

1-1 By: Williams S.B. No. 1401  
1-2 (In the Senate - Filed March 9, 2011; March 22, 2011, read  
1-3 first time and referred to Committee on Transportation and Homeland  
1-4 Security; April 13, 2011, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-6 April 13, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1401 By: Williams

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the organization, governance, duties, and functions of  
1-11 the Texas Department of Motor Vehicles.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 2301.002, Occupations Code, is amended  
1-14 by adding Subdivisions (1-a) and (14-a) and amending Subdivisions  
1-15 (11), (16), (23), and (32) to read as follows:

1-16 (1-a) "Ambulance manufacturer" means a person other  
1-17 than the manufacturer of a motor vehicle chassis who, before the  
1-18 retail sale of the motor vehicle, performs modifications on the  
1-19 chassis that result in the finished product being classified as an  
1-20 ambulance.

1-21 (11) "Distributor" means a person, other than a  
1-22 manufacturer, who:

1-23 (A) distributes or sells new motor vehicles to a  
1-24 franchised dealer; or

1-25 (B) enters into franchise agreements with  
1-26 franchised dealers, on behalf of the manufacturer.

1-27 (14-a) "Fire-fighting vehicle manufacturer" means a  
1-28 person other than the manufacturer of a motor vehicle chassis who,  
1-29 before the retail sale of the motor vehicle, performs modifications  
1-30 on the chassis that result in the finished product being classified  
1-31 as a fire-fighting vehicle.

1-32 (16) "Franchised dealer" means a person who:

1-33 (A) holds a franchised motor vehicle dealer's  
1-34 license issued by the board under this chapter and Chapter 503,  
1-35 Transportation Code; and

1-36 (B) is engaged in the business of buying,  
1-37 selling, or exchanging new motor vehicles and servicing or  
1-38 repairing motor vehicles under a manufacturer's warranty at an  
1-39 established and permanent place of business under a franchise in  
1-40 effect with a manufacturer or distributor.

1-41 (23) "Motor vehicle" means:

1-42 (A) a fully self-propelled vehicle having two or  
1-43 more wheels that has as its primary purpose the transport of a  
1-44 person or persons, or property, on a public highway;

1-45 (B) a fully self-propelled vehicle having two or  
1-46 more wheels that:

1-47 (i) has as its primary purpose the  
1-48 transport of a person or persons or property;

1-49 (ii) is not manufactured for use on public  
1-50 streets, roads, or highways; and

1-51 (iii) meets the requirements for [has been  
1-52 issued] a certificate of title;

1-53 (C) an engine, transmission, or rear axle,  
1-54 regardless of whether attached to a vehicle chassis, manufactured  
1-55 for installation in a vehicle that has:

1-56 (i) the transport of a person or persons, or  
1-57 property, on a public highway as its primary purpose; and

1-58 (ii) a gross vehicle weight rating of more  
1-59 than 16,000 pounds; or

1-60 (D) a towable recreational vehicle.

1-61 (32) "Towable recreational vehicle" means a  
1-62 nonmotorized vehicle that:

1-63 (A) was originally designed and manufactured

2-1 primarily to provide temporary human habitation in conjunction with  
2-2 recreational, camping, or seasonal use;

2-3 (B) meets the requirements to be issued a  
2-4 certificate of title and registration by [is titled and registered  
2-5 with] the department as a travel trailer through a county tax  
2-6 assessor-collector;

2-7 (C) is permanently built on a single chassis;  
2-8 (D) contains at least one life support system;

2-9 and  
2-10 (E) is designed to be towable by a motor vehicle.

2-11 SECTION 2. Subsection (a), Section 2301.153, Occupations  
2-12 Code, is amended to read as follows:

2-13 (a) Notwithstanding any other provision of law, the board  
2-14 has all powers necessary, incidental, or convenient to perform a  
2-15 power or duty expressly granted under this chapter, including the  
2-16 power to:

2-17 (1) initiate and conduct proceedings, investigations,  
2-18 or hearings;

2-19 (2) administer oaths;

2-20 (3) receive evidence and pleadings;

2-21 (4) issue subpoenas to compel the attendance of any  
2-22 person;

2-23 (5) order the production of any tangible property,  
2-24 including papers, records, or other documents;

2-25 (6) make findings of fact on all factual issues  
2-26 arising out of a proceeding initiated under this chapter;

2-27 (7) specify and govern appearance, practice, and  
2-28 procedures before the board;

