

BILL ANALYSIS

Senate Research Center

S.B. 1057
By: Wentworth
Transportation & Homeland Security
7/18/2011
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, a motor vehicle dealer who holds a general distinguishing number under Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates), Transportation Code, is required to remove each license plate and registration insignia from a motor vehicle when it is sold or transferred to the dealer; however, the part of the registration period remaining at the time of the sale or transfer continues with the vehicle being sold or transferred.

Given that the registration period remains with the vehicle sold or transferred to the dealer, a motor vehicle dealer is required to determine the amount of time left on the current vehicle registration of the vehicle and register 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 their initial registration period.

S.B. 1057 seeks to improve and simplify the process for registering these used vehicles. The bill terminates the registration period remaining on the motor vehicle at the time of sale or transfer to the dealer and requires the dealer to register the vehicle for an entire registration year when the vehicle is subsequently resold. As a result, the dealer is not required to calculate a registration period and the new owner obtains a full year on the vehicle registration.

S.B. 1057 does not change current law as it applies to private-party transactions in which neither party holds a general distinguishing number issued under Chapter 503.

S.B. 1057 amends current law relating to the transfer of certain vehicle registrations at the time of sale of the vehicle.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.451, Transportation Code, by amending Subsections (a), (a-1), and (c) and adding Subsection (a-2), as follows:

- (a) Provides that the registration period remaining at the time of sale or transfer of a motor vehicle expires at the time of sale or transfer.
- (a-1) Requires the dealer, on the sale of a used motor vehicle by a dealer, to issue to the buyer new registration documents for an entire registration year.
- (a-2) Creates this subsection from existing text of Subsection (a-1). Makes no further changes.
- (c) Requires that the part of the registration period remaining at the time of a sale or transfer, on the sale or transfer of a motor vehicle in which neither party holds a general distinguishing number issued under Chapter 503 (Dealer's and Manufacturer's Vehicle

License Plates), continue with the vehicle being sold or transferred and provides that it does not transfer with the license plates or registration validation insignia.

SECTION 2. Effective date: September 1, 2011.