county tax  
7 assessor-collector of the county in which the actor received the  
8 motor vehicle, not later than the 20th day after the date the actor  
9 received the motor vehicle, the registration license receipt and  
10 certificate of title or evidence of title delivered to the actor in  
11 accordance with Subchapter D, Chapter 520, Transportation Code, at  
12 the time the motor vehicle was delivered;

13 (8) an actor who purchases or receives from any source  
14 other than a licensed retailer or distributor of pesticides a  
15 restricted-use pesticide or a state-limited-use pesticide or a  
16 compound, mixture, or preparation containing a restricted-use or  
17 state-limited-use pesticide is presumed to know on receipt by the  
18 actor of the pesticide or compound, mixture, or preparation that  
19 the pesticide or compound, mixture, or preparation has been  
20 previously stolen from another if the actor:

21 (A) fails to record the name, address, and  
22 physical description of the seller or pledgor;

23 (B) fails to record a complete description of the  
24 amount and type of pesticide or compound, mixture, or preparation  
25 purchased or received; and

26 (C) fails to obtain a signed warranty from the  
27 seller or pledgor that the seller or pledgor has the right to

1 possess the property; and

2 (9) an actor who is subject to Section 409, Packers and  
3 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from  
4 a commission merchant by representing that the actor will make  
5 prompt payment is presumed to have induced the commission  
6 merchant's consent by deception if the actor fails to make full  
7 payment in accordance with Section 409, Packers and Stockyards Act  
8 (7 U.S.C. Section 228b).

9 SECTION 3J.02. Subsection (b), Section 31.11, Penal Code,  
10 is amended to read as follows:

11 (b) It is an affirmative defense to prosecution under this  
12 section that the person was:

13 (1) the owner or acting with the effective consent of  
14 the owner of the property involved;

15 (2) a peace officer acting in the actual discharge of  
16 official duties; or

17 (3) acting with respect to a number assigned to a  
18 vehicle by the Texas Department of Transportation or the Texas  
19 Department of Motor Vehicles, as applicable, and the person was:

20 (A) in the actual discharge of official duties as  
21 an employee or agent of the department; or

22 (B) in full compliance with the rules of the  
23 department as an applicant for an assigned number approved by the  
24 department.

25 PART K. TAX CODE

26 SECTION 3K.01. Subsection (d), Section 21.02, Tax Code, is  
27 amended to read as follows:

1 (d) A motor vehicle does not have taxable situs in a taxing  
2 unit under Subsection (a)(1) if, on January 1, the vehicle:

3 (1) has been located for less than 60 days at a place  
4 of business of a person who holds a wholesale motor vehicle auction  
5 general distinguishing number issued by the Texas Department of  
6 Motor Vehicles [~~Transportation~~] under Chapter 503, Transportation  
7 Code, for that place of business; and

8 (2) is offered for resale.

9 SECTION 3K.02. Subsection (d), Section 22.04, Tax Code, is  
10 amended to read as follows:

11 (d) This section does not apply to a motor vehicle that on  
12 January 1 is located at a place of business of a person who holds a  
13 wholesale motor vehicle auction general distinguishing number  
14 issued by the Texas Department of Motor Vehicles [~~Transportation~~]  
15 under Chapter 503, Transportation Code, for that place of business,  
16 and that:

17 (1) has not acquired taxable situs under Section  
18 21.02(a)(1) in a taxing unit that participates in the appraisal  
19 district because the vehicle is described by Section 21.02(d);

20 (2) is offered for sale by a dealer who holds a  
21 dealer's general distinguishing number issued by the Texas  
22 Department of Motor Vehicles [~~Transportation~~] under Chapter 503,  
23 Transportation Code, and whose inventory of motor vehicles is  
24 subject to taxation in the manner provided by Sections 23.121 and  
25 23.122; or

26 (3) is collateral possessed by a lienholder and  
27 offered for sale in foreclosure of a security interest.

1 SECTION 3K.03. Subdivisions (3), (11), and (14), Subsection  
2 (a), Section 23.121, Tax Code, are amended to read as follows:

3 (3) "Dealer" means a person who holds a dealer's  
4 general distinguishing number issued by the Texas Department of  
5 Motor Vehicles [~~Transportation~~] under the authority of Chapter 503,  
6 Transportation Code, or who is legally recognized as a motor  
7 vehicle dealer pursuant to the law of another state and who complies  
8 with the terms of Section 152.063(f). The term does not include:

9 (A) a person who holds a manufacturer's license  
10 issued under Chapter 2301, Occupations Code [~~by the Motor Vehicle~~  
11 ~~Board of the Texas Department of Transportation~~];

12 (B) an entity that is owned or controlled by a  
13 person who holds a manufacturer's license issued under Chapter  
14 2301, Occupations Code [~~by the Motor Vehicle Board of the Texas~~  
15 ~~Department of Transportation~~]; or

16 (C) a dealer whose general distinguishing number  
17 issued by the Texas Department of Motor Vehicles [~~Transportation~~]  
18 under the authority of Chapter 503, Transportation Code, prohibits  
19 the dealer from selling a vehicle to any person except a dealer.

20 (11) "Sales price" means the total amount of money  
21 paid or to be paid for the purchase of a motor vehicle as set forth  
22 as "sales price" in the form entitled "Application for Texas  
23 Certificate of Title" promulgated by the Texas Department of Motor  
24 Vehicles [~~Transportation~~]. In a transaction that does not involve  
25 the use of that form, the term means an amount of money that is  
26 equivalent, or substantially equivalent, to the amount that would  
27 appear as "sales price" on the Application for Texas Certificate of



1 Title if that form were involved.

2 (14) "Towable recreational vehicle" means a  
3 nonmotorized vehicle that is designed for temporary human  
4 habitation for recreational, camping, or seasonal use and:

5 (A) is titled and registered with the Texas  
6 Department of Motor Vehicles [~~Transportation~~] through the office of  
7 the collector;

8 (B) is permanently built on a single chassis;

9 (C) contains one or more life support systems;

10 and

11 (D) is designed to be towable by a motor vehicle.

12 SECTION 3K.04. Subsections (f), (g), and (h), Section  
13 23.121, Tax Code, are amended to read as follows:

14 (f) The comptroller shall promulgate a form entitled  
15 Dealer's Motor Vehicle Inventory Declaration. Except as provided  
16 by Section 23.122(1) [~~of this code~~], not later than February 1 of  
17 each year, or, in the case of a dealer who was not in business on  
18 January 1, not later than 30 days after commencement of business,  
19 each dealer shall file a declaration with the chief appraiser and  
20 file a copy with the collector. For purposes of this subsection, a  
21 dealer is presumed to have commenced business on the date of  
22 issuance to the dealer of a dealer's general distinguishing number  
23 as provided by Chapter 503, Transportation Code. Notwithstanding  
24 the presumption created by this subsection, a chief appraiser may,  
25 at his or her sole discretion, designate as the date on which a  
26 dealer commenced business a date other than the date of issuance to  
27 the dealer of a dealer's general distinguishing number. The

1 declaration is sufficient to comply with this subsection if it sets  
2 forth the following information:

3 (1) the name and business address of each location at  
4 which the dealer owner conducts business;

5 (2) each of the dealer's general distinguishing  
6 numbers issued by the Texas Department of Motor Vehicles  
7 [~~Transportation~~];

8 (3) a statement that the dealer owner is the owner of a  
9 dealer's motor vehicle inventory; and

10 (4) the market value of the dealer's motor vehicle  
11 inventory for the current tax year as computed under Section  
12 23.121(b) [~~of this code~~].

13 (g) Under the terms provided by this subsection, the chief  
14 appraiser may examine the books and records of the holder of a  
15 general distinguishing number issued by the Texas Department of  
16 Motor Vehicles [~~Transportation~~]. A request made under this  
17 subsection must be made in writing, delivered personally to the  
18 custodian of the records, at the location for which the general  
19 distinguishing number has been issued, must provide a period not  
20 less than 15 days for the person to respond to the request, and must  
21 state that the person to whom it is addressed has the right to seek  
22 judicial relief from compliance with the request. In a request made  
23 under this section the chief appraiser may examine:

24 (1) the document issued by the Texas Department of  
25 Motor Vehicles [~~Transportation~~] showing the person's general  
26 distinguishing number;

27 (2) documentation appropriate to allow the chief

1 appraiser to ascertain the applicability of this section and  
2 Section 23.122 [~~of this code~~] to the person;

3 (3) sales records to substantiate information set  
4 forth in the dealer's declaration filed by the person.

5 (h) If a dealer fails to file a declaration as required by  
6 this section, or if, on the declaration required by this section, a  
7 dealer reports the sale of fewer than five motor vehicles in the  
8 prior year, the chief appraiser shall report that fact to the Texas  
9 Department of Motor Vehicles [~~Transportation~~] and the department  
10 shall initiate termination proceedings. The chief appraiser shall  
11 include with the report a copy of a declaration, if any, indicating  
12 the sale by a dealer of fewer than five motor vehicles in the prior  
13 year. A report by a chief appraiser to the Texas Department of  
14 Motor Vehicles [~~Transportation~~] as provided by this subsection is  
15 prima facie grounds for the cancellation of the dealer's general  
16 distinguishing number under Section 503.038(a)(9), Transportation  
17 Code, or for refusal by the Texas Department of Motor Vehicles  
18 [~~Transportation~~] to renew the dealer's general distinguishing  
19 number.

20 SECTION 3K.05. Subsection (c), Section 23.123, Tax Code, is  
21 amended to read as follows:

22 (c) Information made confidential by this section may be  
23 disclosed:

24 (1) in a judicial or administrative proceeding  
25 pursuant to a lawful subpoena;

26 (2) to the person who filed the declaration or  
27 statement or to that person's representative authorized by the

1 person in writing to receive the information;

2 (3) to the comptroller or an employee of the  
3 comptroller authorized by the comptroller to receive the  
4 information;

5 (4) to a collector or chief appraiser;

6 (5) to a district attorney, criminal district attorney  
7 or county attorney involved in the enforcement of a penalty imposed  
8 pursuant to Section 23.121 or Section 23.122 [~~of this code~~];

9 (6) for statistical purposes if in a form that does not  
10 identify specific property or a specific property owner;

11 (7) if and to the extent that the information is  
12 required for inclusion in a public document or record that the  
13 appraisal or collection office is required by law to prepare or  
14 maintain; or

15 (8) to the Texas Department of Motor Vehicles  
16 [~~Transportation~~] for use by that department in auditing compliance  
17 of its licensees with appropriate provisions of applicable law.