2-29 (8) adopt rules and issue conclusions of law and  
2-30 decisions, including declaratory decisions or orders;

2-31 (9) enter into contracts;

2-32 (10) execute instruments;

2-33 (11) retain counsel;

2-34 (12) use the services of the attorney general and  
2-35 institute and direct the conduct of legal proceedings in any forum;

2-36 (13) obtain other professional services as necessary  
2-37 and convenient;

2-38 (14) impose a sanction for contempt;

2-39 (15) assess and collect fees and costs, including  
2-40 attorney's fees;

2-41 (16) issue, suspend, or revoke licenses;

2-42 (17) prohibit and regulate acts and practices in  
2-43 connection with the distribution and sale of motor vehicles or  
2-44 warranty performance obligations;

2-45 (18) issue cease and desist orders in the nature of  
2-46 temporary or permanent injunctions;

2-47 (19) impose a civil penalty;

2-48 (20) enter an order requiring a person to:

2-49 (A) repurchase property under Section 2301.465  
2-50 and pay costs and expenses of a party in connection with an order  
2-51 entered under that section [Section 2301.465];

2-52 (B) perform an act other than the payment of  
2-53 money; or

2-54 (C) refrain from performing an act; and

2-55 (21) enforce a board order.

2-56 SECTION 3. Section 2301.154, Occupations Code, is amended  
2-57 to read as follows:

2-58 Sec. 2301.154. DELEGATION OF POWERS. (a) The director may  
2-59 delegate any of the director's powers to one or more of the  
2-60 division's employees.

2-61 (b) The board by rule may delegate any power relating to a  
2-62 contested case hearing, other than the power to issue a final order,  
2-63 to:

2-64 (1) one or more of the board's members;

2-65 (2) the executive director;

2-66 (3) the director; or

2-67 (4) one or more of the department's employees.

2-68 (c) The board by rule may delegate the authority to issue a  
2-69 final order in a contested case hearing to:

3-1 (1) one or more of the board's members;  
3-2 (2) the executive director; or  
3-3 (3) the director of a division within the department  
3-4 designated by the board or the executive director to carry out the  
3-5 requirements of this chapter.

3-6 (d) The board by rule may delegate any power relating to a  
3-7 complaint investigation to any person employed by the department.

3-8 SECTION 4. Subsection (b), Section 2301.252, Occupations  
3-9 Code, is amended to read as follows:

3-10 (b) For purposes of this section:

3-11 (1) the make of a conversion[~~, ambulance, or~~  
3-12 ~~fire-fighting vehicle~~] is that of the chassis manufacturer; [~~and~~]

3-13 (2) the make of a motor home is that of the motor home  
3-14 manufacturer;

3-15 (3) the make of an ambulance is that of the ambulance  
3-16 manufacturer; and

3-17 (4) the make of a fire-fighting vehicle is that of the  
3-18 fire-fighting vehicle manufacturer.

3-19 SECTION 5. Subsections (a), (b), and (c), Section 2301.257,  
3-20 Occupations Code, are amended to read as follows:

3-21 (a) An application for a dealer's license must be on a form  
3-22 prescribed by the department [~~board~~]. The application must  
3-23 include:

3-24 (1) the information required by Chapter 503,  
3-25 Transportation Code; and

3-26 (2) information relating to the applicant's financial  
3-27 resources, business integrity, business ability and experience,  
3-28 franchise if applicable, physical facilities, vehicle inventory,  
3-29 and other factors the department [~~board~~] considers necessary to  
3-30 determine the applicant's qualifications to adequately serve the  
3-31 public.

3-32 (b) If a material change occurs in the information included  
3-33 in an application for a dealer's license, the dealer shall notify  
3-34 the department [~~director~~] of the change within a reasonable  
3-35 time. The department [~~director~~] shall prescribe a form for the  
3-36 disclosure of the change.

3-37 (c) A franchised dealer must apply for a separate license  
3-38 under this section for each separate and distinct dealership  
3-39 showroom as determined by the department [~~board~~]. Before changing  
3-40 a location, a dealer must obtain a new license for that location.

