

BILL ANALYSIS

H.B. 3298
By: Harper-Brown
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, a motor vehicle dealer who holds a general distinguishing number removes each license plate and the registration insignia from a motor vehicle when it is sold or transferred to the dealer. The part of the registration period remaining at the time of the sale or transfer continues with the vehicle being sold or transferred, so the dealer determines the amount of time left on the current registration of the vehicle and registers the vehicle for that period of time when the vehicle is resold. This often leads to errors in calculating the appropriate time period and leaves the buyer with some fraction of a year for his or her initial registration period.

H.B. 3298 seeks to improve and simplify the process for registering these used vehicles by terminating the registration period remaining on the motor vehicle at the time of sale or transfer to the dealer and requiring the dealer to register the vehicle for an entire one-year registration period when the vehicle is subsequently resold.

RULEMAKING AUTHORITY

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

ANALYSIS

H.B. 3298 amends the Transportation Code to make the motor vehicle registration period remaining at the time of sale or transfer of the motor vehicle to a dealer holding a general distinguishing number expire at the time of sale or transfer. The bill requires a dealer, on the sale of a used motor vehicle by the dealer, to issue to the buyer new registration documents for an entire registration year. The bill makes provisions of law requiring the part of the registration period remaining at the time of the sale or transfer continue with the vehicle being sold or transferred and specifying that the remaining registration period does not transfer with the license plates or registration validation insignia applicable to a sale or transfer of a motor vehicle in which neither party holds a general distinguishing number issued under law.

EFFECTIVE DATE

September 1, 2011.