18 SECTION 3K.06. Subdivision (11), Subsection (a), Section  
19 23.124, Tax Code, is amended to read as follows:

20 (11) "Sales price" means the total amount of money  
21 paid or to be paid for the purchase of:

22 (A) a vessel, other than a trailer that is  
23 treated as a vessel, as set forth as "sales price" in the form  
24 entitled "Application for Texas Certificate of Number/Title for  
25 Boat/Seller, Donor or Trader's Affidavit" promulgated by the Parks  
26 and Wildlife Department;

27 (B) an outboard motor as set forth as "sales

1 price" in the form entitled "Application for Texas Certificate of  
2 Title for an Outboard Motor/Seller, Donor or Trader's Affidavit"  
3 promulgated by the Parks and Wildlife Department; or

4 (C) a trailer that is treated as a vessel as set  
5 forth as "sales price" in the form entitled "Application for Texas  
6 Certificate of Title" promulgated by the Texas Department of Motor  
7 Vehicles [~~Transportation~~].

8 In a transaction involving a vessel, an outboard motor,  
9 or a trailer that is treated as a vessel that does not involve the  
10 use of one of these forms, the term means an amount of money that is  
11 equivalent, or substantially equivalent, to the amount that would  
12 appear as "sales price" on the Application for Texas Certificate of  
13 Number/Title for Boat/Seller, Donor or Trader's Affidavit, the  
14 Application for Texas Certificate of Title for an Outboard  
15 Motor/Seller, Donor or Trader's Affidavit, or the Application for  
16 Texas Certificate of Title if one of these forms were involved.

17 SECTION 3K.07. Section 113.011, Tax Code, is amended to  
18 read as follows:

19 Sec. 113.011. LIENS FILED WITH TEXAS DEPARTMENT OF MOTOR  
20 VEHICLES [~~TRANSPORTATION~~]. The comptroller shall furnish to the  
21 Texas Department of Motor Vehicles [~~Transportation~~] each release of  
22 a tax lien filed by the comptroller with that department.

23 SECTION 3K.08. Subsections (a) and (f), Section 152.0412,  
24 Tax Code, are amended to read as follows:

25 (a) In this section, "standard presumptive value" means the  
26 private-party transaction value of a motor vehicle, as determined  
27 by the Texas Department of Motor Vehicles [~~Transportation~~] based on

1 an appropriate regional guidebook of a nationally recognized motor  
2 vehicle value guide service, or based on another motor vehicle  
3 guide publication that the department determines is appropriate if  
4 a private-party transaction value for the motor vehicle is not  
5 available from a regional guidebook described by this subsection.

6 (f) The Texas Department of Motor Vehicles [~~Transportation~~]  
7 shall maintain information on the standard presumptive values of  
8 motor vehicles as part of the department's registration and title  
9 system. The department shall update the information at least  
10 quarterly each calendar year and publish, electronically or  
11 otherwise, the updated information.

12 SECTION 3K.09. Section 152.042, Tax Code, is amended to  
13 read as follows:

14 Sec. 152.042. COLLECTION OF TAX ON METAL DEALER PLATES. A  
15 person required to pay the tax imposed by Section 152.027 shall pay  
16 the tax to the Texas Department of Motor Vehicles [~~Transportation~~],  
17 and the department may not issue the metal dealer's plates until the  
18 tax is paid.

19 SECTION 3K.10. Subsection (b), Section 152.121, Tax Code,  
20 is amended to read as follows:

21 (b) Taxes on metal dealer plates collected by the Texas  
22 Department of Motor Vehicles [~~Transportation~~] shall be deposited by  
23 the department in the state treasury in the same manner as are other  
24 taxes collected under this chapter.

25 SECTION 3K.11. Subdivision (52), Section 162.001, Tax Code,  
26 is amended to read as follows:

27 (52) "Registered gross weight" means the total weight

1 of the vehicle and carrying capacity shown on the registration  
2 certificate issued by the Texas Department of Motor Vehicles  
3 [~~Transportation~~].

4 ARTICLE 4. USED AUTOMOTIVE PARTS RECYCLERS

5 SECTION 4.01. Subdivision (6), Section 2302.001,  
6 Occupations Code, is amended to read as follows:

7 (6) "Salvage vehicle agent" means a person who  
8 acquires, sells, or otherwise deals in nonrepairable or salvage  
9 motor vehicles [~~or used parts~~] in this state as directed by the  
10 salvage vehicle dealer under whose license the person operates.  
11 The term does not include a person who:

12 (A) is a licensed salvage vehicle dealer or a  
13 licensed used automotive parts recycler;

14 (B) is a partner, owner, or officer of a business  
15 entity that holds a salvage vehicle dealer license or a used  
16 automotive parts recycler license;

17 (C) is an employee of a licensed salvage vehicle  
18 dealer or a licensed used automotive parts recycler; or

19 (D) only transports salvage motor vehicles for a  
20 licensed salvage vehicle dealer or a licensed used automotive parts  
21 recycler.

22 SECTION 4.02. Subsection (b), Section 2302.006,  
23 Occupations Code, is amended to read as follows:

24 (b) This chapter applies to a transaction in which a motor  
25 vehicle:

26 (1) is sold, transferred, released, or delivered to a  
27 metal recycler for the purpose of reuse or resale as a motor vehicle

1 ~~[or as a source of used parts]~~; and

2 (2) is used for that purpose.

3 SECTION 4.03. Subchapter A, Chapter 2302, Occupations Code,  
4 is amended by adding Section 2302.008 to read as follows:

5 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE  
6 PARTS RECYCLERS. This chapter does not apply to a used automotive  
7 parts recycler licensed under Chapter 2309.

8 SECTION 4.04. Subsection (b), Section 2302.103,  
9 Occupations Code, is amended to read as follows:

10 (b) An applicant may apply for a salvage vehicle dealer  
11 license with an endorsement in one or more of the following  
12 classifications:

- 13 (1) new automobile dealer;
- 14 (2) used automobile dealer;
- 15 (3) ~~[used vehicle parts dealer,~~
- 16 ~~[(4)]~~ salvage pool operator;
- 17 (4) ~~[(5)]~~ salvage vehicle broker; or
- 18 (5) ~~[(6)]~~ salvage vehicle rebuilder.

19 SECTION 4.05. Subsection (d), Section 2302.107,  
20 Occupations Code, is amended to read as follows:

21 (d) A salvage vehicle agent may acquire, sell, or otherwise  
22 deal in, nonrepairable or salvage motor vehicles ~~[or used parts]~~ as  
23 directed by the authorizing dealer.

24 SECTION 4.06. Section 2302.202, Occupations Code, is  
25 amended to read as follows:

26 Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle  
27 dealer shall maintain a record of each salvage motor vehicle ~~[and~~



1 ~~each used part~~] purchased or sold by the dealer.

2 SECTION 4.07. Subtitle A, Title 14, Occupations Code, is  
3 amended by adding Chapter 2309 to read as follows:

4 CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 2309.001. SHORT TITLE. This chapter may be cited as  
7 the Texas Used Automotive Parts Recycling Act.

8 Sec. 2309.002. DEFINITIONS. In this chapter:

9 (1) "Insurance company," "metal recycler," "motor  
10 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle  
11 title," "salvage motor vehicle," "salvage vehicle title," and  
12 "salvage vehicle dealer" have the meanings assigned by Section  
13 501.091, Transportation Code.

14 (2) "Commission" means the Texas Commission of  
15 Licensing and Regulation.

16 (3) "Department" means the Texas Department of  
17 Licensing and Regulation.

18 (4) "Executive director" means the executive director  
19 of the department.

20 (5) "Used automotive part" has the meaning assigned to  
21 "used part" by Section 501.091, Transportation Code.

22 (6) "Used automotive parts recycler" means a person  
23 licensed under this chapter to operate a used automotive parts  
24 recycling business.

25 (7) "Used automotive parts recycling" means the  
26 dismantling and reuse or resale of used automotive parts and the  
27 safe disposal of salvage motor vehicles or nonrepairable motor

1 vehicles, including the resale of those vehicles.

2 Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.

3 (a) Except as provided by Subsection (b), this chapter does not  
4 apply to a transaction to which a metal recycler is a party.

5 (b) This chapter applies to a transaction in which a motor  
6 vehicle:

7 (1) is sold, transferred, released, or delivered to a  
8 metal recycler as a source of used automotive parts; and

9 (2) is used as a source of used automotive parts.

10 Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE

11 DEALERS. (a) Except as provided by Subsection (b), this chapter  
12 does not apply to a transaction in which a salvage vehicle dealer is  
13 a party.

14 (b) This chapter applies to a salvage vehicle dealer who  
15 deals in used automotive parts as more than an incidental part of  
16 the salvage vehicle dealer's primary business.

17 Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE

18 COMPANIES. This chapter does not apply to an insurance company.

19 [Sections 2309.006-2309.050 reserved for expansion]

20 SUBCHAPTER B. ADVISORY BOARD

21 Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY

22 BOARD. (a) The advisory board consists of five members  
23 representing the used automotive parts industry in this state  
24 appointed by the presiding officer of the commission with the  
25 approval of the commission.

26 (b) The advisory board shall include members who represent  
27 used automotive parts businesses owned by domestic entities, as

1 defined by Section 1.002, Business Organizations Code.

2 (c) The advisory board shall include one member who  
3 represents a used automotive parts business owned by a foreign  
4 entity, as defined by Section 1.002, Business Organizations Code.

5 (d) The advisory board may not include more than one member  
6 from any one used automotive parts business entity.

7 (e) Appointments to the advisory board shall be made without  
8 regard to the race, color, disability, sex, religion, age, or  
9 national origin of the appointee.

10 Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board  
11 members serve terms of six years, with the terms of one or two  
12 members expiring on February 1 of each odd-numbered year.

13 (b) A member may not serve more than two full consecutive  
14 terms.

15 (c) If a vacancy occurs during a term, the presiding officer  
16 of the commission shall appoint a replacement who meets the  
17 qualifications of the vacated position to serve for the remainder  
18 of the term.

19 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of  
20 the commission shall appoint one of the advisory board members to  
21 serve as presiding officer of the advisory board for a term of one  
22 year. The presiding officer of the advisory board may vote on any  
23 matter before the advisory board.

24 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The  
25 advisory board shall provide advice and recommendations to the  
26 department on technical matters relevant to the administration and  
27 enforcement of this chapter, including licensing standards.

1       Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.

2 Advisory board members may not receive compensation but are  
3 entitled to reimbursement for actual and necessary expenses  
4 incurred in performing the functions of the advisory board, subject  
5 to the General Appropriations Act.

6       Sec. 2309.056. MEETINGS. The advisory board shall meet  
7 twice annually and may meet at other times at the call of the  
8 presiding officer of the commission or the executive director.