3-41 SECTION 6. Section 2301.258, Occupations Code, is amended  
3-42 to read as follows:

3-43 Sec. 2301.258. GENERAL REQUIREMENTS FOR APPLICATION FOR  
3-44 MANUFACTURER'S, DISTRIBUTOR'S, CONVERTER'S, OR REPRESENTATIVE'S  
3-45 LICENSE. An application for a manufacturer's, distributor's,  
3-46 converter's, or representative's license must be on a form  
3-47 prescribed by the department [~~board~~]. The application must include  
3-48 information the department [~~board~~] determines necessary to fully  
3-49 determine the qualifications of an applicant, including financial  
3-50 resources, business integrity and experience, facilities and  
3-51 personnel for serving franchised dealers, and other information the  
3-52 department [~~board~~] determines pertinent to safeguard the public  
3-53 interest and welfare.

3-54 SECTION 7. Subsection (a), Section 2301.261, Occupations  
3-55 Code, is amended to read as follows:

3-56 (a) An application for a vehicle lessor's license must:

3-57 (1) be on a form prescribed by the department [~~board~~];

3-58 (2) contain evidence of compliance with Chapter 503,  
3-59 Transportation Code, if applicable; and

3-60 (3) state other information required by the department  
3-61 [~~board~~].

3-62 SECTION 8. Subsection (a), Section 2301.262, Occupations  
3-63 Code, is amended to read as follows:

3-64 (a) An application for a vehicle lease facilitator license  
3-65 must be on a form prescribed by the department [~~board~~] and contain  
3-66 the information required by the department [~~board~~].

3-67 SECTION 9. Subsections (c) and (d), Section 2301.264,  
3-68 Occupations Code, are amended to read as follows:

3-69 (c) The department [~~board~~] may prorate the fee for a

4-1 representative's license to allow the representative's license and  
4-2 the license of the manufacturer or distributor who employs the  
4-3 representative to expire on the same day.

4-4 (d) The department [~~board~~] may refund from funds  
4-5 appropriated to the department [~~board~~] for that purpose a fee  
4-6 collected under this chapter that is not due or that exceeds the  
4-7 amount due.

4-8 SECTION 10. Subsections (a), (b), (c), and (e), Section  
4-9 2301.301, Occupations Code, are amended to read as follows:

4-10 (a) Licenses issued under this chapter are valid for the  
4-11 period prescribed by the board [~~commission~~].

4-12 (b) The department [~~director~~] may issue a license for a term  
4-13 of less than the period prescribed under Subsection (a) to  
4-14 coordinate the expiration dates of licenses held by a person that is  
4-15 required to obtain more than one license to perform activities  
4-16 under this chapter.

4-17 (c) The board [~~commission~~] by rule may implement a system  
4-18 under which licenses expire on various dates during the year. For  
4-19 a year in which a license expiration date is changed [~~If a license~~  
4-20 ~~is issued or renewed for a term that is less than the period set~~  
4-21 ~~under Subsection (a)~~], the fee for the license shall be prorated so  
4-22 that the license holder pays only that portion of the fee that is  
4-23 allocable to the number of months during which the license is  
4-24 valid. On renewal of the license on the new expiration date, the  
4-25 entire license renewal fee is payable.

4-26 (e) If the department [~~commission~~] prescribes the term of a  
4-27 license under this chapter for a period other than one year, the  
4-28 department [~~commission~~] shall prorate the applicable annual fee  
4-29 required under this chapter as necessary to reflect the term of the  
4-30 license.

4-31 SECTION 11. Section 2301.302, Occupations Code, is amended  
4-32 to read as follows:

4-33 Sec. 2301.302. NOTICE OF LICENSE EXPIRATION. The  
4-34 department [~~board~~] shall notify each person licensed under this  
4-35 chapter of the date of license expiration and the amount of the fee  
4-36 required for license renewal. The notice shall be sent [~~mailed~~] at  
4-37 least 30 days before the date of license expiration.

4-38 SECTION 12. Section 2301.351, Occupations Code, is amended  
4-39 to read as follows:

4-40 Sec. 2301.351. GENERAL PROHIBITION. A dealer may not:

- 4-41 (1) violate a board rule;
- 4-42 (2) aid or abet a person who violates this chapter,  
4-43 Chapter 503, Transportation Code, or a rule adopted under those  
4-44 chapters; or
- 4-45 (3) use false, deceptive, or misleading advertising  
4-46 relating to the sale or lease of motor vehicles.

4-47 SECTION 13. Subsections (a) and (c), Section 2301.358,  
4-48 Occupations Code, are amended to read as follows:

4-49 (a) A person who holds a license issued under this chapter  
4-50 may not participate in a new motor vehicle show or exhibition  
4-51 unless:

- 4-52 (1) the person provides the department [~~board~~] with  
4-53 written notice at least 30 days before the date the show or  
4-54 exhibition opens; and
- 4-55 (2) the department [~~board~~] grants written approval.

4-56 (c) This section does not prohibit the sale of a towable  
4-57 recreational vehicle, motor home, ambulance, fire-fighting  
4-58 vehicle, or tow truck at a show or exhibition if:

- 4-59 (1) the show or exhibition is approved by the  
4-60 department [~~board~~]; and
- 4-61 (2) the sale is not otherwise prohibited by law.

4-62 SECTION 14. Subsection (a), Section 2301.401, Occupations  
4-63 Code, is amended to read as follows:

4-64 (a) A manufacturer or distributor shall file with the  
4-65 department [~~board~~] a copy of the current requirements the  
4-66 manufacturer or distributor imposes on its dealers with respect to  
4-67 the dealer's:

- 4-68 (1) duties under the manufacturer's or distributor's  
4-69 warranty; and

5-1 (2) vehicle preparation and delivery obligations.  
5-2 SECTION 15. Subsection (a), Section 2301.454, Occupations  
5-3 Code, is amended to read as follows:

5-4 (a) Notwithstanding the terms of any franchise, a  
5-5 manufacturer, distributor, or representative may not modify or  
5-6 replace a franchise if the modification or replacement would  
5-7 adversely affect to a substantial degree the dealer's sales,  
5-8 investment, or obligations to provide service to the public,  
5-9 unless:

5-10 (1) the manufacturer, distributor, or representative  
5-11 provides written notice by registered or certified mail to each  
5-12 affected dealer and the department [~~board~~] of the modification or  
5-13 replacement; and

5-14 (2) if a protest is filed under this section, the board  
5-15 approves the modification or replacement.

5-16 SECTION 16. Subsection (c), Section 2301.476, Occupations  
5-17 Code, is amended to read as follows:

5-18 (c) Except as provided by this section, a manufacturer or  
5-19 distributor may not directly or indirectly:

5-20 (1) own an interest in a franchised or nonfranchised  
5-21 dealer or dealership;

5-22 (2) operate or control a franchised or nonfranchised  
5-23 dealer or dealership; or

5-24 (3) act in the capacity of a franchised or  
5-25 nonfranchised dealer.

5-26 SECTION 17. Subdivision (2), Section 2301.601, Occupations  
5-27 Code, is amended to read as follows:

5-28 (2) "Owner" means a person who is entitled to enforce a  
5-29 manufacturer's warranty with respect to a motor vehicle, and who:

5-30 (A) purchased the [a] motor vehicle at retail  
5-31 from a license holder [and is entitled to enforce a manufacturer's  
5-32 warranty with respect to the vehicle];

5-33 (B) is a lessor or lessee, other than a  
5-34 sublessee, who purchased or leased the vehicle from a license  
5-35 holder; [or]

5-36 (C) is a resident of this state and has  
5-37 registered the vehicle in this state;

5-38 (D) purchased or leased the vehicle at retail and  
5-39 is an active duty member of the United States armed forces stationed  
5-40 in this state at the time a proceeding is commenced under this  
5-41 subchapter; or

5-42 (E) is:  
5-43 (i) the transferee or assignee of a person  
5-44 described by Paragraphs (A)-(D); [Paragraph (A) or (B),]  
5-45 (ii) a resident of this state; [r] and  
5-46 (iii) the person who registered the vehicle  
5-47 in this state [entitled to enforce the manufacturer's warranty].

5-48 SECTION 18. Subsections (a) and (c), Section 2301.611,  
5-49 Occupations Code, are amended to read as follows:

5-50 (a) The department [~~board~~] shall publish an annual report on  
5-51 the motor vehicles ordered repurchased or replaced under this  
5-52 subchapter.

5-53 (c) The department [~~board~~] shall make the report available  
5-54 to the public and may charge a reasonable fee to cover the cost of  
5-55 the report.

5-56 SECTION 19. Subsection (a), Section 2301.613, Occupations  
5-57 Code, is amended to read as follows:

5-58 (a) The department [~~board~~] shall prepare, publish, and  
5-59 distribute information concerning an owner's rights under this  
5-60 subchapter. The retail seller of a new motor vehicle shall  
5-61 conspicuously post a copy of the information in the area where its  
5-62 customers usually pay for repairs.