9       [Sections 2309.057-2309.100 reserved for expansion]

10       SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

11       Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive  
12 director or commission, as appropriate, may take action as  
13 necessary to administer and enforce this chapter.

14       Sec. 2309.102. RULES. (a) The commission shall adopt  
15 rules for licensing used automotive parts recyclers and used  
16 automotive parts employees.

17       (b) The commission by rule shall adopt standards of conduct  
18 for license holders under this chapter.

19       Sec. 2309.103. RULES REGARDING LICENSING AND STANDARDS OF  
20 CONDUCT. (a) The commission shall adopt rules for licensing  
21 applicants, including rules for denial of an application if the  
22 applicant, a partner, principal, officer, or general manager of the  
23 applicant, or another license or permit holder with a connection to  
24 the applicant, has:

25               (1) before the application date, been convicted of,  
26 pleaded guilty or nolo contendere to, or been placed on deferred  
27 adjudication for:

1                    (A) a felony; or  
2                    (B) a misdemeanor punishable by confinement in  
3 jail or by a fine exceeding \$500;

4                    (2) violated an order of the commission or executive  
5 director, including an order for sanctions or administrative  
6 penalties; or

7                    (3) knowingly submitted false information on the  
8 application.

9                    (b) The commission by rule shall adopt standards of conduct  
10 for license holders under this chapter.

11                    Sec. 2309.104. FEES. The commission shall establish and  
12 collect reasonable and necessary fees in amounts sufficient to  
13 cover the costs of administering this chapter.

14                    Sec. 2309.105. RULES RESTRICTING ADVERTISING OR  
15 COMPETITIVE BIDDING. (a) The commission may not adopt a rule  
16 restricting advertising or competitive bidding by a person who  
17 holds a license issued under this chapter except to prohibit false,  
18 misleading, or deceptive practices by the person.

19                    (b) The commission may not include in its rules to prohibit  
20 false, misleading, or deceptive practices a rule that:

21                    (1) restricts the use of any advertising medium;

22                    (2) restricts the person's personal appearance or use  
23 of the person's voice in an advertisement;

24                    (3) relates to the size or duration of an  
25 advertisement by the person; or

26                    (4) restricts the use of a trade name in advertising by  
27 the person.

1           Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS.

2   (a) The department shall inspect each used automotive parts  
3 recycling facility at least once every two years.

4           (b) The department may enter and inspect at any time during  
5 business hours:

6                   (1) the place of business of any person regulated  
7 under this chapter; or

8                   (2) any place in which the department has reasonable  
9 cause to believe that a license holder is in violation of this  
10 chapter or in violation of a rule or order of the commission or  
11 executive director.

12           (c) The department shall conduct additional inspections  
13 based on a schedule of risk-based inspections using the following  
14 criteria:

15                   (1) the inspection history;

16                   (2) any history of complaints involving a used  
17 automotive parts recycler; and

18                   (3) any other factor determined by the commission by  
19 rule.

20           (d) A used automotive parts recycler shall pay a fee for  
21 each risk-based inspection performed under this section. The  
22 commission by rule shall set the amount of the fee.

23           (e) In conducting an inspection under this section, the  
24 department may inspect a facility, a used automotive part, a  
25 business record, or any other place or thing reasonably required to  
26 enforce this chapter or a rule or order adopted under this chapter.

27           Sec. 2309.107. PERSONNEL. The department may employ

1 personnel necessary to administer and enforce this chapter.

2 [Sections 2309.108-2309.150 reserved for expansion]

3 SUBCHAPTER D. LICENSE REQUIREMENTS

4 Sec. 2309.151. USED AUTOMOTIVE PARTS RECYCLER LICENSE  
5 REQUIRED. (a) Unless the person holds a used automotive parts  
6 recycler license issued under this chapter, a person may not own or  
7 operate a used automotive parts recycling business or sell used  
8 automotive parts.

9 (b) A used automotive parts recycler license:

10 (1) is valid only with respect to the person who  
11 applied for the license; and

12 (2) authorizes the license holder to operate a used  
13 automotive parts recycling business only at the one facility listed  
14 on the license.

15 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.

16 An applicant for a used automotive parts recycler license under  
17 this chapter must submit to the department:

18 (1) a completed application on a form prescribed by  
19 the executive director;

20 (2) the required fees; and

21 (3) any other information required by commission rule.

22 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a  
23 used automotive parts recycler license under this chapter must  
24 provide in a manner prescribed by the executive director:

25 (1) a federal tax identification number;

26 (2) proof of general liability insurance in an amount  
27 not less than \$250,000; and

1           (3) proof of a storm water permit if the applicant is  
2 required by the Texas Commission on Environmental Quality to obtain  
3 a permit.

4           Sec. 2309.154. USED AUTOMOTIVE PARTS EMPLOYEE LICENSE  
5 REQUIRED. (a) A person employed by a used automotive parts  
6 recycler may not in the scope of the person's employment acquire a  
7 vehicle or used automotive parts and may not sell used automotive  
8 parts unless the person holds a used automotive parts employee  
9 license issued under this chapter.

10           (b) The commission by rule shall adopt requirements for the  
11 application for and issuance of a used automotive parts employee  
12 license under this chapter.

13           Sec. 2309.155. NONTRANSFERABILITY OF LICENSE. A license  
14 issued by the executive director is valid throughout this state and  
15 is not transferable.

16           Sec. 2309.156. LICENSE RENEWAL. (a) A license issued under  
17 this chapter is valid for one year. The department may adopt a  
18 system under which licenses expire at different times during the  
19 year.

20           (b) The department shall notify the license holder at least  
21 30 days before the date a license expires. The notice must be in  
22 writing and sent to the license holder's last known address  
23 according to the records of the department.

24           (c) The commission by rule shall adopt requirements to renew  
25 a license issued under this chapter.

26           [Sections 2309.157-2309.200 reserved for expansion]



1                   SUBCHAPTER E. LOCAL REGULATION

2           Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL  
3 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this  
4 chapter apply in addition to the requirements of any applicable  
5 municipal ordinance relating to the regulation of a person who  
6 deals in used automotive parts.

7           (b) This chapter does not prohibit the enforcement of an  
8 applicable municipal license or permit requirement that is related  
9 to an activity regulated under this chapter.

10           [Sections 2309.202-2309.250 reserved for expansion]

11                   SUBCHAPTER F. ENFORCEMENT

12           Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The commission  
13 may impose an administrative penalty on a person under Subchapter  
14 F, Chapter 51, regardless of whether the person holds a license  
15 under this chapter, if the person violates:

16                   (1) this chapter or a rule adopted under this chapter;  
17 or

18                   (2) a rule or order of the executive director or  
19 commission.

20           (b) An administrative penalty may not be imposed unless the  
21 person charged with a violation is provided the opportunity for a  
22 hearing.

23           Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL  
24 PENALTY. (a) The executive director may issue a cease and desist  
25 order as necessary to enforce this chapter if the executive  
26 director determines that the action is necessary to prevent a  
27 violation of this chapter and to protect public health and safety.

1       (b) The attorney general or executive director may  
2 institute an action for an injunction or a civil penalty under this  
3 chapter as provided by Section 51.352.

4       Sec. 2309.253. SANCTIONS. The department may impose  
5 sanctions as provided by Section 51.353.

6       Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person  
7 commits an offense if the person:

8           (1) violates the licensing requirements of this  
9 chapter;

10          (2) deals in used parts without a license required by  
11 this chapter; or

12          (3) employs an individual who does not hold the  
13 appropriate license required by this chapter.

14       (b) An offense under this section is a Class C misdemeanor.

15       [Sections 2309.255-2309.300 reserved for expansion]

16                   SUBCHAPTER G. CONDUCTING BUSINESS

17       Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR  
18 VEHICLE. (a) A used automotive parts recycler who acquires  
19 ownership of a salvage motor vehicle shall obtain a properly  
20 assigned title from the previous owner of the vehicle.

21       (b) A used automotive parts recycler who acquires ownership  
22 of a motor vehicle, nonrepairable motor vehicle, or salvage motor  
23 vehicle for the purpose of dismantling, scrapping, or destroying  
24 the motor vehicle, shall, before the 31st day after the date of  
25 acquiring the motor vehicle, submit to the Texas Department of  
26 Transportation a properly assigned manufacturer's certificate of  
27 origin, regular certificate of title, nonrepairable vehicle title,

1 salvage vehicle title, other ownership document, or comparable  
2 out-of-state ownership document for the motor vehicle.

3 (c) After receiving the title or document, the Texas  
4 Department of Transportation shall issue the used automotive parts  
5 recycler a receipt for the manufacturer's certificate of origin,  
6 regular certificate of title, nonrepairable vehicle title, salvage  
7 vehicle title, other ownership document, or comparable  
8 out-of-state ownership document.

9 (d) The recycler shall comply with Subchapter E, Chapter  
10 501, Transportation Code.

11 Sec. 2309.302. RECORDS OF PURCHASES. A used automotive  
12 parts recycler shall maintain a record of or sales receipt for each  
13 motor vehicle, salvage motor vehicle, nonrepairable motor vehicle,  
14 and used automotive part purchased.

15 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.  
16 Before moving a place of business, a used automotive parts recycler  
17 must notify the department of the new location. The used automotive  
18 parts recycler shall provide a storm water permit for the location  
19 if a permit is required by the Texas Commission on Environmental  
20 Quality.

21 [Sections 2309.304-2309.350 reserved for expansion]

22 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER  
23 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

24 Sec. 2309.351. DEFINITIONS. In this subchapter:

25 (1) "Component part" means a major component part as  
26 defined by Section 501.091, Transportation Code, or a minor  
27 component part.

1           (2) "Interior component part" means a motor vehicle's  
2 seat or radio.

3           (3) "Minor component part" means an interior component  
4 part, a special accessory part, or a motor vehicle part that  
5 displays or should display at least one of the following:

6                   (A) a federal safety certificate;

7                   (B) a motor number;

8                   (C) a serial number or a derivative; or

9                   (D) a manufacturer's permanent vehicle  
10 identification number or a derivative.

11           (4) "Special accessory part" means a motor vehicle's  
12 tire, wheel, tailgate, or removable glass top.

13           Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on  
14 receipt of a motor vehicle, a used automotive parts recycler shall:

15                   (1) remove any unexpired license plates from the  
16 vehicle; and

17                   (2) place the license plates in a secure place until  
18 destroyed by the used automotive parts recycler.