5-63 SECTION 20. Section 2301.711, Occupations Code, is amended  
5-64 and to read as follows:

5-65 Sec. 2301.711. ORDERS AND DECISIONS. [~~a~~] An order or  
5-66 decision of the board must:

5-67 (1) include a separate finding of fact with respect to  
5-68 each specific issue the board is required by law to consider in  
5-69 reaching a decision;

6-1 (2) set forth additional findings of fact and  
6-2 conclusions of law on which the order or decision is based; ~~and~~  
6-3 (3) give the reasons for the particular actions taken;

6-4 (4) ~~[-~~  
6-5 ~~[(b) Except as provided by Subchapter M, the order or~~  
6-6 ~~decision must:~~

6-7 ~~[(1)]~~ be signed by the presiding officer or assistant  
6-8 presiding officer for the board;

6-9 (5) ~~[(2)]~~ be attested to by the director; and

6-10 (6) ~~[(3)]~~ have the seal affixed to it.

6-11 SECTION 21. Subsection (c), Section 2301.803, Occupations  
6-12 Code, is amended to read as follows:

6-13 (c) A person affected by a statutory stay imposed by this  
6-14 chapter may request a hearing ~~[initiate a proceeding before the~~  
6-15 ~~board]~~ to modify, vacate, or clarify the extent and application of  
6-16 the statutory stay.

6-17 SECTION 22. Section 503.011, Transportation Code, is  
6-18 amended to read as follows:

6-19 Sec. 503.011. PRORATING FEES. If the board ~~[commission]~~  
6-20 prescribes the term of a general distinguishing number, license, or  
6-21 license plate under this chapter for a period other than one year,  
6-22 the board ~~[commission]~~ shall prorate the applicable annual fee  
6-23 required under this chapter as necessary to reflect the term of the  
6-24 number, license, or license plate.

6-25 SECTION 23. Subsection (a), Section 503.027,  
6-26 Transportation Code, is amended to read as follows:

6-27 (a) If a dealer ~~[person]~~ consigns for sale more than five  
6-28 vehicles in a calendar year from a location other than the location  
6-29 for which the dealer ~~[person]~~ holds a ~~[wholesale motor vehicle~~  
6-30 ~~auction general distinguishing number or a dealer]~~ general  
6-31 distinguishing number, the dealer ~~must also hold [location to which~~  
6-32 ~~the person consigns the vehicles must have]~~ a general  
6-33 distinguishing number for the consignment ~~[that]~~ location unless  
6-34 the consignment location is a wholesale motor vehicle auction.

6-35 SECTION 24. Subsection (g), Section 503.033,  
6-36 Transportation Code, is amended to read as follows:

6-37 (g) This section does not apply to a person licensed as a  
6-38 franchised motor vehicle dealer by the department ~~[department's~~  
6-39 ~~Motor Vehicle Board]~~.

6-40 SECTION 25. Section 503.039, Transportation Code, is  
6-41 amended to read as follows:

6-42 Sec. 503.039. PUBLIC MOTOR VEHICLE AUCTIONS. (a) A motor  
6-43 vehicle may not be the subject of a subsequent sale at a public ~~[an]~~  
6-44 auction by a holder of a dealer's general distinguishing number  
6-45 unless ~~+~~

6-46 ~~[(1)]~~ equitable or legal title has passed ~~[passes]~~ to  
6-47 the selling dealer ~~[holder of a dealer's general distinguishing~~  
6-48 ~~number]~~ before the ~~[a]~~ transfer of title to the subsequent buyer.

6-49 (b) The ~~[, and~~  
6-50 ~~[(2) the]~~ holder of a dealer's general distinguishing  
6-51 number who sells a motor vehicle at a public auction must transfer  
6-52 ~~[transfers]~~ the certificate of title for that vehicle to the buyer  
6-53 before the 21st day after the date of the sale.

6-54 SECTION 26. Section 1001.001, Transportation Code, is  
6-55 amended by adding Subdivision (3) to read as follows:

6-56 (3) "Executive director" means the executive director  
6-57 of the department.