19           Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR  
20 VEHICLE. A used automotive parts recycler may not dismantle or  
21 dispose of a motor vehicle unless the recycler first obtains:

22                   (1) a certificate of authority to dispose of the  
23 vehicle, a sales receipt, or a transfer document for the vehicle  
24 issued under Chapter 683, Transportation Code; or

25                   (2) a certificate of title showing that there are no  
26 liens on the vehicle or that all recorded liens have been released.

27           Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS.

1 (a) A used automotive parts recycler shall keep an accurate and  
2 legible record of each used component part purchased by or  
3 delivered to the recycler. The record must include:

- 4 (1) the date of purchase or delivery;  
5 (2) the driver's license number of the seller and a  
6 legible photocopy of the seller's driver's license; and  
7 (3) a description of the part and, if applicable, the  
8 make and model of the part.

9 (b) As an alternative to the information required by  
10 Subsection (a), a used automotive parts recycler may record:

- 11 (1) the name of the person who sold the part or the  
12 motor vehicle from which the part was obtained; and  
13 (2) the Texas certificate of inventory number or the  
14 federal taxpayer identification number of the person.

15 (c) The department shall prescribe the form of the record  
16 required by Subsection (a) and shall make the form available to used  
17 automotive parts recyclers.

18 (d) This section does not apply to:

- 19 (1) an interior component part or special accessory  
20 part from a motor vehicle more than 10 years old; or  
21 (2) a part delivered to a used automotive parts  
22 recycler by a commercial freight line, commercial carrier, or  
23 licensed used automotive parts recycler.

24 Sec. 2309.355. RETENTION OF COMPONENT PARTS. (a) A used  
25 automotive parts recycler shall retain each component part in its  
26 original condition on the business premises of the recycler for at  
27 least three calendar days, excluding Sundays, after the date the

1 recycler obtains the part.

2 (b) This section does not apply to the purchase by a used  
3 automotive parts recycler of a nonoperational engine,  
4 transmission, or rear axle assembly from another used automotive  
5 parts recycler or an automotive-related business.

6 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive  
7 parts recycler shall maintain copies of each record required under  
8 this subchapter until the first anniversary of the purchase date of  
9 the item for which the record is maintained.

10 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE  
11 PLATES. (a) A used automotive parts recycler shall surrender to  
12 the Texas Department of Transportation for cancellation a  
13 certificate of title or authority, sales receipt, or transfer  
14 document, as required by the department.

15 (b) The Texas Department of Transportation shall provide a  
16 signed receipt for a surrendered certificate of title.

17 Sec. 2309.358. INSPECTION OF RECORDS. (a) A peace officer  
18 at any reasonable time may inspect a record required to be  
19 maintained under this subchapter, including an inventory record.

20 (b) On demand by a peace officer, a used automotive parts  
21 recycler shall provide to the officer a copy of a record required to  
22 be maintained under this subchapter.

23 (c) A peace officer may inspect the inventory on the  
24 premises of a used automotive parts recycler at any reasonable time  
25 to verify, check, or audit the records required to be maintained  
26 under this subchapter.

27 (d) A used automotive parts recycler or an employee of the

1 recycler shall allow and may not interfere with a peace officer's  
2 inspection of the recycler's inventory, premises, or required  
3 inventory records.

4 [Sections 2309.359-2309.400 reserved for expansion]

5 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

6 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This  
7 subchapter applies only to a used automotive parts facility located  
8 in a county with a population of 2.8 million or more.

9 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY. (a)  
10 A used automotive parts recycler may not operate heavy machinery in  
11 a used automotive parts recycling facility between the hours of 7  
12 p.m. of one day and 7 a.m. of the following day.

13 (b) This section does not apply to conduct necessary to a  
14 sale or purchase by the recycler.

15 SECTION 4.08. Section 501.091, Transportation Code, is  
16 amended by amending Subdivision (17) and adding Subdivision (20) to  
17 read as follows:

18 (17) "Salvage vehicle dealer" means a person engaged  
19 in this state in the business of acquiring, selling, [~~dismantling,~~]  
20 repairing, rebuilding, reconstructing, or otherwise dealing in  
21 nonrepairable motor vehicles, salvage motor vehicles, or, if  
22 incidental to a salvage motor vehicle dealer's primary business,  
23 used automotive parts. The term does not include a person who  
24 casually repairs, rebuilds, or reconstructs fewer than five [~~three~~]  
25 salvage motor vehicles in the same calendar year or, except as  
26 provided by Paragraph (C), a used automotive parts recycler. The  
27 term includes a person engaged in the business of:

1 (A) a salvage vehicle dealer, regardless of  
2 whether the person holds a license issued by the department to  
3 engage in that business;

4 (B) dealing in nonrepairable motor vehicles or  
5 salvage motor vehicles [~~regardless of whether the person deals in~~  
6 ~~used parts~~]; or

7 (C) a used automotive parts recycler if the sale  
8 of repaired, rebuilt, or reconstructed nonrepairable motor  
9 vehicles or salvage motor vehicles is more than an incidental part  
10 of the used automotive parts recycler's business [~~dealing in used~~  
11 ~~parts regardless of whether the person deals in nonrepairable motor~~  
12 ~~vehicles or salvage motor vehicles~~].

13 (20) "Used parts dealer" and "used automotive parts  
14 recycler" have the meaning assigned to "used automotive parts  
15 recycler" by Section 2309.002, Occupations Code.

16 SECTION 4.09. Subsection (d), Section 501.092,  
17 Transportation Code, is amended to read as follows:

18 (d) An insurance company may sell a motor vehicle to which  
19 this section applies, or assign a salvage vehicle title or a  
20 nonrepairable vehicle title for the motor vehicle, only to a  
21 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual  
22 sale at auction, [~~or~~] a metal recycler, or a used automotive parts  
23 recycler. If the motor vehicle is not a salvage motor vehicle or a  
24 nonrepairable motor vehicle, the insurance company is not required  
25 to surrender the regular certificate of title for the vehicle or to  
26 be issued a salvage vehicle title or a nonrepairable vehicle title  
27 for the motor vehicle.



1 SECTION 4.10. Subsections (a) and (b), Section 501.095,  
2 Transportation Code, are amended to read as follows:

3 (a) If the department has not issued a nonrepairable vehicle  
4 title or salvage vehicle title for the motor vehicle and an  
5 out-of-state ownership document for the motor vehicle has not been  
6 issued by another state or jurisdiction, a business or governmental  
7 entity described by Subdivisions (1)-(3) may sell, transfer, or  
8 release a nonrepairable motor vehicle or salvage motor vehicle only  
9 to a person who is:

10 (1) a licensed salvage vehicle dealer, a used  
11 automotive parts recycler under Chapter 2309, Occupations Code, or  
12 a metal recycler under Chapter 2302, Occupations Code;

13 (2) an insurance company that has paid a claim on the  
14 nonrepairable or salvage motor vehicle;

15 (3) a governmental entity; or

16 (4) an out-of-state buyer.

17 (b) A person, other than a salvage vehicle dealer, a used  
18 automotive parts recycler, or an insurance company licensed to do  
19 business in this state, who acquired ownership of a nonrepairable  
20 or salvage motor vehicle that has not been issued a nonrepairable  
21 vehicle title, salvage vehicle title, or a comparable ownership  
22 document issued by another state or jurisdiction shall, before  
23 selling the motor vehicle, surrender the properly assigned  
24 certificate of title for the motor vehicle to the department and  
25 apply to the department for:

26 (1) a nonrepairable vehicle title if the vehicle is a  
27 nonrepairable motor vehicle; or

1           (2) a salvage vehicle title if the vehicle is a salvage  
2 motor vehicle.

3           SECTION 4.11. Section 501.105, Transportation Code, is  
4 amended to read as follows:

5           Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN  
6 CASUAL SALES. Each licensed salvage vehicle dealer, used  
7 automotive parts recycler, or insurance company that sells a  
8 nonrepairable motor vehicle or a salvage motor vehicle at a casual  
9 sale shall keep on the business premises of the dealer or the  
10 insurance company a list of all casual sales made during the  
11 preceding 36-month period that contains:

- 12           (1) the date of the sale;  
13           (2) the name of the purchaser;  
14           (3) the name of the jurisdiction that issued the  
15 identification document provided by the purchaser, as shown on the  
16 document; and  
17           (4) the vehicle identification number.

18           SECTION 4.12. Section 2302.253, Occupations Code, is  
19 repealed.

20           SECTION 4.13. Not later than January 1, 2010, the Texas  
21 Commission of Licensing and Regulation shall adopt rules under  
22 Section 2309.102, Occupations Code, as added by this Act.

23           SECTION 4.14. If there is a conflict between a provision of  
24 this Act and a provision of another Act of the 81st Legislature,  
25 Regular Session, 2009, that becomes law concerning the licensing or  
26 regulation of used automotive parts recyclers, this Act prevails  
27 regardless of the relative dates of enactment.

1 SECTION 4.15. Sections 2309.151 and 2309.154, Occupations  
2 Code, as added by this article, and Subchapter F, Chapter 2309,  
3 Occupations Code, as added by this article, take effect September  
4 1, 2010.

5 ARTICLE 5. TRANSFERS OF CERTAIN POWERS, DUTIES, OBLIGATIONS, AND  
6 RIGHTS OF ACTION

7 SECTION 5.01. (a) All powers, duties, obligations, and  
8 rights of action of the Motor Vehicle Division and the Vehicle  
9 Titles and Registration Division of the Texas Department of  
10 Transportation are transferred to the Texas Department of Motor  
11 Vehicles and all powers, duties, obligations, and rights of action  
12 of the Texas Transportation Commission in connection or associated  
13 with those divisions of the Texas Department of Transportation are  
14 transferred to the board of the Texas Department of Motor Vehicles  
15 on November 1, 2009.

16 (b) The powers, duties, obligations, and rights of action of  
17 the portion of the Motor Carrier Division of the Texas Department of  
18 Transportation that is responsible for motor carrier registration  
19 and the enforcement of Subtitle F, Title 7, Transportation Code,  
20 are transferred to the Texas Department of Motor Vehicles and the  
21 associated powers, duties, obligations, and rights of action of the  
22 Texas Transportation Commission are transferred to the board of the  
23 Texas Department of Motor Vehicles on November 1, 2009.

24 (c) In connection with the transfers required by  
25 Subsections (a) and (b) of this section, the personnel, furniture,  
26 computers, other property and equipment, files, and related  
27 materials used by the Motor Vehicle Division, the Vehicle Titles

1 and Registration Division, or the portion of the Motor Carrier  
2 Division of the Texas Department of Transportation described in  
3 Subsection (b) of this section are transferred to the Texas  
4 Department of Motor Vehicles.

5 (d) The Texas Department of Motor Vehicles shall continue  
6 any proceeding involving the Motor Vehicle Division, the Vehicle  
7 Titles and Registration Division, or the portion of the Motor  
8 Carrier Division of the Texas Department of Transportation  
9 described in Subsection (b) of this section that was brought before  
10 the effective date of this Act in accordance with the law in effect  
11 on the date the proceeding was brought, and the former law is  
12 continued in effect for that purpose.

13 (e) A certificate, license, document, permit, registration,  
14 or other authorization issued by the Motor Vehicle Division or the  
15 Vehicle Titles and Registration Division of the Texas Department of  
16 Transportation or a registration issued by the Motor Carrier  
17 Division of the Texas Department of Transportation that is in  
18 effect on the effective date of this Act remains valid for the  
19 period for which it was issued unless suspended or revoked by the  
20 Texas Department of Motor Vehicles.

21 (f) A rule adopted by the Texas Transportation Commission or  
22 the executive director of the Texas Department of Transportation in  
23 connection with or relating to the Motor Vehicle Division, the  
24 Vehicle Titles and Registration Division, or the portion of the  
25 Motor Carrier Division of the Texas Department of Transportation  
26 described in Subsection (b) of this section continues in effect  
27 until it is amended or repealed by the board of the Texas Department

1 of Motor Vehicles or the Texas Department of Motor Vehicles, as  
2 applicable.

3 (g) The unobligated and unexpended balance of any  
4 appropriations made to the Texas Department of Transportation in  
5 connection with or relating to the Motor Vehicle Division, the  
6 Vehicle Titles and Registration Division, or the portion of the  
7 Motor Carrier Division of the Texas Department of Transportation  
8 described in Subsection (b) of this section for the state fiscal  
9 biennium ending August 31, 2009, is transferred and reappropriated  
10 to the Texas Department of Motor Vehicles for the purpose of  
11 implementing the powers, duties, obligations, and rights of action  
12 transferred to that department under Subsections (a) and (b) of  
13 this section.

14 (h) The Texas Department of Transportation shall continue,  
15 as necessary, to perform the duties and functions being transferred  
16 to the Texas Department of Motor Vehicles until the transfer of  
17 agency duties and functions is complete.

18 SECTION 5.02. (a) In connection with the establishment by  
19 this Act of the Automobile Burglary and Theft Prevention Authority  
20 in the Texas Department of Motor Vehicles and with the transfer by  
21 this Act of the duty to provide personnel and services to the  
22 Automobile Burglary and Theft Prevention Authority from the Texas  
23 Department of Transportation to the Texas Department of Motor  
24 Vehicles, the personnel, furniture, computers, other property and  
25 equipment, files, and related materials used by the Automobile  
26 Burglary and Theft Prevention Authority are transferred to the  
27 Texas Department of Motor Vehicles.

1           (b) The unobligated and unexpended balance of any  
2 appropriations made to the Texas Department of Transportation in  
3 connection with or relating to the Automobile Burglary and Theft  
4 Prevention Authority for the state fiscal biennium ending August  
5 31, 2009, is transferred and reappropriated to the Texas Department  
6 of Motor Vehicles for the purpose of allowing the authority to  
7 continue to exercise its powers, duties, and obligations under the  
8 auspices of that department.

9           SECTION 5.03. (a) In addition to the positions of the Texas  
10 Department of Transportation assigned to the Vehicle Titles and  
11 Registration Division, Motor Vehicle Division, Motor Carrier  
12 Division, and Automobile Burglary and Theft Prevention Authority  
13 Division that are transferred to the Texas Department of Motor  
14 Vehicles, it is estimated that 75 other full-time equivalent  
15 employee positions of the Texas Department of Transportation  
16 primarily support the transferred divisions and, subject to this  
17 section, those positions are also transferred to the Texas  
18 Department of Motor Vehicles. The number of positions transferred  
19 under this subsection may be modified by agreement of the two  
20 agencies in a memorandum of understanding.

21           (b) If in another Act of the 81st Legislature, Regular  
22 Session, 2009, the legislature establishes a maximum number of  
23 full-time equivalent employee positions for the Texas Department of  
24 Motor Vehicles, the number of positions transferred under  
25 Subsection (a) of this section may not result in a number of  
26 full-time equivalent employee positions of that department that  
27 exceeds the maximum.

1 (c) When filling a position described by Subsection (a) of  
2 this section, the Texas Department of Motor Vehicles shall give  
3 first consideration to an applicant who, as of September 1, 2009,  
4 was a full-time employee of the Texas Department of Transportation  
5 and primarily supported one or more of the transferred divisions.

6 ARTICLE 6. APPOINTMENT OF BOARD

7 SECTION 6.01. Not later than October 1, 2009, the governor  
8 shall appoint the members of the board of the Texas Department of  
9 Motor Vehicles in accordance with Subchapter B, Chapter 1001,  
10 Transportation Code, as added by this Act.

11 ARTICLE 7. MEMORANDUM OF UNDERSTANDING

12 SECTION 7.01. (a) The board of the Texas Department of  
13 Motor Vehicles and the Texas Transportation Commission shall enter  
14 into or revise a joint memorandum of understanding to coordinate  
15 the Texas Department of Motor Vehicles' and the Texas Department of  
16 Transportation's information systems to allow for the sharing of  
17 information so that each department may effectively and efficiently  
18 perform the functions and duties assigned to it.

19 (b) The Texas Department of Motor Vehicles and the Texas  
20 Department of Transportation shall implement the joint memorandum  
21 of understanding using existing personnel and resources.

22 (c) Otherwise confidential information shared under the  
23 memorandum of understanding remains subject to the same  
24 confidentiality requirements and legal restrictions on access to  
25 the information that are imposed by law on the department that  
26 originally obtained or collected the information.

27 (d) Information may be shared under the memorandum of

1 understanding without the consent of the person who is the subject  
2 of the information.

3 (e) The memorandum of understanding required by Subsection  
4 (a) of this section must be entered into or revised at the first  
5 official meeting of the board members of the Texas Department of  
6 Motor Vehicles.

7 SECTION 7.02. (a) In addition to the memorandum of  
8 understanding required by Section 7.01 of this article, the board  
9 of the Texas Department of Motor Vehicles and the Texas  
10 Transportation Commission may enter into or revise one or more  
11 other joint memoranda of understanding as considered necessary or  
12 appropriate to effectuate the transfer of the powers and duties of  
13 the Texas Department of Transportation to the Texas Department of  
14 Motor Vehicles under this Act. A memorandum of understanding may  
15 include an agreement for the provision of office space, utilities,  
16 and other facility services; the need for full-time equivalent  
17 positions of the Texas Department of Transportation to provide  
18 support services in addition to the positions transferred to the  
19 Texas Department of Motor Vehicles under Section 5.01 of this Act;  
20 support services; and the transfer of information technology as  
21 necessary or appropriate to effectuate the transfer of the powers  
22 and duties of the Texas Department of Transportation to the Texas  
23 Department of Motor Vehicles.

24 (b) Subsections (b), (c), and (d) of Section 7.01 of this  
25 article apply to a memorandum of understanding entered into or  
26 revised under Subsection (a) of this section.



1           ARTICLE 8. DEPARTMENT OF MOTOR VEHICLES TRANSITION TEAM

2           SECTION 8.01. (a) The Texas Department of Transportation  
3 shall establish a Department of Motor Vehicles Transition Team to  
4 plan for and make recommendations regarding the transfer of  
5 obligations, property, full-time equivalent positions, rights,  
6 powers, and duties from the Texas Department of Transportation to  
7 the Texas Department of Motor Vehicles. The transition team must  
8 include the division directors from the Motor Vehicle Division, the  
9 Vehicle Titles and Registration Division, and the Motor Carrier  
10 Division and the Assistant Executive Director for Support  
11 Operations.

12           (b) Not later than October 1, 2009, the transition team  
13 shall report on and make recommendations to the board of the Texas  
14 Department of Motor Vehicles and the Transportation Legislative  
15 Oversight Committee regarding the transfer of obligations,  
16 property, full-time equivalent positions, rights, powers, and  
17 duties from the Texas Department of Transportation to the Texas  
18 Department of Motor Vehicles.

19                           ARTICLE 9. FINANCIAL AUDIT

20           SECTION 9.01. (a) As soon as practicable after the  
21 effective date of this Act, the office of the state auditor shall  
22 conduct an initial financial audit to establish financial  
23 benchmarks for the Texas Department of Motor Vehicles on its  
24 overall status and condition in relation to funds on hand,  
25 equipment and other assets, pending matters, and other issues  
26 considered appropriate by the office of the state auditor.

27           (b) As soon as practicable after the completion of the audit


1 required by Subsection (a) of this section, the results of the audit  
2 shall be reported by the office of the state auditor to the board of  
3 the Texas Department of Motor Vehicles and to the Texas  
4 Transportation Commission. The office of the state auditor shall  
5 also provide a copy of the audit to the board and the commission.

6 ARTICLE 10. EFFECTIVE DATE

7 SECTION 10.01. This Act takes effect September 1, 2009.

# ADOPTED

MAY 19 2009

  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Caron

1 Amend C.S.H.B. No. 3097 (Senate committee printing) as  
2 follows:

3 (1) In SECTION 1.01 of the bill, added Section  
4 1001.002(b)(2), Transportation Code (page 1, line 32), strike  
5 "623".

6 (2) In SECTION 1.01 of the bill, added Section 1001.005,  
7 Transportation Code (page 1, line 51), strike "2021" and substitute  
8 "2015".

9 (3) In SECTION 1.01 of the bill, added Section 1001.024,  
10 Transportation Code (page 2, line 69), strike "once a month" and  
11 substitute "quarterly".

12 (4) In SECTION 2A.02 of the bill, amended Section  
13 201.931(2), Transportation Code (page 7), strike lines 6 through 11  
14 and substitute the following:

15 of vehicles and load exceeding size or weight limitations; and

16 (B) [~~a motor carrier registration issued under~~  
17 ~~Chapter 643,~~

18 [~~(C) a vehicle storage facility license issued~~  
19 ~~under Chapter 2303, Occupations Code,~~

20 [~~(D)~~] a license or permit for outdoor advertising

21 (5) Strike SECTION 2E.01 of the bill (page 8, lines 33  
22 through 36), and substitute the following:

23 SECTION 2E.01. Section 502.001, Transportation Code, is  
24 amended by adding Subdivision (1-a) and amending Subdivision (3) to  
25 read as follows:

26 (1-a) "Board" means the board of the Texas Department  
27 of Motor Vehicles.

28 (3) "Department" means the Texas Department of Motor  
29 Vehicles [~~Transportation~~].