6-58 SECTION 27. Section 1001.004, Transportation Code, is  
6-59 amended to read as follows:

6-60 Sec. 1001.004. DIVISIONS. The executive director ~~[board]~~  
6-61 shall organize the department into divisions to accomplish the  
6-62 department's functions and the duties assigned to the department  
6-63 ~~[it, including divisions for:~~

6-64 ~~[(1) administration,~~

6-65 ~~[(2) motor carriers,~~

6-66 ~~[(3) motor vehicle board, and~~

6-67 ~~[(4) vehicle titles and registration].~~

6-68 SECTION 28. Subchapter A, Chapter 1001, Transportation  
6-69 Code, is amended by adding Sections 1001.007, 1001.008, 1001.009,

7-1 1001.010, and 1001.011 to read as follows:

7-2 Sec. 1001.007. PROTECTION AND USE OF INTELLECTUAL PROPERTY  
 7-3 AND PUBLICATIONS. (a) The department may:

7-4 (1) apply for, register, secure, hold, and protect  
 7-5 under the laws of the United States, any state, or any nation a  
 7-6 patent, copyright, mark, or other evidence of protection or  
 7-7 exclusivity issued in or for an idea, publication, or other  
 7-8 original innovation fixed in a tangible medium, including:

7-9 (A) a literary work;

7-10 (B) a logo;

7-11 (C) a service mark;

7-12 (D) a study;

7-13 (E) a map or planning document;

7-14 (F) a graphic design;

7-15 (G) a manual;

7-16 (H) automated systems software;

7-17 (I) an audiovisual work; or

7-18 (J) a sound recording;

7-19 (2) enter into an exclusive or nonexclusive license  
 7-20 agreement with a third party for the receipt of a fee, royalty, or  
 7-21 other thing of monetary or nonmonetary value for the benefit of the  
 7-22 department;

7-23 (3) waive or reduce the amount of a fee, royalty, or  
 7-24 other thing of monetary or nonmonetary value to be assessed if the  
 7-25 department determines that the waiver will:

7-26 (A) further the goals and missions of the  
 7-27 department; and

7-28 (B) result in a net benefit to the state; and

7-29 (4) adopt and enforce rules necessary to implement  
 7-30 this section.

7-31 (b) Money collected by the department under this section  
 7-32 shall be deposited to the credit of the state highway fund for use  
 7-33 by the department in supporting the department's operations and the  
 7-34 administration of the department's functions.

7-35 Sec. 1001.008. DONATIONS AND CONTRIBUTIONS. (a) Except as  
 7-36 provided by Subsection (b), for the purpose of carrying out its  
 7-37 functions and duties, the board may accept a donation or  
 7-38 contribution in any form, including real or personal property,  
 7-39 money, materials, or services.

7-40 (b) The board may not accept a donation or contribution from  
 7-41 an entity or association of entities that it regulates.

7-42 (c) The board by rule may delegate acceptance of donations  
 7-43 or contributions under \$500, or not otherwise required to be  
 7-44 acknowledged in an open meeting, to the executive director.

7-45 Sec. 1001.009. COLLECTION OF FEES FOR DEPARTMENT GOODS AND  
 7-46 SERVICES. (a) The board may adopt rules regarding the method of  
 7-47 collection of a fee for any goods sold or services provided by the  
 7-48 department or for the administration of any department program.

7-49 (b) Goods sold and services provided under Subsection (a)  
 7-50 include department publications and the issuance of licenses,  
 7-51 permits, and registrations.

7-52 (c) The rules adopted under Subsection (a) may:

7-53 (1) authorize the use of electronic funds transfer or  
 7-54 a valid debit or credit card issued by a financial institution  
 7-55 chartered by a state, the United States, or a nationally recognized  
 7-56 credit organization approved by the department; and

7-57 (2) require the payment of a discount or service  
 7-58 charge for a credit card payment in addition to the fee.

7-59 (d) Revenue generated from the collection of discount or  
 7-60 service charges under Subsection (c) shall be deposited to the  
 7-61 credit of the state highway fund for use by the department in  
 7-62 supporting the department's operations and the administration of  
 7-63 the department's functions.

7-64 Sec. 1001.010. AUTHORITY TO CONTRACT. (a) The department  
 7-65 may enter into an interlocal contract with one or more local  
 7-66 governments in accordance with Chapter 791, Government Code.

7-67 (b) The board by rule shall adopt policies and procedures  
 7-68 consistent with applicable state procurement practices for  
 7-69 soliciting and awarding a contract under this section.

8-1 Sec. 1001.011. EDUCATIONAL CAMPAIGNS AND TRAINING. The  
 8-2 department may conduct public service educational campaigns  
 8-3 related to its functions.

8-4 SECTION 29. Subchapter B, Chapter 1001, Transportation  
 8-5 Code, is amended by adding Section 1001.0221 to read as follows:

8-6 Sec. 1001.0221. BOARD; DUTIES. (a) The board shall  
 8-7 oversee and coordinate the development of the department and shall  
 8-8 ensure that all components of the motor vehicle industry function  
 8-9 as a system.