1 SECTION 2E.02. Section 502.051, Transportation Code, is  
2 amended to read as follows:

3 Sec. 502.051. DEPOSIT OF REGISTRATION FEES IN STATE HIGHWAY  
4 FUND. Except as otherwise provided by this chapter, the board  
5 [~~Texas Transportation Commission~~] and the department shall deposit  
6 all money received from registration fees in the state treasury to  
7 the credit of the state highway fund.

8 SECTION 2E.03. Section 502.052(a), Transportation Code, is  
9 amended to read as follows:

10 (a) The department shall prepare the designs and  
11 specifications of license plates and devices selected by the board  
12 [~~Texas Transportation Commission~~] to be used as the registration  
13 insignia.

14 (6) Renumber SECTION 2E.02 of the bill (page 8, line 37) as  
15 SECTION 2E.04.

16 (7) Immediately after SECTION 2E.02 of the bill (page 8,  
17 between lines 56 and 57), insert the following:

18 SECTION 2E.05. Section 502.1515, Transportation Code, is  
19 amended to read as follows:

20 Sec. 502.1515. OUTSOURCING PRODUCTION OF RENEWAL NOTICES;  
21 PAID ADVERTISING. The board [~~commission~~] may authorize the  
22 department to enter into a contract with a private vendor to produce  
23 and distribute motor vehicle registration renewal notices. The  
24 contract may provide for the inclusion of paid advertising in the  
25 registration renewal notice packet.

26 SECTION 2E.06. Section 502.352(c), Transportation Code, is  
27 amended to read as follows:

28 (c) A person may obtain a permit under this section by:

29 (1) applying to the county assessor-collector, the  
30 department, or the department's wire service agent, if the  
31 department has a wire service agent;

1 (2) paying a fee of \$25 for a 72-hour permit or \$50 for  
2 a 144-hour permit:

3 (A) in cash;

4 (B) by postal money order;

5 (C) by certified check;

6 (D) by wire transfer through the department's  
7 wire service agent, if any;

8 (E) by an escrow account; or

9 (F) where the service is provided, by a credit  
10 card issued by:

11 (i) a financial institution chartered by a  
12 state or the United States; or

13 (ii) a nationally recognized credit  
14 organization approved by the board [~~Texas Transportation~~  
15 ~~Commission~~];

16 (3) paying a discount or service charge for a credit  
17 card payment or escrow account, in addition to the fee; and

18 (4) furnishing to the county assessor-collector, the  
19 department, or the department's wire service agent, evidence of  
20 financial responsibility for the vehicle that complies with  
21 Sections 502.153(c) and 601.168(a) and is written by an insurance  
22 company or surety company authorized to write motor vehicle  
23 liability insurance in this state.

24 SECTION 2E.07. Section 502.355(h), Transportation Code, is  
25 amended to read as follows:

26 (h) A person operating a vehicle under a permit issued under  
27 this section commits an offense if the person:

28 (1) transports farm products to a place of market,  
29 storage, or processing or a railhead or seaport that is farther from  
30 the place of production or point of entry, as appropriate, than the  
31 distance provided for in the permit; or

1 (2) follows a route other than that prescribed by the  
2 board [~~Texas Transportation Commission~~].

3 (8) Between PARTS F and G, ARTICLE 2 (page 8, between lines  
4 63 and 64), insert the following PART, appropriately lettered, and  
5 reletter and renumber subsequent PARTS and SECTIONS of that article  
6 accordingly:

7 PART \_\_. SPECIALTY LICENSE PLATES

8 SECTION 2\_\_.01. Section 504.001(a), Transportation Code,  
9 is amended to read as follows:

10 (a) In this chapter:

11 (1) "Board" means the board of the Texas Department of  
12 Motor Vehicles [~~,"commission" and "director" have the meanings~~  
13 ~~assigned by Section 201.001~~].

14 (2) "Department" means the Texas Department of Motor  
15 Vehicles.

16 SECTION 2\_\_.02. Section 504.004, Transportation Code, is  
17 amended to read as follows:

18 Sec. 504.004. RULES AND FORMS. The board [~~commission~~] may  
19 adopt rules and the department may issue forms to implement and  
20 administer this chapter.

21 SECTION 2\_\_.03. Sections 504.851(b), (c), and (d),  
22 Transportation Code, are amended to read as follows:

23 (b) Instead of the fees established by Section 504.101(c),  
24 the board [~~commission~~] by rule shall establish fees for the  
25 issuance or renewal of personalized license plates that are  
26 marketed and sold by the private vendor. Fees must be reasonable  
27 and not less than the greater of:

28 (1) the amounts necessary to allow the department to  
29 recover all reasonable costs to the department associated with the  
30 evaluation of the competitive sealed proposals received by the  
31 department and with the implementation and enforcement of the

1 contract, including direct, indirect, and administrative costs; or

2 (2) the amount established by Section 504.101(c).

3 (c) The board [~~commission~~] by rule shall establish the fees  
4 for the issuance or renewal of souvenir license plates, specialty  
5 license plates, or souvenir or specialty license plates that are  
6 personalized that are marketed and sold by the private vendor. Fees  
7 must be reasonable and not less than the amounts necessary to allow  
8 the department to recover all reasonable costs to the department  
9 associated with the evaluation of the competitive sealed proposals  
10 received by the department and with the implementation and  
11 enforcement of the contract, including direct, indirect, and  
12 administrative costs. A fee established under this subsection is  
13 in addition to:

14 (1) the registration fee and any optional registration  
15 fee prescribed by this chapter for the vehicle for which specialty  
16 license plates are issued;

17 (2) any additional fee prescribed by this subchapter  
18 for the issuance of specialty license plates for that vehicle; and

19 (3) any additional fee prescribed by this subchapter  
20 for the issuance of personalized license plates for that vehicle.

21 (d) At any time as necessary to comply with Subsection (b)  
22 or (c), the board [~~commission~~] may increase or decrease the amount  
23 of a fee established under the applicable subsection.

24 (9) Between PARTS N and O, ARTICLE 2 (page 9, between lines  
25 64 and 65), insert the following PARTS, appropriately lettered, and  
26 reletter and renumber subsequent PARTS and SECTIONS accordingly:

27 PART \_\_. PRIVILEGED PARKING

28 SECTION 2\_\_.01. Section 681.001(1), Transportation Code,  
29 is amended to read as follows:

30 (1) "Department" means the Texas Department of Motor  
31 Vehicles [~~Transportation~~].

1 PART \_\_. ADMINISTRATIVE ADJUDICATION OF VEHICLE PARKING AND  
2 STOPPING OFFENSES

3 SECTION 2\_\_.01. Section 682.008, Transportation Code, is  
4 amended to read as follows:

5 Sec. 682.008. PRESUMPTIONS. In an administrative  
6 adjudication hearing under this chapter:

7 (1) it is presumed that the registered owner of the  
8 motor vehicle is the person who parked or stopped the vehicle at the  
9 time and place of the offense charged; and

10 (2) the Texas Department of Motor Vehicles'  
11 [~~Transportation's~~] computer-generated record of the registered  
12 vehicle owner is prima facie evidence of the contents of the record.

13 (10) At the end of SECTION 7.01(b) of the bill (page 33, line  
14 5), add "Neither the Texas Department of Motor Vehicles nor the  
15 Texas Department of Transportation may impose or collect a fee or  
16 charge in connection with the sharing of information under a joint  
17 memorandum of understanding entered into or revised under this  
18 section."

19 (11) In SECTION 7.02(a) of the bill (page 33, lines 25 and  
20 26), strike "as considered necessary or appropriate" and substitute  
21 "necessary".

22 (12) In SECTION 8.01(b) of the bill (page 33, lines 54 and  
23 55), strike "and the Transportation Legislative Oversight  
24 Committee" and substitute ", the governor, the lieutenant governor,  
25 the speaker of the house of representatives, and the presiding  
26 officers of the senate and house committees with jurisdiction over  
27 transportation".



# ADOPTED

MAY 19 2009

*Arlene Sew*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *Caum*

1 Amend C.S.H.B. No. 3097 (senate committee printing) by adding  
2 the following appropriately numbered ARTICLE to the bill and  
3 renumbering subsequent ARTICLES of the bill accordingly:

4 ARTICLE \_\_\_\_ . MANUFACTURER OR DISTRIBUTOR OWNERSHIP, OPERATION, OR  
5 CONTROL OF DEALERSHIP

6 SECTION \_\_\_\_ .01. Section 2301.476, Occupations Code, is  
7 amended by adding Subsection (h-1) to read as follows:

8 (h-1) A person who on January 18, 2002, held both a  
9 converter's license to convert buses with a gross vehicle weight  
10 rating of 40,000 pounds or more and a franchised dealer's license to  
11 sell buses issued under this chapter may:

12 (1) regain and hold both licenses; and

13 (2) operate as both a converter and franchised dealer  
14 of bus conversions with a gross vehicle weight rating of 40,000  
15 pounds or more but of no other type of vehicle.



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 21, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB3097** by McClendon (Relating to the creation, organization, governance, duties, and functions of the Texas Department of Motor Vehicles, including the transfer of certain duties to the Texas Department of Motor Vehicles and the Texas Department of Licensing and Regulation; providing a penalty.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3097, As Passed 2nd House: a negative impact of (\$180,000) through the biennium ending August 31, 2011.

The bill would re-appropriated in fiscal year 2010 any unobligated balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Motor Vehicles.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$180,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	(\$427,342)	\$247,342	(\$605,223)	9.3
2011	(\$220,742)	\$220,742	(\$605,223)	8.0
2012	(\$220,742)	\$220,742	(\$605,223)	8.0
2013	(\$220,742)	\$220,742	(\$605,223)	8.0
2014	(\$220,742)	\$220,742	(\$605,223)	8.0

**Fiscal Analysis**

The bill would create the Texas Department of Motor Vehicles (DMV) and a board of the DMV consisting of nine members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer of all powers, duties, obligations, rights of action, personnel, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority office of the Texas Department of Transportation (TxDOT) to the DMV on November 1,



2009. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Vehicle Division, Vehicle Titles and Registration Division, and the portion of the Motor Carrier Division of TxDOT that is responsible for motor carrier registration and enforcement would be transferred to the board of the DMV. The bill would require the board of the DMV to hold regular meetings at least quarterly. The bill would require the board to establish advisory committees for the motor carrier, motor vehicles, and vehicle title and registration divisions of the DMV. The bill would transfer and re-appropriate to the DMV any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs in fiscal year 2010. The bill would also direct the transfer of other full-time equivalent employees (FTE) that support the transferred motor vehicle functions at TxDOT to the DMV. The bill would authorize TxDOT and DMV to determine the number of support FTEs to be transferred through a memorandum of understanding (MOU). The bill would require the board of the DMV and TTC to adopt or revise a joint MOU to coordinate the agencies' information systems to allow for the sharing of information and to implement the MOU using existing personnel and resources. The bill would authorize the DOV board and the TTC to enter into a joint MOU to effectuate the transfer of powers and duties, which could include an agreement for the provision of office space, utilities, and support services. The bill would require TxDOT to establish a DMV transition team to plan for and make recommendations regarding the transfer of obligations, property, personnel from TxDOT to the DMV.

The bill would require the State Auditor's Office (SAO), as soon as practicable after the effective date of the bill, to conduct a financial audit to establish financial benchmarks for the DMV on its overall status and condition in relation to funds, equipment and assets, pending matters, and other issues considered appropriate by the SAO.

The bill would require the Texas Department of Licensing and Regulation (TDLR) to license and regulate used automotive parts recyclers and employees of used automotive parts recyclers. The bill would require the presiding officer of the Commission of Licensing and Regulation to appoint five members to a Used Automotive Parts Recycling Advisory Board for the purposes of providing advice and recommendations to the TDLR on technical matters relevant to the administration and enforcement of licensing standards. The bill would authorize TDLR to establish and collect fees.

The bill would require TDLR to perform periodic and risk-based inspections on licensees at the place of business. The bill would establish terms of license eligibility, administrative penalties, and criminal penalties. The bill would require a used automotive parts recycler to file certain reports regarding vehicle title acquisition, notification of vehicle dismantling, and records of purchase and inventory of parts with TxDOT. The bill would require TxDOT to provide the used automotive parts recycler with receipts for the reports, records, and other specified documentation. The license requirement and enforcement requirements would take effect September 1, 2010.

The bill would take effect on September 1, 2009.

## **Methodology**

Based on information provided by TxDOT and Sunset Advisory Commission staff, it is assumed approximately 622 full-time-equivalent (FTE) positions and \$103.7 million for each fiscal year would be transferred from TxDOT to the new DMV. It is also assumed the new DMV would require four additional FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57 percent of annual salary). It is assumed the travel and support expenses for the nine-member board of the DMV would cost an estimated \$56,952 each year. It is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DMV and would be used to cover any additional transition costs. It is assumed any appropriations transferred from TxDOT and any new appropriations made to the new DMV would be made from the State Highway Fund.

Based on the analysis of the SAO, it is assumed the financial audit of the new DMV would require 1.3 FTEs and 2,000 hours to complete at a cost of \$180,000 in fiscal year 2010.



Based on information provided by the Texas Commission on Environmental Quality, the Department of Public Safety, the Office of the Attorney General, and the Texas Department of Transportation, it is assumed that duties and responsibilities for each of these agencies associated with implementing the provisions of the bill related to the regulation of used automotive parts recyclers could be accomplished within current resources.

TDLR estimates the population of used automotive parts recyclers to be 1,363 and the employees of used automotive parts recyclers to be 2,726. TDLR anticipates 390 complaints annually, of which 100 will be jurisdictional and 27 will lead to risk based inspections. TDLR estimates it will hold 3 administrative hearings annually. Based on information provided by TDLR, it is assumed the agency would need an additional 4.0 FTEs each year: 1.0 legal assistant, 1.0 administrative assistant, and 2.0 additional investigators to assist in conducting periodic and risk based inspections. This analysis assumes total costs would be \$247,342 in fiscal year 2010 and \$220,742 each year thereafter. This analysis also includes one-time start-up costs for computers and office equipment. This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office, 452 Department of Licensing and Regulation, 601 Department of Transportation

**LBB Staff:** JOB, SD, MW, TG, KJG





**LEGISLATIVE BUDGET BOARD**

Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 14, 2009**

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

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

**IN RE: HB3097** by McClendon (Relating to the creation, organization, governance, duties, and functions of the Texas Department of Motor Vehicles, including the transfer of certain duties to the Texas Department of Motor Vehicles and the Texas Department of Licensing and Regulation; providing a penalty.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3097, Committee Report 2nd House, Substituted: a negative impact of (\$180,000) through the biennium ending August 31, 2011.

The bill would re-appropriated in fiscal year 2010 any unobligated balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Motor Vehicles.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$180,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/ (Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Savings/ (Cost) from State Highway Fund 6	Change in Number of State Employees from FY 2009
2010	(\$427,342)	\$247,342	(\$605,223)	9.3
2011	(\$220,742)	\$220,742	(\$605,223)	8.0
2012	(\$220,742)	\$220,742	(\$605,223)	8.0
2013	(\$220,742)	\$220,742	(\$605,223)	8.0
2014	(\$220,742)	\$220,742	(\$605,223)	8.0

**Fiscal Analysis**

The bill would create the Texas Department of Motor Vehicles (DMV) and a board of the DMV consisting of nine members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer of all powers, duties, obligations, rights of action, personnel, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority office of the Texas Department of Transportation (TxDOT) to the DMV on November 1, 2009. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Vehicle Division, Vehicle Titles and



Registration Division, and the portion of the Motor Carrier Division of TxDOT that is responsible for motor carrier registration and enforcement would be transferred to the board of the DMV. The bill would require the board of the DMV to hold regular meetings at least once a month. The bill would require the board to establish advisory committees for the motor carrier, motor vehicles, and vehicle title and registration divisions of the DMV. The bill would transfer and re-appropriate to the DMV any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs in fiscal year 2010. The bill would also direct the transfer of other full-time equivalent employees (FTE) that support the transferred motor vehicle functions at TxDOT to the DMV. The bill would authorize TxDOT and DMV to determine the number of support FTEs to be transferred through a memorandum of understanding (MOU). The bill would require the board of the DMV and TTC to adopt or revise a joint MOU to coordinate the agencies' information systems to allow for the sharing of information and to implement the MOU using existing personnel and resources. The bill would authorize the DOV board and the TTC to enter into a joint MOU to effectuate the transfer of powers and duties, which could include an agreement for the provision of office space, utilities, and support services. The bill would require TxDOT to establish a DMV transition team to plan for and make recommendations regarding the transfer of obligations, property, personnel from TxDOT to the DMV.

The bill would require the State Auditor's Office (SAO), as soon as practicable after the effective date of the bill, to conduct a financial audit to establish financial benchmarks for the DMV on its overall status and condition in relation to funds, equipment and assets, pending matters, and other issues considered appropriate by the SAO.

The bill would require the Texas Department of Licensing and Regulation (TDLR) to license and regulate used automotive parts recyclers and employees of used automotive parts recyclers. The bill would require the presiding officer of the Commission of Licensing and Regulation to appoint five members to a Used Automotive Parts Recycling Advisory Board for the purposes of providing advice and recommendations to the TDLR on technical matters relevant to the administration and enforcement of licensing standards. The bill would authorize TDLR to establish and collect fees.

The bill would require TDLR to perform periodic and risk-based inspections on licensees at the place of business. The bill would establish terms of license eligibility, administrative penalties, and criminal penalties. The bill would require a used automotive parts recycler to file certain reports regarding vehicle title acquisition, notification of vehicle dismantling, and records of purchase and inventory of parts with TxDOT. The bill would require TxDOT to provide the used automotive parts recycler with receipts for the reports, records, and other specified documentation. The license requirement and enforcement requirements would take effect September 1, 2010.

The bill would take effect on September 1, 2009.

## Methodology

Based on information provided by TxDOT and Sunset Advisory Commission staff, it is assumed approximately 622 full-time-equivalent (FTE) positions and \$103.7 million for each fiscal year would be transferred from TxDOT to the new DMV. It is also assumed the new DMV would require four additional FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57 percent of annual salary). It is assumed the travel and support expenses for the nine-member board of the DMV would cost an estimated \$56,952 each year. It is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DMV and would be used to cover any additional transition costs. It is assumed any appropriations transferred from TxDOT and any new appropriations made to the new DMV would be made from the State Highway Fund.

Based on the analysis of the SAO, it is assumed the financial audit of the new DMV would require 1.3 FTEs and 2,000 hours to complete at a cost of \$180,000 in fiscal year 2010.

Based on information provided by the Texas Commission on Environmental Quality, the Department of Public Safety, the Office of the Attorney General, and the Texas Department of Transportation, it is assumed that duties and responsibilities for each of these agencies associated with implementing the provisions of the bill related to the regulation of used automotive parts recyclers could be accomplished within current resources.

TDLR estimates the population of used automotive parts recyclers to be 1,363 and the employees of used automotive parts recyclers to be 2,726. TDLR anticipates 390 complaints annually, of which 100 will be jurisdictional and 27 will lead to risk based inspections. TDLR estimates it will hold 3 administrative hearings



annually. Based on information provided by TDLR, it is assumed the agency would need an additional 4.0 FTEs each year: 1.0 legal assistant, 1.0 administrative assistant, and 2.0 additional investigators to assist in conducting periodic and risk based inspections. This analysis assumes total costs would be \$247,342 in fiscal year 2010 and \$220,742 each year thereafter. This analysis also includes one-time start-up costs for computers and office equipment. This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office, 452 Department of Licensing and Regulation, 601 Department of Transportation

**LBB Staff:** JOB, KJG, MW, TG



**LEGISLATIVE BUDGET BOARD**

Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

May 10, 2009

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

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

**IN RE: HB3097** by McClendon (Relating to the creation, organization, duties, and functions of the Texas Department of Motor Vehicles and to the use of certain specialty license plate fees to fund the Choose Life and Choose Adoption account; providing penalties.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3097, As Engrossed: a negative impact of (\$8,770,588) through the biennium ending August 31, 2011.

The bill would re-appropriate in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Motor Vehicles.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$4,475,294)
2011	(\$4,295,294)
2012	(\$4,295,294)
2013	(\$4,295,294)
2014	(\$4,295,294)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain from State Highway Fund 6	Probable Revenue Gain from New General Revenue Dedicated Choose Life and Choose Adoption Account
2010	(\$4,650,773)	\$175,479	\$2,250	\$6,600
2011	(\$4,455,473)	\$160,179	\$2,250	\$6,600
2012	(\$4,455,473)	\$160,179	\$2,250	\$6,600
2013	(\$4,455,473)	\$160,179	\$2,250	\$6,600
2014	(\$4,455,473)	\$160,179	\$2,250	\$6,600

Fiscal Year	Probable Revenue Gain from Counties	Change in Number of State Employees from FY 2009
2010	\$150	8.3
2011	\$150	7.0
2012	\$150	7.0
2013	\$150	7.0
2014	\$150	7.0





## Fiscal Analysis

The bill would create the Texas Department of Motor Vehicles (DMV) and a board of the DMV consisting of nine members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer of all powers, duties, obligations, rights of action, personnel, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority office of the Texas Department of Transportation (TxDOT) to the DMV on November 1, 2009. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Vehicle Division, Vehicle Titles and Registration Division, and the portion of the Motor Carrier Division of TxDOT that is responsible for motor carrier registration and enforcement would be transferred to the board of the DMV. The bill would require the board of the DMV to hold meetings at least quarterly or at the call of the presiding officer. The bill would transfer and re-appropriate to the DMV in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs. The bill would amend the Transportation Code to specify that the DMV may not be appropriated more than \$100 million from money in the State Highway Fund in a state fiscal year.