8-10 (b) The board shall carry out its policy-making functions in  
 8-11 a manner that protects the interests of the public and industry,  
 8-12 maintains a safe and sound motor vehicle industry, and increases  
 8-13 the economic prosperity of the state.

8-14 SECTION 30. Section 1001.023, Transportation Code, is  
 8-15 amended to read as follows:

8-16 Sec. 1001.023. CHAIR AND VICE CHAIR; DUTIES. (a) The  
 8-17 governor shall appoint one of the board's members chair of the  
 8-18 board. The chair serves at the pleasure of the governor. The board  
 8-19 shall elect one of its members vice chair of the board. The [A  
 8-20 chair or] vice chair serves at the pleasure of the board.

8-21 (b) The chair shall:

8-22 (1) preside over board meetings, make rulings on  
 8-23 motions and points of order, and determine the order of business;

8-24 (2) represent the department in dealing with the  
 8-25 governor;

8-26 (3) report to the governor on the state of affairs of  
 8-27 the department at least quarterly;

8-28 (4) report to the board the governor's suggestions for  
 8-29 department operations;

8-30 (5) report to the governor on efforts, including  
 8-31 legislative requirements, to maximize the efficiency of department  
 8-32 operations through the use of private enterprise;

8-33 (6) periodically review the department's  
 8-34 organizational structure and submit recommendations for structural  
 8-35 changes to the governor, the board, and the Legislative Budget  
 8-36 Board;

8-37 (7) designate one or more employees of the department  
 8-38 as a civil rights division of the department and receive regular  
 8-39 reports from the division on the department's efforts to comply  
 8-40 with civil rights legislation and administrative rules;

8-41 (8) create subcommittees, appoint board members to  
 8-42 subcommittees, and receive the reports of subcommittees to the  
 8-43 board as a whole;

8-44 (9) appoint a member of the board to act in the  
 8-45 [~~chair's~~] absence of the chair and vice chair; and

8-46 (10) serve as the departmental liaison with the  
 8-47 governor and the Office of State-Federal Relations to maximize  
 8-48 federal funding for transportation.

8-49 SECTION 31. Section 1001.031, Transportation Code, is  
 8-50 amended by amending Subsection (a) and adding Subsections (a-1) and  
 8-51 (f) to read as follows:

8-52 (a) The board may [~~shall~~] establish [~~separate~~] advisory  
 8-53 committees [~~for the motor carrier, motor vehicles, and vehicle~~  
 8-54 ~~titles and registration divisions] to make recommendations to the  
 8-55 board or the executive director [~~on the operation of the applicable~~  
 8-56 ~~division]. A committee has the purposes, powers, and duties,  
 8-57 including the manner of reporting its work, prescribed by the  
 8-58 board. A committee and each committee member serves at the will of  
 8-59 the board.~~~~

8-60 (a-1) Section 2110.002, Government Code, does not apply to  
 8-61 an advisory committee established under this section.

8-62 (f) The meetings of an advisory committee shall be made  
 8-63 accessible to the public in person or through electronic means.

8-64 SECTION 32. Subchapter C, Chapter 1001, Transportation  
 8-65 Code, is amended by adding Section 1001.0411 to read as follows:

8-66 Sec. 1001.0411. EXECUTIVE DIRECTOR; DUTIES. (a) The board  
 8-67 shall appoint an executive director to serve at the pleasure of the  
 8-68 board. The executive director shall perform all duties assigned by  
 8-69 the board.



9-1 (b) The executive director may delegate duties or  
9-2 responsibilities as the executive director considers appropriate,  
9-3 provided the delegation does not conflict with applicable law or a  
9-4 resolution of the board.

9-5 SECTION 33. Chapter 1001, Transportation Code, is amended  
9-6 by adding Subchapter D to read as follows:

9-7 SUBCHAPTER D. ELECTRONIC ISSUANCE OF LICENSES

9-8 Sec. 1001.101. DEFINITIONS. In this subchapter:

9-9 (1) "Digital signature" means an electronic  
9-10 identifier intended by the person using it to have the same force  
9-11 and effect as the use of a manual signature.

9-12 (2) "License" includes:

9-13 (A) a motor carrier registration issued under  
9-14 Chapter 643;

9-15 (B) a motor vehicle dealer, salvage dealer,  
9-16 manufacturer, distributor, representative, converter, or agent  
9-17 license issued by the department;

9-18 (C) specially designated or specialized license  
9-19 plates issued under Chapter 504; and

9-20 (D) an apportioned registration issued according  
9-21 to the International Registration Plan under Section 502.054.