The bill would require money received by Auto Burglary and Theft Prevention Authority (ABTPA) to be sent to the comptroller for deposit in a separate account in the treasury.

The bill would require the TxDOT to issue "Choose Life" and "Choose Adoption" specialty license plates. The bill would require the fee for issuance of the license plates, after deduction for TxDOT's administrative costs, to be deposited to the credit of a new Choose Life and Choose Adoption account in the General Revenue Fund. The bill would require the Attorney General to administer the account. The bill would specify that money in the account could only be spent to make grants to an eligible organization and to defray the costs of administering the account. The bill would require the Attorney General by rule to establish guidelines for the expenditures; report on expenditure compliance; and appoint a seven-member advisory committee to assist in developing rules, reviewing grant applications, and making grant recommendations.

The bill would require the Texas Department of Licensing and Regulation (TDLR) to license and regulate used automotive parts recyclers. The bill would require the presiding officer of the Commission of Licensing and Regulation to appoint six members to a Used Automotive Parts Recycling Advisory Board for the purposes of providing advice and recommendations to the TDLR on technical matters relevant to the administration and enforcement of licensing standards, continuing education requirements, and examination content for used automotive parts recyclers. The bill would authorize TDLR to establish and collect fees. The bill would require TDLR to perform periodic and risk-based inspections on licensees at the place of business. The bill would establish terms of license eligibility, administrative penalties, and criminal penalties. The bill would require a used automotive parts recycler to file certain reports regarding vehicle title acquisition, notification of vehicle dismantling, and records of purchase and inventory of parts with the TxDOT. The bill would require TxDOT to provide the used automotive parts recycler with receipts for the reports, records, and other specified documentation.

The bill would require the State Auditor's Office (SAO), as soon as practicable after the effective date of the bill, to conduct a financial audit to establish financial benchmarks for the DMV on its overall status and condition in relation to funds, equipment and assets, pending matters, and other issues considered appropriate by the SAO.

The bill would take effect on September 1, 2009.

## Methodology

Based on information provided by TxDOT and Sunset Advisory Commission staff, it is assumed approximately 622 full-time-equivalent (FTE) positions and \$103.7 million for each fiscal year would be transferred from TxDOT to the new DMV. It is also assumed the new DMV would require four additional FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57 percent of annual salary). It is assumed the travel and support expenses for the nine-member board of the DMV would cost an estimated \$56,952 each year. It is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DMV and would be used to cover any additional transition costs.



Since the bill would specify that appropriations to the DMV from the State Highway Fund may not exceed \$100 million in a fiscal year, it is assumed any funding requirements for the DMV above \$100 million each year would be covered with General Revenue Funds (estimated to be \$4.3 million each year).

Based on the information and analysis provided by TxDOT, this analysis assumes 300 of the new "Choose Life" and "Choose Adoption" specialty license plates would be issued each year at a fee of \$30 each of which \$7.50 would be deposited to the State Highway Fund for TxDOT administrative expenses; \$0.50 would be retained by the counties; and \$22 would be deposited to the new Choose Life and Choose Adoption Account in the General Revenue Fund. Based on the analysis of TxDOT and the Office of the Attorney General, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agencies' existing resources.

TDLR estimates the population of used automotive parts recyclers to be 1,363. TDLR anticipates 300 complaints annually, of which 100 will be jurisdictional and 27 will lead to risk based inspections. TDLR estimates it will hold 3 administrative hearings annually. Based on information provided by TDLR, it is assumed that an additional 3.0 FTEs: 0.5 legal assistants, 0.5 administrative assistants, and 2.0 additional investigators to assist in conducting periodic and risk based inspections would be needed each year. This analysis assumes total costs would be \$175,479 in 2010 and \$160,179 each year thereafter. This analysis also includes one-time start-up costs for computers and office equipment. This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee-generated revenue.

Based on the analysis of the SAO, it is assumed the financial audit of the new DMV would require 1.3 FTEs and 2,000 hours to complete at a cost of \$180,000 in fiscal year 2010.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 308 State Auditor's Office, 452 Department of Licensing and Regulation, 601 Department of Transportation

**LBB Staff:** JOB, KJG, MW, TG



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 21, 2009**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Transportation

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

**IN RE: HB3097** by McClendon (Relating to the creation, organization, duties, and functions of the Texas Department of Motor Vehicles; providing penalties.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3097, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

The bill would re-appropriate in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Motor Vehicles and the Office of the Governor.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	(\$175,479)	\$175,479	(\$605,223)	7.0
2011	(\$160,179)	\$160,179	(\$605,223)	7.0
2012	(\$160,179)	\$160,179	(\$605,223)	7.0
2013	(\$160,179)	\$160,179	(\$605,223)	7.0
2014	(\$160,179)	\$160,179	(\$605,223)	7.0

**Fiscal Analysis**

The bill would create the Texas Department of Motor Vehicles (DMV) and a board of the DMV consisting of nine members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer all powers, duties, obligations, rights of action, personnel, furniture, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division of the Texas Department of Transportation (TxDOT) to the DMV on November 1, 2009. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Vehicle Division, Vehicle



Titles and Registration Division, and the portion of the Motor Carrier Division of TxDOT that is responsible for motor carrier registration and enforcement would be transferred to the board of the DMV. The bill would require the board of the DMV to hold meetings at least quarterly or at the call of the presiding officer. The bill would transfer and re-appropriate to the DMV in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs. The bill would amend the Transportation Code to specify that the DMV may not be appropriated more than \$100 million from money in the State Highway Fund.

The bill would transfer responsibilities related to the Automobile Burglary and Theft Prevention Authority (ABTPA) from TxDOT to the Office of the Governor and transfer the personnel, furniture, computers, equipment, other property and equipment, files, and related materials used by ABTPA to the Office of the Governor. The bill would transfer and re-appropriate to the Office of the Governor in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) relating to the ABTPA. The bill would require money received by ABTPA to be sent to the comptroller for deposit in a separate account in the treasury.

The bill would require the Texas Department of Licensing and Regulation (TDLR) to license and regulate used automotive parts recyclers. The bill would require the presiding officer of the Commission of Licensing and Regulation to appoint six members to a Used Automotive Parts Recycling Advisory Board for the purposes of providing advice and recommendations to the TDLR on technical matters relevant to the administration and enforcement of licensing standards, continuing education requirements, and examination content for used automotive parts recyclers. The bill would authorize TDLR to establish and collect fees. The bill would require TDLR to perform periodic and risk-based inspections on licensees at the place of business. The bill would establish terms of license eligibility, administrative penalties, and criminal penalties. The bill would require a used automotive parts recycler to file certain reports regarding vehicle title acquisition, notification of vehicle dismantling, and records of purchase and inventory of parts with the TxDOT. The bill would require TxDOT to provide the used automotive parts recycler with receipts for the reports, records, and other specified documentation.

The bill would take effect on September 1, 2009.

## **Methodology**

Based on information provided by TxDOT and Sunset Advisory Commission staff, it is assumed approximately 617 full-time-equivalent (FTE) positions and \$88.6 million for each fiscal year would be transferred from TxDOT to the new DOV. It is also assumed the new DOV would require four additional FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57 percent of annual salary). It is assumed the travel and support expenses for the nine-member board of the DOV would cost an estimated \$56,952 each year. It is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DOV and would be used to cover any additional transition costs.

Based on information provided by TxDOT and Sunset Advisory Commission staff, it is assumed 5 FTEs and approximately \$15.1 million for each fiscal year related to the ABTPA would be transferred from TxDOT to the office of the Governor for grants and administration.

It is assumed any appropriations transferred from TxDOT and any new appropriations made to the new DMV and the Office of the Governor would be made from the State Highway Fund.

TDLR estimates the population of used automotive parts recyclers to be 1,363. TDLR anticipates 300 complaints annually, of which 100 will be jurisdictional and 27 will lead to risk based inspections. TDLR estimates it will hold 3 administrative hearings annually. Based on information provided by TDLR, it is assumed that an additional 3.0 FTEs: 0.5 legal assistants, 0.5 administrative assistants, and 2.0 additional investigators to assist in conducting periodic and risk based inspections would be





needed each year. This analysis assumes total costs would be \$175,479 in 2010 and \$160,179 each year thereafter. This analysis also includes one-time start-up costs for computers and office equipment. This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee-generated revenue.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 601 Department of Transportation

**LBB Staff:** JOB, KJG, TG



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 23, 2009**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Transportation

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

**IN RE: HB3097** by McClendon (Relating to the creation, organization, duties, and functions of the Texas Department of Motor Vehicles; providing a penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3097, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

The bill would re-appropriate in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Motor Vehicles.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	(\$611,845)	4.0
2011	(\$611,845)	4.0
2012	(\$611,845)	4.0
2013	(\$611,845)	4.0
2014	(\$611,845)	4.0

**Fiscal Analysis**

The bill would create the Texas Department of Motor Vehicles (DMV) and a board of the DMV consisting of seven members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer all powers, duties, obligations, rights of action, personnel, furniture, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority Office of the Texas Department of Transportation (TxDOT) to the DMV. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Carrier Division, Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority Office of TxDOT would be transferred



to the board of the DMV. The bill would require the board of the DMV to hold regular meetings at least once a month. The bill would transfer and re-appropriate to the DMV in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs.

The bill would take effect on September 1, 2009.

### **Methodology**

Based on information provided by TxDOT and the Sunset Advisory Commission, it is assumed that approximately 622 full-time-equivalent (FTE) positions and \$103.7 million would be transferred from TxDOT to the new DOV. It is also assumed the new DOV would require four additional FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57 percent of annual salary). It is assumed the travel and support expenses for the nine-member board of the DOV would cost an estimated \$63,574 each year. Additionally, it is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DOV and would be used to cover any additional transition costs.

It is assumed any appropriations transferred from TxDOT and any new appropriations made to the new DOV would be made from the State Highway Fund.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation, 116 Sunset Advisory Commission, 405 Department of Public Safety

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