9-22 Sec. 1001.102. APPLICATION FOR AND ISSUANCE OF LICENSE.  
9-23 The board by rule may provide for the filing of a license  
9-24 application and the issuance of a license by electronic means.

9-25 Sec. 1001.103. DIGITAL SIGNATURE. (a) A license  
9-26 application received by the department is considered signed if a  
9-27 digital signature is transmitted with the application and intended  
9-28 by the applicant to authenticate the license in accordance with  
9-29 Subsection (b).

9-30 (b) The department may only accept a digital signature used  
9-31 to authenticate a license application under procedures that:

9-32 (1) comply with any applicable rules of another state  
9-33 agency having jurisdiction over department use or acceptance of a  
9-34 digital signature; and

9-35 (2) provide for consideration of factors that may  
9-36 affect a digital signature's reliability, including whether a  
9-37 digital signature is:

9-38 (A) unique to the person using it;

9-39 (B) capable of independent verification;

9-40 (C) under the sole control of the person using  
9-41 it; and

9-42 (D) transmitted in a manner that makes it  
9-43 infeasible to change the data in the communication or digital  
9-44 signature without invalidating the digital signature.

9-45 SECTION 34. Chapter 1003, Transportation Code, is amended  
9-46 by adding Section 1003.005 to read as follows:

9-47 Sec. 1003.005. DELEGATION OF POWER. (a) The board by rule  
9-48 may delegate any power relating to a contested case hearing, other  
9-49 than the power to issue a final order, to:

9-50 (1) one or more of the board's members;

9-51 (2) the executive director;

9-52 (3) the director of a division of the department; or

9-53 (4) one or more of the department's employees.

9-54 (b) The board by rule may delegate the authority to issue a  
9-55 final order in a contested case hearing to:

9-56 (1) one or more of the board's members;

9-57 (2) the executive director; or

9-58 (3) the director of a division within the department  
9-59 designated by the board or the executive director to carry out the  
9-60 requirements of this chapter.

9-61 (c) The board by rule may delegate any power relating to a  
9-62 complaint investigation to any person employed by the department.

9-63 SECTION 35. Subsection (b), Section 264.502, Family Code,  
9-64 is amended to read as follows:

9-65 (b) The members of the committee who serve under Subsections  
9-66 (a)(1) through (3) shall select the following additional committee  
9-67 members:

9-68 (1) a criminal prosecutor involved in prosecuting  
9-69 crimes against children;

- 10-1 (2) a sheriff;
- 10-2 (3) a justice of the peace;
- 10-3 (4) a medical examiner;
- 10-4 (5) a police chief;
- 10-5 (6) a pediatrician experienced in diagnosing and
- 10-6 treating child abuse and neglect;
- 10-7 (7) a child educator;
- 10-8 (8) a child mental health provider;
- 10-9 (9) a public health professional;
- 10-10 (10) a child protective services specialist;
- 10-11 (11) a sudden infant death syndrome family service
- 10-12 provider;
- 10-13 (12) a neonatologist;
- 10-14 (13) a child advocate;
- 10-15 (14) a chief juvenile probation officer;
- 10-16 (15) a child abuse prevention specialist;
- 10-17 (16) a representative of the Department of Public
- 10-18 Safety; and
- 10-19 (17) a representative of the Texas Department of
- 10-20 Transportation [Motor Vehicles].

10-21 SECTION 36. Section 2110.002, Government Code, is amended  
 10-22 by adding Subsection (c) to read as follows:

10-23 (c) This section does not apply to an advisory committee  
 10-24 established by the Texas Department of Motor Vehicles.

10-25 SECTION 37. (a) The following provisions are repealed:

- 10-26 (1) Section 2054.270, Government Code;
- 10-27 (2) Sections 2301.105, 2301.106, and 2301.206,
- 10-28 Occupations Code; and
- 10-29 (3) Subsection (c), Section 503.033, Subsections (c)
- 10-30 and (d), Section 1001.031, and Section 1004.003, Transportation
- 10-31 Code.

10-32 (b) Subsection (c), Section 6.03, Chapter 933 (H.B. 3097),  
 10-33 Acts of the 81st Legislature, Regular Session, 2009, is repealed.

10-34 SECTION 38. This Act takes effect September 1, 2011.

10-35 \* \* \* \* \*